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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
YUMA REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 2400 S AVENUE A

Room/suite

City or town, state or country, and ZIP + 4
YUMA, AZ 85364

D Employer identification number
86-6007596

E Telephone number
(928) 336-7000

G Gross receipts $ 405,142,353

F Name and address of principal officer
PATRICK T WALZ
2400 S AVENUE A
YUMA, AZ 85364

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 YUMAREGIONAL ORG

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

L Year of formation 1967

M State of legal domicile AZ

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SEE SCHEDULE O THE MISSION OF YUMA REGIONAL MEDICAL CENTER IS TO IMPROVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, FAMILIES AND THE COMMUNITY WE SERVE THROUGH EXCELLENCE, INNOVATION AND PRUDENT USE OF RESOURCES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	2,387
6	Total number of volunteers (estimate if necessary)	**6**	515
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	12,158
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	11,158

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	462,906	92,884
9	Program service revenue (Part VIII, line 2g)	311,221,593	328,129,882
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,024,867	8,560,825
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,323,098	299,222
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	319,032,464	337,082,813

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	115,452	417,874
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	141,259,225	145,358,374
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,472,561		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	148,539,666	156,792,917
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	289,914,343	302,569,165
19	Revenue less expenses Subtract line 18 from line 12	29,118,121	34,513,648

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	491,350,670	522,802,930
21	Total liabilities (Part X, line 26)	216,364,460	243,723,587
22	Net assets or fund balances Subtract line 21 from line 20	274,986,210	279,079,343

Part II Signature Block

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

Sign Here

****** 2012-08-14
Signature of officer Date

PATRICK T WALZ CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name TRACY S PAGLIA	Preparer's signature TRACY S PAGLIA	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ MOSS ADAMS LLP				Firm's EIN ▶
Firm's address ▶ 3121 WEST MARCH LANE SUITE 100 STOCKTON, CA 952192303				Phone no ▶ (209) 955-6100

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF YUMA REGIONAL MEDICAL CENTER IS TO IMPROVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, FAMILIES AND THE COMMUNITY WE SERVE THROUGH EXCELLENCE, INNOVATION AND PRUDENT USE OF RESOURCES

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 $ 272,122,389 including grants of $ 417,874) (Revenue $ 327,618,353)

SEE SCHEDULE O

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

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

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 272,122,389

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	257		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,387		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

TONY STRUCK
2400 S AVENUE A
YUMA, AZ 85364
(928) 336-7000

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,717,903	0	1,102,986

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 ▶ 122

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SOUTHWEST AZ HEART & VASCULAR CENTER LL 2400 SOUTH AVENUE A YUMA, AZ 85364	CATH LAB SERVICES	14,381,604
HOSPITALIST OF YUMA PLLC 2400 SOUTH AVENUE A YUMA, AZ 85364	HOSPITALIST COVERAGE	2,551,604
SOUTHWESTERN CRITICAL CARE MEDICINE PLL PO BOX 6935 YUMA, AZ 85364	INTENSIVIST COVERAGE	2,174,303
YUMA CARDIAC SURGERY PLC 1501 W 24TH STREET 20 YUMA, AZ 85366	HEART SURGEON SERVICES	1,733,333
SW REHABILITATION ASSOC LTD 2281 W 24TH STREET 10 YUMA, AZ 85364	REHABILIATION SERVICES	1,701,885
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 ▶ 46		

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d	21,972				
	e Government grants (contributions) 1e	22,700				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	48,212				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		92,884			
Program Service Revenue		Business Code				
	2a PATIENT SERVICES	621110	321,551,492	321,551,492		
	b INC FROM AFFILIATES	900099	3,033,012	3,033,012		
	c GIFT SHOP/SNACK BAR	453220	754,926	243,397		511,529
	d CONTRACT REVENUE	624100	713,494	713,494		
	e HEALTH EDUCATION	611710	43,433	43,433		
	f All other program service revenue		2,033,525	2,033,525		
	g **Total.** Add lines 2a–2f . . . . . ▶		328,129,882			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		4,704,205			4,704,205
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	888,607				
	b Less rental expenses	589,385				
	c Rental income or (loss)	299,222				
	d Net rental income or (loss) . . . . . ▶		299,222		12,158	287,064
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	71,256,022	70,753			
	b Less cost or other basis and sales expenses	67,293,322	176,833			
	c Gain or (loss)	3,962,700	-106,080			
	d Net gain or (loss) . . . . . ▶		3,856,620			3,856,620
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a _____					
	b _____					
	c _____					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		337,082,813	327,618,353	12,158	9,359,418

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	417,874	417,874		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	4,179,109		4,179,109	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	362,485	100,685	261,800	
7	Other salaries and wages	106,838,809	98,466,746	7,867,950	504,113
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	12,259,429	10,858,083	1,343,789	57,557
9	Other employee benefits	14,246,142	14,175,037	35,967	35,138
10	Payroll taxes	7,472,400	6,673,617	764,039	34,744
a	Fees for services (non-employees) Management	1,424,710	1,424,710		
b	Legal	429,943	214,946	214,997	
c	Accounting	312,314	40,981	261,458	9,875
d	Lobbying	33,170	33,170		
e	Professional fundraising services *See Part IV, line 17*				
f	Investment management fees	1,093,328		1,093,328	
g	Other	17,235,733	14,465,995	2,769,738	
12	Advertising and promotion	547,289	307,312	239,977	
13	Office expenses	5,027,666	4,002,534	283,514	741,618
14	Information technology	3,264,153	3,264,153		
15	Royalties				
16	Occupancy	2,224,405	1,665,175	559,230	
17	Travel	526,375	490,648	35,727	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	711,201	238,379	464,943	7,879
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	14,019,599	14,019,599		
23	Insurance	4,868,213	4,868,213		
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	43,783,995	43,782,743	1,252	
b	BAD DEBT	26,956,931	26,956,931		
c	PURCHASE SERVICES	23,988,309	20,425,710	3,501,076	61,523
d	EQUIPMENT RENTAL	5,825,615	4,747,632	1,062,359	15,624
e	DUES	397,957	199,142	194,325	4,490
f	All other expenses	4,122,011	282,374	3,839,637	
25	**Total functional expenses.** Add lines 1 through 24f	302,569,165	272,122,389	28,974,215	1,472,561
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		54,629,913	1	63,819,604
	2	Savings and temporary cash investments		84,061,480	2	84,144,581
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		40,636,800	4	38,163,731
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net		6,980,966	7	5,254,024
	8	Inventories for sale or use		4,402,205	8	4,431,550
	9	Prepaid expenses and deferred charges		3,364,958	9	4,624,103
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 338,612,080			
	b	Less accumulated depreciation	10b 169,580,417	149,960,484	10c	169,031,663
	11	Investments—publicly traded securities		129,620,096	11	130,382,231
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		10,590,885	13	14,200,810
	14	Intangible assets		5,095,958	14	5,095,958
	15	Other assets See Part IV, line 11		2,006,925	15	3,654,675
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		491,350,670	16	522,802,930
Liabilities	17	Accounts payable and accrued expenses		21,230,437	17	21,447,142
	18	Grants payable			18	
	19	Deferred revenue		470,000	19	470,000
	20	Tax-exempt bond liabilities		109,357,153	20	108,112,485
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		47,868	24	308,005
	25	Other liabilities Complete Part X of Schedule D		85,259,002	25	113,385,955
	26	**Total liabilities.** Add lines 17 through 25		216,364,460	26	243,723,587
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		274,918,650	27	277,153,231
	28	Temporarily restricted net assets		12,637	28	1,380,847
	29	Permanently restricted net assets		54,923	29	545,265
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		274,986,210	33	279,079,343
	34	Total liabilities and net assets/fund balances		491,350,670	34	522,802,930

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	337,082,813
2	Total expenses (must equal Part IX, column (A), line 25)	2	302,569,165
3	Revenue less expenses Subtract line 2 from line 1	3	34,513,648
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	274,986,210
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-30,420,515
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	279,079,343

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

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

Section B. Total Support

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

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
YUMA REGIONAL MEDICAL CENTER	86-6007596

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		33,170
j	Total lines 1c through 1i			33,170
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	YUMA REGIONAL MEDICAL CENTER (YRMC) IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND ARIZONA HOSPITAL ASSOCIATION (AZHHA) YRMC PAID A TOTAL OF $134,839 TO AHA FOR MEMBERSHIP DURING FY 9/30/11 OF THE AMOUNT REPORTED, 24 6% OR $33,170 OF DUES WERE EXPENDED BY AHA FOR SPECIFIC LOBBYING PURPOSES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,281,910		10,281,910
b Buildings		198,467,155	72,364,945	126,102,210
c Leasehold improvements		11,699,180	7,901,222	3,797,958
d Equipment		118,163,835	89,314,250	28,849,585
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				169,031,663

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
THIRD PARTY SETTLEMENTS	1,536,656
INTEREST RATE SWAPS AND CAP	19,760,561
OTHER LIABILITIES	15,748,451
MINIMUM PENSION LIABILITY	76,340,287
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	113,385,955

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE MEDICAL CENTER HAS NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2011 AND 2010, AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT HAVE NOT BEEN REFLECTED IN THE COMBINED FINANCIAL STATEMENTS

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other ____ %			
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☑ 350% ☐ 400% ☐ Other ____ %			
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)	1	3,804	7,491,527		7,491,527	2 720 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			58,656,226	45,316,431	13,339,795	4 840 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	1	3,804	66,147,753	45,316,431	20,831,322	7 560 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	23	131,591	1,710,785	119,793	1,590,992	0 580 %
f Health professions education (from Worksheet 5)			410,841		410,841	0 150 %
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	23	131,591	2,121,626	119,793	2,001,833	0 730 %
k **Total.** Add lines 7d and 7j	24	135,395	68,269,379	45,436,224	22,833,155	8 290 %

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	1		4,985		4,985	0 %
3	Community support	3	30	4,999		4,999	0 %
4	Environmental improvements	1		1,387		1,387	0 %
5	Leadership development and training for community members						
6	Coalition building	3	150	22,689		22,689	0 010 %
7	Community health improvement advocacy	5	250	6,017		6,017	0 %
8	Workforce development	3		4,735		4,735	0 %
9	Other						
10	**Total**	16	430	44,812		44,812	0 010 %

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?			Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	5,486,171		
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	90,138		
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	108,465,943
6	Enter Medicare allowable costs of care relating to payments on line 5	6	135,182,566
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-26,716,623
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 4

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	YUMA REGIONAL MEDICAL CENTER 2400 S AVENUE A YUMA,AZ 85364	X	X					X		
2	YUMA REGIONAL MEDICAL CENTER - FOOTHILLS 11142 S SCOTTSDALE DRIVE YUMA,AZ 85367		X							
3	YUMA REGIONAL OUTPATIENT SURG CENTER 2261 SOUTH AVENUE B YUMA,AZ 85364		X							
4	YUMA REGIONAL MEDICAL PLAZA 1501 WEST 24TH STREET YUMA,AZ 85364									OP SURGERY, IMAGING, CARDIAC REHAB, WOUND CARE, BARIATRIC

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 26956931

Identifier	ReturnReference	Explanation
	SCHEDULE H, PART 1, LINE 7	YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT COST-TO-CHARGE RATIOS WERE NOT USED TO DETERMINE AMOUNTS REPORTED IN THE TABLE THE "OTHER BENEFIT" SECTION IS ACTUAL EXPENSE NOT ALLOCATED BY THE COST ACCOUNTING SYSTEM

Identifier	ReturnReference	Explanation
		PART III, LINE 4 YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT ALLOCATED COSTS FOR BAD DEBT ACCOUNTS TOTALED $5,486,171 ACCOUNTS ELIGIBLE FOR CHARITY CARE WERE IDENTIFIED BY CROSS REFERENCING TO PREVIOUS FINANCIAL ASSISTANCE WITH ALLOCATED COSTS TOTALING $90,138 THE MEDICAL CENTER HAS AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE MEDICAL CENTER AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER DIEM PAYMENTS NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS BEFORE ESTIMATES FOR BAD DEBTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED ACCOUNTS RECEIVABLE CONSIST PRINCIPALLY OF AMOUNTS DUE FROM PATIENT SERVICES RENDERED THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED ON MANAGEMENT'S ASSESSMENT OF EXPECTED NET COLLECTIONS OF ACCOUNTS RECEIVABLE, CONSIDERING ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE BASED ON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THESE REVIEWS ARE USED TO MAKE MODIFICATIONS TO THE ALLOWANCE AS APPROPRIATE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE AND REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED, ACCOUNTS RECEIVABLE ARE WRITTEN OFF AND DEDUCTED FROM THE ALLOWANCE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT ALLOCATED COSTS FOR MEDICARE ACCOUNTS TOTALED $135,182,566

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PATIENTS MAY BE ELIGIBLE FOR FULL FINANCIAL ASSISTANCE OR PARTIAL ASSISTANCE IF PARTIAL, THE REMAINING BALANCE ON THE ACCOUNT WILL BE SUBJECT TO YRMC'S NORMAL COLLECTION PROCESS AND PAYMENT ARRANGEMENTS WILL BE MADE THE BALANCE WILL BE TURNED OVER TO A COLLECTION AGENCY IF ANY OF THE FOLLOWING EVENTS OCCUR 1 MAIL RETURNED - NOT ABLE TO LOCATE PATIENT ACCOUNT GOES TO COLLECTIONS AFTER TWO CONSECUTIVE MAIL RETURNS 2 NO TELEPHONE LISTING OR DISCONNECTED 3 REGULAR SEQUENCE OF STATEMENTS AND COLLECTION NOTICES SENT, INCLUDING A FINAL, WITH NO RESPONSE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 YUMA REGIONAL MEDICAL CENTER (YRMC) HAS PROACTIVELY DEVELOPED SEVERAL MECHANISMS FOR CONTINUOUS EVALUATION OF COMMUNITY HEALTH NEEDS YRMC HAS LED THE COLLECTIVE EFFORTS AND FORMATION OF THE ALLIANCE FOR HEALTHY COMMUNITIES THE ALLIANCE FOR HEALTHY COMMUNITIES (STARTED IN 1996) IS A REPRESENTATION OF PEOPLE WHO CARE ABOUT THE FUTURE HEALTH NEEDS OF OUR RESIDENTS MEMBERSHIP IN THE ALLIANCE IS ABOUT PARTNERING TO IMPROVE THE OVERALL HEALTH OF THE COMMUNITY THROUGH COLLABORATION MEMBERSHIP INCLUDES ORGANIZATIONS FROM THROUGHOUT YUMA COUNTY SUCH AS LOCAL SCHOOLS/COLLEGES, HEALTH PROVIDERS, PUBLIC HEALTH, LAW ENFORCEMENT, MEDIA, MILITARY, BUSINESS AND MORE IN FY13 THE GROUP WILL COLLECTIVELY CONDUCT A COMPREHENSIVE COMMUNITY HEALTH ASSESSMENT, FUNDED BY YUMA REGIONAL MEDICAL CENTER THE FINDINGS OF THAT SURVEY WILL BE SHARED DURING A YUMA COUNTY LEADERSHIP TOWN HALL FORUM SCHEDULED FOR EARLY 2013 IN FISCAL YEAR 09/10, YRMC PARTNERED WITH THE YUMA COUNTY PUBLIC HEALTH DISTRICT AND PROVIDERS FROM THROUGHOUT OUR COMMUNITY IN A LOCAL PUBLIC HEALTH SYSTEM PERFORMANCE ASSESSMENT RESULTS FROM THAT ASSESSMENT WERE SHARED WITH MEMBERS OF OUR COMMUNITY THE ASSESSMENT INCLUDED 10 FOCUS GROUP SESSIONS DESIGNED TO ENGAGE PUBLIC LEADERS, FROM ALL AREAS IN OUR COMMUNITY, IN DISCUSSIONS RELATED TO PUBLIC HEALTH EFFECTIVENESS FINDINGS FROM THAT STUDY DEMONSTRATED THE NEED FOR EXPANDING OUR COLLABORATIVE EFFORTS AS A COMMUNITY OUR DECISION AS A COMMUNITY WAS TO ALIGN THE FINDINGS FROM THE PUBLIC HEALTH ASSESSMENT WITH THE EXISTING ALLIANCE FOR HEALTHY COMMUNITIES FORUM TO DRIVE THE DEVELOPMENT OF A COLLECTIVE PLAN ADDITIONAL ASSESSMENTS INCLUDE THE DEVELOPMENT OF AN ANNUAL PHYSICIAN MANPOWER REVIEW EACH YEAR THE YRMC BOARD OF DIRECTORS CONDUCTS A COMPREHENSIVE MEDICAL STAFF DEVELOPMENT PLAN (MSDP) THE PLAN, WHICH IS APPROVED ANNUALLY AND REVIEWED/MODIFIED AT THE SIX MONTH MARK, INCLUDES EXTENSIVE DATA COLLECTION AND RESEARCH RELATING TO THE PHYSICIAN ACCESS THE STUDY INCLUDES SIX KEY INDICATORS/EVALUATION (1) COMPARISON TO NATIONAL PHYSICIAN TO POPULATION RATIOS, (2) BLIND SECRET SHOPPER PHONE SURVEY MEASURING "WAIT TIME FOR AN APPOINTMENT - HOW QUICKLY A NEW PATIENT CAN GET INTO SEE A PHYSICIAN", (3) INSURANCE - MAJOR INSURANCES ACCEPTED FOR EACH PROVIDER/BY SPECIALTY, (4) AGE/RETIREMENT PROJECTS, (5) OUT-MIGRATION (WHAT MEDICAL SERVICES COMMUNITY MEMBERS ARE TRAVELING TO RECEIVE), (6) PROJECTED HEALTH NEEDS BASED ON A REVIEW OF THE ABOVE LISTED INDICATORS, THE BOARD REVIEWS AND APPROVES THE DEVELOPMENT OF A MSDP YUMA REGIONAL MEDICAL CENTER THEN IMPLEMENTS THE PLAN TO RECRUIT THOSE PROVIDERS NEEDED INTO THE COMMUNITY RECRUITMENT ASSISTANCE/SUPPORT IS ALSO PROVIDED TO DESIGNATED LOCAL HEALTH PROVIDERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 AS EACH PATIENT IS REGISTERED FOR SERVICES, REQUEST FOR INSURANCE OR PAYMENT IS COMPLETED IF A PATIENT STATES THAT THEY HAVE NO INSURANCE WE WILL REQUEST PAYMENT IN FULL OR A DEPOSIT IF A BALANCE IS LEFT AT THIS TIME WE HAVE MEDASSIST WHICH IS A CONTRACTED PROVIDER TO INTERVIEW THE PATIENT AND COMPLETE YRMC FINANCIAL ASSISTANCE FORM AT THIS TIME THE PATIENT IS GIVEN THE INFORMATION ABOUT THE AHCCCS APPLICATION PROCESS AND THE APPLICATION IS COMPLETED IF THE PATIENT IS ELIGIBLE (RESIDENCY AND INCOME FOR EXAMPLE) THE APPLICATION PROCESS IS AN ON LINE WEB BASED APPLICATION CALLED HEALTHY E AZ THIS ONLINE PROCESS GIVES YOU A TENTATIVE APPROVED PENDING VERIFICATION OF INFORMATION IS THEY POTENTIALLY MIGHT QUALIFY FOR AHCCCS ONCE IT IS DETERMINED THAT THE PATIENT WILL NOT QUALIFY FOR ANY GOVERNMENT PROGRAMS THEN THE FINANCIAL COUNSELOR WILL VISIT WITH THE PATIENT AND EXPLAINS THE FINANCIAL ASSISTANCE PROGRAM AND IF THE PATIENT'S WISHES TO APPLY, WILL COLLABORATES WITH MEDASSIT IN RETRIEVING ALL OF THE NECESSARY PROOF OF INCOME TO COMPLETE THE FINANCIAL ASSISTANCE PROCESS THE COMPLETION OF THIS PROCESS MAY CONTINUE AFTER THE PATIENT LEAVES THE HOSPITAL AND THE FINANCIAL ASSISTANCE PROCESS IS COMPLETED BY THE STAFF IN THE PATIENT ACCOUNTING DEPARTMENT IF THE PATIENT IS ONLY AN ER PATIENT AND DOES NOT QUALIFY FOR COMPLETING A AHCCCS APPLICATION, THE PATIENT IS GIVEN A SHEET OF INSTRUCTIONS EXPLAINING THE FINANCIAL ASSISTANCE PROCESS, DOCUMENTS THAT ARE NEEDED TO COMPLETE THE APPLICATION AND PHONE NUMBERS TO CALL TO MAKE AN APPOINTMENT SO THEY CAN COMPLETE THE FINANCIAL ASSISTANCE PROCESS THIS PROCESS IS COMPLETED BETWEEN A COLLABORATION OF FRONT END REGISTRARS, FINANCIAL COUNSELORS, MEDASSIST EMPLOYEES, CASHIER AND THE PATIENT ACCOUNTING DEPARTMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 YUMA REGIONAL MEDICAL CENTER (YRMC) IS IN A RURAL SETTING IT IS THE ONLY HOSPITAL IN YUMA COUNTY AND ALSO SERVES SURROUNDING AREAS (TOWNS ON THE CALIFORNIA/ARIZONA BORDER) AND RESIDENTS OF MEXICAN BORDER TOWNS THE COUNTY HAS BEEN DESIGNATED AS A MEDICALLY UNDERSERVED AREA IN THE CITY OF YUMA, OVER 50 PERCENT OF THE POPULATION IS HISPANIC OR LATINO, AND IN THE CITY OF SAN LUIS AND THE CITY OF SOMERTON (BOTH IN YUMA COUNTY), OVER 90 PERCENT OF THE POPULATION IS HISPANIC OR LATINO NEARLY 62 PERCENT OF THE POPULATION IS UNDER 42 YEARS OLD YUMA COUNTY'S POPULATION IS ABOUT 205,000 AND IS EXPECTED TO GROW BY 10 PERCENT IN THE NEXT FIVE YEARS OVER 26 PERCENT OF THE POPULATION IN YUMA COUNTY HAS A GED OR HIGH SCHOOL DIPLOMA, SEVEN PERCENT HAVE AN ASSOCIATE DEGREE AND EIGHT PERCENT HAVE A BACHELOR'S DEGREE APPROXIMATELY FOUR PERCENT HAVE A MASTER'S DEGREE THE MAIN INDUSTRIES IN YUMA COUNTY ARE AGRICULTURE, TOURISM AND THE MILITARY THERE ARE TWO MILITARY BASES HERE - MARINE CORPS AIR STATION YUMA AND YUMA PROVING GROUNDS (ARMY) THE MEDIAN HOUSEHOLD INCOME IN YUMA COUNTY IS APPROXIMATELY $41,200, WHILE THE PER CAPITA INCOME IS APPROXIMATELY $16,000 THE GEOGRAPHY OF YUMA COUNTY IS DESERT LAND ACCENTED WITH RUGGED MOUNTAINS IT IS BORDERED BY BOTH CALIFORNIA AND MEXICO THERE ARE VALLEY REGIONS THAT ARE IRRIGATED WITH WATER FROM THE COLORADO RIVER THE AVERAGE TEMPERATURE IN JULY IS 107 DEGREES AND IN JANUARY IT'S 70 DEGREES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 YUMA REGIONAL MEDICAL CENTER IS INVOLVED IN SEVERAL COMMUNITY BUILDING ACTIVITIES THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS THROUGH THESE ACTIVITIES, YRMC SUPPORTS COMMUNITY ASSETS BY OFFERING THE EXPERTISE AND RESOURCES OF OUR HEALTHCARE ORGANIZATION WE ENCOURAGE EMPLOYEES TO BE INVOLVED IN THE COMMUNITY THROUGH COMMUNITY BOARDS, HEALTH ADVOCACY PROGRAMS AND PHYSICAL IMPROVEMENT PROJECTS TO CONTINUOUSLY IMPROVE THE QUALITY OF LIFE FOR THE COMMUNITIES WE SERVE ECONOMIC DEVELOPMENT LEADER/EXECUTIVE PARTICIPATION IN GREATER YUMA ECONOMIC DEVELOPMENT, CHAMBER OF COMMERCE AND YUMA VISITORS BUREAU IN THOSE ROLES, YRMC LEADERSHIP PLAYS AN ACTIVE ROLE IN SUPPORTING THE BUSINESS AND ECONOMIC DRIVERS AND WORKFORCE NEEDS YUMA REGIONAL MEDICAL CENTER ACTIVELY SUPPORTS TOURISM AS A MAJOR ECONOMIC DRIVE FOR THE COMMUNITY WITH APPROXIMATELY 90,000 ANNUAL WINTER VISITORS, YRMC HAS ACTIVELY PARTNERED WITH THE LOCAL YUMA CONVENTION & VISITORS BUREAU (YCVB) TO ENSURE THE MEDICAL NEEDS OF A HIGH VOLUME OF VISITORS WITH THAT, YRMC ADMINISTRATOR MACHELE HEADINGTON SERVES ON THE YCVB BOARD OF DIRECTORS, CONTRIBUTING AN ESTIMATED THREE - FOUR HOURS PER MONTH IN PROFESSIONAL LEADERSHIP TOURISM IS A MAJOR INDUSTRY FOR BOTH ARIZONA AND YUMA COUNTY, GENERATING MORE THAN $450 MILLION FOR YUMA COUNTY'S ECONOMY WITH PROXIMITY TO CALIFORNIA AND MEXICO, THE AREA ATTRACTS LARGE NUMBERS OF TRAVELERS AND INTERNATIONAL SHOPPERS DURING THE WINTER, YUMA'S INFLUX OF SEASONAL VISITORS POSITIVELY IMPACTS THE ECONOMY COALITION BUILDING HOSPITAL REPRESENTATION TO COMMUNITY COALITIONS RELATED TO COMMUNITY HEALTH, COLLABORATIVE PARTNERSHIPS WITH COMMUNITY GROUPS TO IMPROVE COMMUNITY HEALTH, COSTS FOR TASK FORCE-SPECIFIC PROJECTS AND INITIATIVES - ARIZONA SOCIETY FOR HUMAN RESOURCE MANAGEMENT STATE COUNCIL- ARIZONA WESTERN COLLEGE COMPUTER AND INFORMATION SYSTEMS ADVISORY BOARD- COMMUNITY INVOLVEMENT THROUGH CLUBS AND PARTNERSHIPS - AMERICAN NURSES ASSOCIATION- SOROPTIMIST OF YUMA- SALVATION ARMY ANGEL - YUMA COMMUNITY FOOD BANK- SUNSET COMMUNITY HEALTH CENTER BOARD- INSURANCE BOARD FOR THE YUMA UNION HIGH SCHOOL DISTRICT- STEP OUT FOR DIABETES- YUMA COUNTY HEALTH INITIATIVE COALITION- YUMA COUNTY UNITED WAY BOARD- YUMA'S EDUCATION SCHOLARSHIP FUND FOR KIDSADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS LOCAL, STATE AND NATIONAL ADVOCACY IN AREAS SUCH AS ACCESS TO HEALTHCARE, PUBLIC HEALTH, TRANSPORTATION AND HOUSING - CROSSROADS MISSION - HELPING THE HOMELESS SHELTER BY PROVIDING MATTRESSES, PILLOWS, AND FINANCIAL SUPPORT OF ITS DRUG/DETOX PROGRAM- AMBERLY'S PLACE PROVIDES SUPPORT TO THIS LOCAL RESOURCE THAT SUPPORTS AND ASSISTS VICTIMS OF SEXUAL ABUSE YRMC DONATES TIME AND RESOURCES TO THE ORGANIZATION THROUGHOUT THE YEAR - SOUTHWEST ARIZONA FUTURES FORUM- STEPS PARTICIPATION- YUMA COUNTY HEALTH DEPARTMENT - HEALTH ASSESSMENT FOCUS GROUPSWORKFORCE DEVELOPMENT ADDRESS COMMUNITY-WIDE WORKFORCE ISSUES - ARIZONA HEALTHCARE HUMAN RESOURCES ASSOCIATION- ARIZONA WESTERN COLLEGE SCIENCE FAIR- DRIVE FOR SCHOOL SUPPLIES- SOUTHWEST ARIZONA HUMAN RESOURCES ASSOCIATION - PHYSICIAN RECRUITMENT IN AUGUST, 2010, YUMA REGIONAL MEDICAL CENTER CONTRACTED WITH HPSA ACCUMEN TO CONDUCT AN ASSESSMENT OF THE REGION SPECIFIC TO OUR APPLICATION/DESIGNATION AS A HEALTH PROVIDER SHORTAGE AREA (HPSA) THE STUDY, FUNDED BY YUMA REGIONAL MEDICAL CENTER, WAS COMPLETED ON BEHALF OF THE ENTIRE YUMA COUNTY COMMUNITY FOLLOWING THE STUDY, YRMC THEN APPLIED FOR, AND WAS APPROVED FOR, A GEOGRAPHIC HPSA DESIGNATION OPEN MEDICAL STAFF YUMA REGIONAL MEDICAL CENTER'S FOLLOWS AN OPEN MEDICAL STAFF MODEL (MEDICAL STAFF MEMBERSHIP IS OPEN TO ALL PHYSICIANS IN THE COMMUNITY WHO MEET MEMBERSHIP AND CLINICAL PRIVILEGE REQUIREMENTS) OUR MEDICAL STAFF IS SELF GOVERNING AND ASSUMES A LEADERSHIP ROLE IN ENSURING EFFECTIVE, EFFICIENT AND SAFE DELIVERY OF CARE BOARD OF DIRECTORS YUMA REGIONAL MEDICAL CENTER IS GOVERNED BY A 12-MEMBER, VOLUNTEER BOARD OF DIRECTORS THE BOARD IS MADE UP OF UNPAID COMMUNITY RESIDENTS WHO HAVE AN INTEREST IN HEALTHCARE AND A STRONG COMMITMENT TO IMPROVING THE HEALTH AND WELL-BEING OF THEIR FELLOW CITIZENS THESE DIRECTORS SET POLICY FOR THE HOSPITAL, PROVIDE DIRECTION FOR LONG-RANGE STRATEGIC PLANNING AND MONITOR FINANCIAL VIABILITY BASED ON A REVIEW OF THE ABOVE LISTED INDICATORS, THE BOARD REVIEWS AND APPROVES THE DEVELOPMENT OF A MSDP YUMA REGIONAL MEDICAL CENTER THEN IMPLEMENTS THE PLAN TO RECRUIT THOSE NEEDED PROVIDERS INTO THE COMMUNITY RECRUITMENT ASSISTANCE/SUPPORT IS ALSO PROVIDED TO DESIGNATED LOCAL HEALTH PROVIDERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 N/A

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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) THE CANCER PROJECT 5100 WISCONSIN AVE NW WASHINGTON DC,DC 20016	20-1678231	501(C)(3)	8,800				PROGRAM SUPPORT
(2) MARCH OF DIMES FOUNDATIONPO BOX 1657 WILKES BARRE,PA 18703	13-1846366	501(C)(3)	6,000				PROGRAM SUPPORT
(3) FOUNDATION OF YUMA REGIONAL MEDICAL CENTER2400 S AVENUE A YUMA,AZ 85364	51-0179146	501(C)(3)	356,425				PROGRAM SUPPORT

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

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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 CASH GRANTS AND DONATIONS ALL REQUESTS MUST BE PRESENTED IN WRITING ALLOWING THE OPTION OF A FORMAL PRESENTATION ON THE REQUEST OF THE FOUNDATION BOARD OF TRUSTEES OR ITS RESPECTIVE REVIEW COMMITTEE ALL REQUESTS WILL BE INITIALLY REVIEWED BY THE FOUNDATION EXECUTIVE COMMITTEE THE PROPOSALS THAT FALL WITHIN THE IDENTIFIED GUIDELINES WILL BE PRESENTED TO THE BOARD OF TRUSTEES OR THEIR DESIGNATED COMMITTEE FOR A DECISION OF FUNDING ALL REQUESTS WILL BE REVIEWED AND ACTION TAKEN BY THE FOUNDATION ADMINISTRATIVE COMMITTEE AND THE RESULTS WILL BE REPORTED TO THE BOARD OF TRUSTEES FUNDING WILL BE BASED ON THE FOLLOWING GUIDELINES 1) THE PROJECT OR ACTIVITY MUST DIRECTLY SUPPORT HEALTH CARE 2) THE REQUEST MUST BE SUPPORTED BY FACTS ON HOW THE FUNDS WILL BE USED 3) THE REQUEST FITS WITH THE MISSION OF THE HOSPITAL AND THE FOUNDATION 4) THE REQUEST MUST DIRECTLY BENEFIT THE YUMA COMMUNITY ADDITIONAL CONSIDERATIONS 1) INDIVIDUAL REQUESTS WILL BE CONSIDERED IF THEY ARE HEALTH CARE RELATED 2) GOLF TOURNAMENT SPONSORSHIPS WILL NOT BE CONSIDERED

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) PATRICK T WALZ	(i)	446,127	97,800	218,007	96,783	18,178	876,895	200,920
	(ii)	0	0	0	0	0	0	0
(2) TONY STRUCK	(i)	194,392	28,417	2,636	23,334	24,587	273,366	0
	(ii)	0	0	0	0	0	0	0
(3) JAMES F HALL SR	(i)	266,056	28,434	0	41,792	19,210	355,492	0
	(ii)	0	0	0	0	0	0	0
(4) SHARON R GARDNER	(i)	221,554	30,321	0	162,907	18,178	432,960	0
	(ii)	0	0	0	0	0	0	0
(5) KAREN D JENSEN	(i)	240,527	35,457	6,564	90,310	10,604	383,462	0
	(ii)	0	0	0	0	0	0	0
(6) STEWART M HAMILTON MD	(i)	333,802	45,525	428,645	116,748	18,110	942,830	416,404
	(ii)	0	0	0	0	0	0	0
(7) EUGENE M SHAW	(i)	216,999	40,341	0	18,922	11,636	287,898	0
	(ii)	0	0	0	0	0	0	0
(8) MARK E PARSTON	(i)	195,469	26,375	144,138	69,762	24,894	460,638	144,138
	(ii)	0	0	0	0	0	0	0
(9) MACHELE HEADINGTON	(i)	159,361	25,687	0	72,179	19,195	276,422	0
	(ii)	0	0	0	0	0	0	0
(10) JOHN MAKOWSKY	(i)	170,549	0	0	14,606	24,266	209,421	0
	(ii)	0	0	0	0	0	0	0
(11) RUSSELL E MCCAMY	(i)	163,564	0	673	14,343	24,270	202,850	0
	(ii)	0	0	0	0	0	0	0
(12) JANET MCLELLAN	(i)	151,771	11,481	8,603	6,882	10,218	188,955	0
	(ii)	0	0	0	0	0	0	0
(13) JOSEPH PAULI	(i)	166,246	0	0	14,153	9,977	190,376	0
	(ii)	0	0	0	0	0	0	0
(14) EDWARD PAUL	(i)	258,901	23,792	4,500	0	23,245	310,438	0
	(ii)	0	0	0	0	0	0	0
(15) GREGORY BECKMAN	(i)	167,123	77,647	1,044,016	95,153	8,544	1,392,483	0
	(ii)	0	0	0	0	0	0	0
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	TRAVEL FOR COMPANIONS IS AVAILABLE TO BOARD MEMBERS AND IS TREATED AS TAXABLE COMPENSATION THE CEO IS PROVIDED A MONTHLY PERQ ALLOWANCE WHICH IS TREATED AS TAXABLE COMPENSATION
	PART I, LINES 4A-B	GREGORY BECKMAN RECEIVED SEVERANCE PAYMENTS DURING THE YEAR THE AGREEMENT IS SUBJECT TO A CONFIDENTIALITY CLAUSE DETAIL WILL BE PROVIDED TO THE IRS UPON REQUEST YUMA REGIONAL MEDICAL CENTER ESTABLISHED THE "CAPITAL ACCUMULATION AND RETENTION PLAN" AS AN INELIGIBLE DEFERRED COMPENSATION PLAN AS DESCRIBED IN SECTION 457(F) OF THE CODE (INTERNAL REVENUE CODE OF 1986) AS APPROVED BY THE BOARD OF DIRECTORS THE PURPOSE OF THIS PLAN IS TO PROVIDE CERTAIN SUPPLEMENTAL RETIREMENT BENEFITS TO ELIGIBLE EXECUTIVES THE BOARD MAY ONLY DESIGNATE PARTICIPANTS FROM AMONG THOSE EMPLOYEES WHO ARE PART OF A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES YRMC WILL ESTABLISH AN INTIAL VESTING DATE FOR EACH PARTICIPANT AND WITHIN THE BOARD'S DISCRETION MAY OFFER TO EXTEND A PARTICIPANT'S VESTING DATE MEETING SPECIFIC CRITERIA AS SET FORTH WITHIN THE PLAN DOCUMENT THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE PLAN DOCUMENT THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE PLAN AND HAD CONTRIBUTIONS TO THE PLAN IN 2010 SHARON GARDNER $139,750 GREGORY BECKMAN - $79,543 STEWART HAMILTON - $62,909 KAREN JENSEN - $46,488 MARK PARSTON - $29,085 EUGENE SHAW - $31,606 PATRICK WALZ - $47,798 MACHELLE HEADINGTON - $38,516 TONY STRUCK - $6,553
	PART I, LINE 7	YUMA REGIONAL MEDICAL CENTER HAS A PAY AT RISK INCENTIVE PROGRAM FOR CERTAIN EXECUTIVES SEE SECTION II OF THE SCHEDULE O DISCLOSURE FOR 990, PART VI, LINES 15A AND 15B FOR A DESCRIPTION OF THIS PROGRAM

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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	INDUSTRIAL DEVELOPMENT AUTHORITY OF CITY OF YUMA	86-0498547	988514BQ7	12-11-2008	109,025,000	HOSPITAL REVENUE REFUNDING OF 2004 BONDS - ISSUED 06/24/2004 AND 07/08/2004		X		X		X
B	INDUSTRIAL DEVELOPMENT AUTHORITY OF CITY OF YUMA	86-0498547	98851RAA2	10-25-2007	1,430,000	EXPANSION AND IMPROVEMENT OF HEALTHCARE FACILITIES		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	109,025,000	1,430,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	106,781,055			
7	Issuance costs from proceeds	969,028			
8	Credit enhancement from proceeds	1,274,917			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	1,430,000	1,430,000		
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2008	2007		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL MEDICAL CENTER

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction $	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
SOUTHWESTERN CRITICAL CARE	ENTITY MORE THAN 5% OWNED BY DR RAJAMANI, TRUSTEE	2,174,303	MEDICAL SERVICES		No
SOUTHWEST EMERGENCY PHYSICIANS	ENTITY MORE THAN 5% OWNED BY DR RICHEMONT, TRUSTEE	818,014	GROUP INCENTIVES/TRANSCRIPTION		No
MIGUEL GUERRERO	FAMILY MEMBER OF ISMAEL GUERRERO, TRUSTEE	33,344	SALARIES & WAGES		No
ELLEN HAMILTON	FAMILY MEMBER OF STEWART HAMILTON, KEY EMPLOYEE	68,379	SALARIES & WAGES		No
SCOTT HALL	FAMILY MEMBER OF JAMES HALL, KEY EMPLOYEE	60,311	SALARIES & WAGES		No
MICHAEL HEADINGTON	FAMILY MEMBER OF MACHELE HEADINGTON, KEY EMPLOYEE	92,921	SALARIES & WAGES		No
LYDIA BROWN	FAMILY MEMBER OF ISMAEL GUERRERO, BOARD MEMBER	48,221	SALARIES & WAGES		No
MERRIL WALKER BUILDERS	ENTITY >5% OWNED BY A FAMILY MEMBER OF MACHELE HEADINGTON, KEY EMPLOYEE	1,164,487	BUILDING CONTRACTOR SERVICES		No
YUMA ANESTHESIA MEDICAL SERVICES	ENTITY MORE THAN 5% OWNED BY RAUL CASTILLO, BOARD MEMBER	1,378,873	MEDICAL SERVICES		No
MICHELLE STRUCK	FAMILY MEMBER OF TONY STRUCK, OFFICER	19,120	SALARIES & WAGES		No
SOUTHWEST AZ HEART & VASCULAR CENTER LLC	ENTITY MORE THAN 5% OWNED BY ALBERTO MEJIA, BOARD MEMBER	14,381,604	MEDICAL SERVICES		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

Identifier	Return Reference	Explanation
SERVICES PROVIDED BY VOLUNTEERS	FORM 990, PART I, LINE 6	VOLUNTEERS ARE A VITAL PART OF YUMA REGIONAL MEDICAL CENTER THAT'S WHY YRMC OFFERS OPPORTUNITIES FOR SERVICE THAT ACCOMMODATE THE SCHEDULES OF WORKING ADULTS, STUDENTS AND RETIREES SOME OF OUR VOLUNTEERS WORK DIRECTLY WITH PATIENTS, WHILE OTHERS PROVIDE INVALUABLE ASSISTANCE IN SUPPORT AREAS OR WITH SPECIAL PROJECTS IN 2011, 515 VOLUNTEERS HELPED OUT IN OVER 58 SERVICE AREAS AND CONTRIBUTED ALMOST 66,000 VOLUNTEER HOURS VOLUNTEERS ARE AN ESSENTIAL PART OF YRMC PERFORMING A VARIETY OF SERVICES TO HELP PATIENTS, VISITORS AND STAFF THEY OFFER SUPPORT IN CLINICAL AND NON-CLINICAL DEPARTMENTS PERFORMING SUCH DUTIES AS INFORMATION DESK RECEPTIONIST, TRANSPORTING VISITORS AS A CART DRIVER, BOOK AND BEVERAGES CART SERVICE, PATIENT VISITORS AND WHEEL CHAIR TRANSPORTERS, SOOTHING A CRYING BABY IN THE NICU, PRINT SHOP, WAREHOUSE AND OFFICE ASSISTANTS THEY ALSO WORK IN THE CORNER STORK CAFE, GIFT SHOP AND THE DAILY GRIND RETAIL AREAS IN ADDITION, VOLUNTEERS SUPPORT UBS BLOOD DRIVES, HOSPITAL SUPPORT GROUPS, COMMUNITY OUTREACH EVENTS, SHADOWING PROGRAM AND PATIENT AND FAMILY CENTER CARE VOLUNTEERS RAISED $214,000 TO HELP SUPPORT YRMC PATIENT SERVICES AND PROGRAMS THEY ALSO HAVE A COMMITMENT TO THE COMMUNITY BY DONATING ANNUAL SCHOLARSHIPS TO COLLEGE STUDENTS, FIVE SCHOLARSHIPS WERE AWARDED AT $2,000 EACH THERE ARE MANY BENEFITS IN BECOMING A VOLUNTEER, ASIDE FROM THE PERSONAL FULFILLMENT MANY RECEIVE IN HELPING THOSE IN NEED, THEY ALSO FEEL A SENSE OF ACCOMPLISHMENT, MEET NEW PEOPLE, LEARN NEW SKILLS AND THE OPPORTUNITY TO EXPLORE CAREERS IN HEALTH CARE

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	YUMA REGIONAL MEDICAL CENTER IS A 333 LICENSED BED GENERAL ACUTE CARE HOSPITAL THAT PROVID ES INPATIENT, OUTPATIENT, EMERGENCY ROOM AND OTHER ACUTE CARE AND HOSPITAL RELATED SERVICE S TO THE PEOPLE OF YUMA, ARIZONA AND THE SURROUNDING COMMUNITIES VISION THE VISION OF YU MA REGIONAL MEDICAL CENTER WILL BE RECOGNIZED AS THE FOCUS FOR HEALTHCARE WE WILL WORK CO LLABORATIVELY TO EVOLVE THE BEST SYSTEM OF COORDINATED HEALTHCARE IN OUR SERVICE AREA VAL UES COMMITMENT - RESPECT - SAFETY / QUALITY - CREATIVITY - TEAMWORK PRESIDENT/CEO AS A N OT-FOR-PROFIT COMMUNITY HOSPITAL, YUMA REGIONAL MEDICAL CENTER IS DEDICATED TO MEETING THE HEALTHCARE NEEDS OF THIS COMMUNITY TODAY, TOMORROW AND WELL INTO THE FUTURE THROUGH THIS REPORT, YOU WILL LEARN ABOUT MANY SERVICES AND PROGRAMS THAT WE PROVIDE THE YRMC TEAM CO NSISTS OF ABOUT 2,000 EMPLOYEES, SOME 300 PHYSICIANS AND OVER 500 VOLUNTEERS YRMC MAINTAI NS THE HIGHEST STANDARDS FOR OUR MEDICAL STAFF TO HELP ENSURE YOU RECEIVE THE QUALITY CARE YOU EXPECT MORE THAN 95 PERCENT OF THE PHYSICIANS PRACTICING AT YRMC ARE BOARD CERTIFIED /ELIGIBLE IN ONE OR MORE SPECIALTIES WE PLEDGE TO SERVE AS AN ACTIVE COMMUNITY PARTNER WH ILE CONTINUING OUR MISSION TO IMPROVE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERV E CHAIRMAN, YRMC BOARD OF DIRECTORS THE BOARD OF YUMA REGIONAL MEDICAL CENTER IS COMPOSE D OF AN ARRAY OF PROFESSIONALS WHO BRING THEIR SKILLS AND TALENTS TOGETHER TO WORK WITHOUT PAY SO THAT YOU CAN RECEIVE THE HIGHEST QUALITY OF MEDICAL CARE IN YOUR COMMUNITY AS WE LOOK TO THE FUTURE, THE YRMC BOARD OF DIRECTORS HAS AGAIN SET THE BAR HIGH IT IS OUR VISI ON TO WORK COLLABORATIVELY TO EVOLVE THE BEST SYSTEM OF COORDINATED HEALTH CARE IN OUR SER VICE AREA AS A NON-PROFIT COMMUNITY HOSPITAL, WE REINVEST FUNDS REMAINING AT THE CLOSE OF THE YEAR TO NEW SERVICES AND PROGRAMS FOR THE COMMUNITY OUR STRATEGIES MOVING FORWARD IN CLUDE THE CONTINUED IMPLEMENTATION OF AN ELECTRONIC HEALTH RECORD TO IMPROVE PATIENT SAFET Y AND QUALITY, INVESTMENT IN FACILITIES WHICH INCLUDES A NEW EMERGENCY DEPARTMENT AND A CO MMUNITY CANCER CENTER, IMPROVE PATIENT ACCESS TO SERVICES THROUGH RECRUITMENT OF PHYSICIAN S IN IDENTIFIED SHORTAGE AREAS, INVESTMENT IN NEW TECHNOLOGIES, REMAINING FINANCIALLY SOUN D, AND PROVIDING THE HIGHEST STANDARD OF CARE AND PATIENT SAFETY AS A NOT-FOR-PROFIT HOSP ITAL, YRMC HAS NO SHAREHOLDERS WE ANSWER TO AND ARE OWNED BY THE COMMUNITY WE SERVE FINA NCIAL A SOLID FUTURE AS A NON-PROFIT HOSPITAL, YUMA REGIONAL MEDICAL CENTER RELIES SOLEL Y ON PATIENT REVENUES FOR FUNDING WE DO NOT RECEIVE LOCAL, STATE OR FEDERAL TAX MONEY TH ERE ARE NO OUT-OF-STATE CORPORATIONS OR PRIVATE SHAREHOLDERS INVOLVED WITH YRMC - THE ONLY SHAREHOLDERS ARE THE PEOPLE AND COMMUNITIES WE SERVE THE MEDICAL CENTER INCURRED EXPENSE S OF APPROXIMATELY $1,137,000 IN 2011 SUPPORTING COMMUNITY BENEFIT PROGRAMS CHARITY CARE/ FINANCIAL ASSISTANCE AT YUMA REGIONAL MEDICAL CENTER, WE BELIEVE THAT ALL PEOPLE HAVE A R IGHT TO MEDICALLY NECESSARY HEALTH CARE AND EQUAL ACCESS TO DIAGNOSTIC AND THERAPEUTIC TRE ATMENT, REGARDLESS OF FINANCIAL STATUS ELIGIBILITY CRITERIA FOR CHARITY CARE OR DISCOUNTS ARE BASED ON A PERCENTAGE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ANNUAL "POVERTY GUIDELINES " ELIGIBILITY CRITERIA INCLUDES INDIVIDUAL OR FAMILY INCOME, INDIVIDUAL OR FAMI LY NET WORTH, EMPLOYMENT STATUS, OTHER FINANCIAL OBLIGATIONS, AMOUNT AND FREQUENCY OF HEAL THCARE BILLS AND OTHER FINANCIAL RESOURCES AVAILABLE TO THE PATIENT BECAUSE YRMC DOES NOT PURSUE COLLECTIONS, CHARITY CARE IS NOT INCLUDED IN NET PATIENT SERVICE REVENUE A COPY O F THE YRMC'S CHARITY CARE POLICY IS AVAILABLE ON THE WEBSITE WWW YUMAREGIONAL ORG THE COS TS OF THESE SERVICES ARE ESTIMATED TO BE $7,492,000 IN 2011 UNPAID COST OF PUBLIC PROGRAM S PUBLIC PROGRAMS SUCH AS ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ARE PROVIDED FOR TH E POOR AND INDIGENT PUBLIC PROGRAMS SUCH AS MEDICARE ARE PROVIDED FOR THE ELDERLY PUBLIC PROGRAMS DO NOT ALWAYS COVER THE COSTS OF PROVIDING THOSE SERVICES THE UNREIMBURSED COST S OF THE AHCCCS PROGRAM WERE APPROXIMATELY $13,340,000 IN 2011 CARE OF UNDOCUMENTED PATIE NTS YUMA REGIONAL MEDICAL CENTER PROVIDES CARE FOR PATIENTS WHO HAVE ENTERED THE COMMUNIT Y ILLEGALLY THE CHARGES FOR THESE PATIENTS ARE PARTIALLY REIMBURSED UNDER SECTION 1011 OF THE MEDICARE PRESCRIPTION DRUG, IMPROVEMENT AND MODERNIZATION ACT OF 2003 THE UNREIMBURS ED COSTS FOR SERVING THESE PATIENTS WERE APPROXIMATELY $367,000 IN 2011 CHILDREN'S REHAB SERVICES ARIZONA DEPARTMENT OF HEALTH SERVICES PROVIDES FUNDING FOR SERVICES TO CHILDREN WITH SEVERE DISABILITIES THE FUNDING PAYS FOR A PORTION OF THE COSTS OF SERVICES PROVIDED CHILDREN'S SCHOOL HEALTHCARE PROGRAM YUMA REGIONAL MEDICAL CENTER SPONSORED CLINICS IN SIX SCHOOL DISTRICTS IN YUMA COUNTY - FROM SAN LUIS TO DATELAND THROUGH MARCH 2011 WHEN IT WAS TRANSITIONED TO SUNSET COMMUNITY HEALTH CENTER, A FEDERALLY QUALIFIED HEALTH CENTER SUNSET'S STRATEGIC MISSION ALLOWS THEM TO EXPAND T

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	HE PROGRAM TO EVEN MORE UNDERSERVED KIDS IN THE COMMUNITY SINCE 1996, THE CLINICS HAVE PR OVIDED FREE, PRIMARY CARE FOR KIDS THAT MAY OTHERWISE END UP AT THE EMERGENCY DEPARTMENT THE COSTS FOR THIS PROGRAM WERE $232,000 IN 2011 WE'RE NOT FOR PROFIT WE'RE FOR HEALTHY BEGINNINGS THE BIRTH OF A BABY IS A PRECIOUS GIFT AND AN EXCITING TIME IN THE LIVES OF E XPECTANT COUPLES YET, NO MATTER HOW HARD THEY MAY BE WORKING TO SUPPORT THEIR FAMILIES, S OME OF THEM STILL FACE FINANCIAL PRESSURES BECAUSE THEY DON'T HAVE MEDICAL INSURANCE THAT COVERS THE PRENATAL CARE AND DELIVERY OF THEIR BABY

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS CONTINUED	FORM 990, PART III, LINE 4A	WE'RE FOR EDUCATION FUTURE HEALTHCARE PROFESSIONALS TO PROVIDE THE BEST POSSIBLE PATIENT CARE, NURSES NEED TO BE HIGHLY SKILLED IN MANY AREAS BUT HAVE YOU EVER WONDERED HOW THEY DEVELOP THESE SKILLS? HOW, FOR EXAMPLE, DO THEY LEARN TO INSERT AN IV CHANGE THE DRESSI NGS ON A WOUND OR RESPOND TO A PATIENT WHO IS GOING INTO CARDIAC ARREST? FOR NURSING STU DENTS ATTENDING NORTHERN ARIZONA UNIVERSITY-YUMA OR UNIVERSITY OF ARIZONA, THE ANSWER IS Y RMC'S CLINICAL SKILLS LAB FUNDED ENTIRELY BY YRMC, THE CLINICAL SKILLS LAB IS EQUIPPED WI TH SPECIALLY DESIGNED SIMULATION MANNEQUINS THAT NURSING STUDENTS CAN PRACTICE ON TO PREPA RE THEM FOR THEIR WORK WITH REAL PATIENTS "THEY CAN PLACE NG (NASOGASTRIC) TUBES, THEY CA N START IVS, THEY CAN PLACE CATHETERS, DO DRESSING CHANGES AND ASSESSMENTS," EXPLAINS KRIS TIE VAN DYN HOVEN, MSN, RNC, AND YRMC'S ACADEMIC LIAISON NURSE AND EXTERN COORDINATOR "TH EY CAN ALSO PRACTICE BED MAKING, DAILY PATIENT CARE, MOVING PATIENTS, LIFTING, AND MEDICAT ION ADMINISTRATION " INSTRUCTORS CAN SET THE MANNEQUIN'S HEART RATE, BLOOD PRESSURE, LUNG SOUNDS, BOWEL SOUNDS AND OTHER VITAL SIGNS TO SIMULATE A VARIETY OF CLINICAL SCENARIOS YR MC'S CLINICAL SKILLS LAB ALSO INCLUDES A SIMULATION ROOM EQUIPPED WITH A TECHNOLOGICALLY A DVANCED MANNEQUIN KNOWN AS "SIMMAN " "IT'S A FULLY AUTOMATED MANNEQUIN," KRISTIE EXPLAINS "WE CAN PROGRAM HIM TO DO ANYTHING WE WANT WE CAN PROGRAM HIM TO HAVE SHORTNESS OF BREAT H, BE DISORIENTED, GO INTO CARDIAC ARREST OR HAVE A STROKE " SIMMAN CAN EVEN BE PROGRAMMED TO TALK TO GIVE NURSING STUDENTS IMPORTANT VERBAL CUES ON ANY PAIN OR DISCOMFORT HE MAY B E "FEELING" AND HOW HE IS RESPONDING TO TREATMENT WE'RE FOR NURSING EDUCATION THROUGH L AUNCHING NEW CAREERS EDUCATIONAL SUPPORT IN FY 2011 IN FY 2011, YRMC PROVIDED $376,823 I N FINANCIAL SUPPORT TO THE NURSING PROGRAM AT ARIZONA WESTERN COLLEGE (AWC) IN ADDITION, YRMC PROVIDED $164,397 IN OPERATING COSTS FOR THE CLINICAL SKILLS LAB WHICH BENEFITS NURSI NG STUDENTS AT NORTHERN ARIZONA UNIVERSITY-YUMA (NAU) AND UNIVERSITY OF ARIZONA (U OF A) WE'RE FOR HELPING CHILDREN WITH ASTHMA GOING AWAY TO CAMP IS A FUN CHILDHOOD EXPERIENCE M ANY OF US TAKE FOR GRANTED HOWEVER CHILDREN WHO HAVE ASTHMA ARE OFTEN DENIED THIS OPPORTU NITY DUE TO PARENTAL CONCERNS ABOUT CONTROLLING THEIR SY MPTOMS WHILE THEY'RE AWAY THANKS TO THE RESPIRATORY TEAM AND PARTNERS IN OUR COMMUNITY, CHILDREN WITH ASTHMA CAN ENJOY THE FUN OF CAMP IN A SAFE ENVIRONMENT EACH YEAR, YRMC SPONSORS CAMP NOT-A-CHOO, A SAFE AND EN JOYABLE OVERNIGHT CAMP EXPERIENCE DESIGNED FOR CHILDREN 8-11 WHO HAVE MODERATE TO SEVERE A STHMA NOW ENTERING ITS EIGHTH YEAR, CAMP NOT-A-CHOO WAS THE BRAINCHILD OF TWO YRMC REGIST ERED RESPIRATORY THERAPISTS, TINA AND JUANITA "IT WAS OUR VISION TO HAVE AN OVERNIGHT CAM P WHERE KIDS COULD HAVE FUN WHILE LEARNING TO CONTROL THEIR ASTHMA," TINA EXPLAINS TODAY THE CAMP IS OPERATED BY THE REGIONAL CENTER FOR BORDER HEALTH CAMP NOT-A-CHOO IS DESIGNED TO PROMOTE A POSITIVE SELF-IMAGE AND INDEPENDENCE FOR CHILDREN WITH ASTHMA EACH CAMPER I S ASSESSED BY A VOLUNTEER PULMONOLOGIST TWO WEEKS BEFORE CAMP TO ENSURE THAT THEY'RE ON TH E CORRECT MEDICATION THEN, ON THE FIRST NIGHT OF CAMP, THE CHILDREN PARTICIPATE IN A HAND S-ON DEMONSTRATION OF THE EQUIPMENT THEY NEED TO MANAGE THEIR ASTHMA THE CAMPERS ENJOY TR ADITIONAL CAMP ACTIVITIES SUCH AS ARTS AND CRAFTS, GAMES, AND SPORTS THEY ALSO VISIT A SE RIES OF STATIONS TO LEARN ABOUT ASTHMA "TRIGGERS " TINA GIVES AN EXAMPLE "THEY'LL LEARN A BOUT TRIGGERS SUCH AS HORSES OR DOGS SO THEY CAN LEARN WHAT DO IF SOMETHING HAPPENS TO THE M THEN THEY'LL GO WORK WITH THE HORSES OR THERAPY DOGS " THERE IS EVEN A CAMPFIRE FOR THE CHILDREN TO ENJOY "THEY JUST HAVE TO TAKE THEIR MEDICINE BEFORE THEY GO TO THE CAMPFIRE BECAUSE THAT CAN BE ONE OF THEIR TRIGGERS," TINA ADDS CAMP NOT-A-CHOO OFFERS THESE CHILDR EN A FUN WAY TO LEARN HOW TO MANAGE THEIR ASTHMA SY MPTOMS SO THEY CAN ENJOY THEIR LIVES MO RE FULLY THE CAMP CAN ACCOMMODATE UP TO 25 CHILDREN, AND SCHOLARSHIPS ARE AVAILABLE FOR T HOSE WHO CANNOT AFFORD TO ATTEND THE CAMP IS STAFFED AROUND-THE-CLOCK BY A DOCTOR, NURSES , AND RESPIRATORY THERAPISTS, SO PARENTS CAN HAVE THE PEACE OF MIND OF KNOWING THAT THEIR CHILD WILL BE WELL SUPPORTED PHY SICALLY, MEDICALLY AND EMOTIONALLY THE CAMP CONCLUDES WIT H A CELEBRATION ATTENDED BY THE CAMPERS AND THEIR PARENTS WE'RE IMPROVING ACCESS TO PHY SICIANS YRMC RECRUITS PHYSICIANS TO YUMA FOR THE BENEFIT OF THE COMMUNITY IN FISCAL YEAR 2011, YRMC SUCCESSFULLY RECRUITED 22 PHYSICIANS TO THE COMMUNITY THESE EFFORTS ARE BASED ON A MEDICAL STAFF DEVELOPMENT PLAN WHICH IDENTIFIES PHYSICIAN SPECIALTIES THAT ARE EITHE R NOT CURRENTLY AVAILABLE IN THE COMMUNITY, OR THOSE SPECIALTIES IN WHICH OUR CURRENT SUPP LY OF PHYSICIANS IS NOT SUFFICIENT TO MEET THE GROWING DEMAND FOR THESE SERVICES WE'RE FO R HELPING PEOPLE AT A CROSSROADS IN THEIR LIFE YUMA REGIONAL MEDICAL CENTER IS A PROUD SUPPORTER OF CROSSROADS MISSION, A NONPROFIT ORGAN

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS CONTINUED	FORM 990, PART III, LINE 4A	IZATION THAT HAS BEEN DEDICATED TO SERVING THOSE IN NEED IN YUMA COUNTY FOR THE PAST 50 YE ARS WHETHER THESE INDIVIDUALS ARE FACING HOMELESSNESS, UNEMPLOYMENT, ADDICTIONS, OR OTHER LIFE-ALTERING CHALLENGES, THEY CAN TURN TO CROSSROADS MISSION FOR HELP YRMC SUPPORTS CRO SSROADS MISSION IN SEVERAL WAYS IT TRULY IS A COMMUNITY PARTNERSHIP," EXPLAINS MYRA GARLI T, CROSSROADS' EXECUTIVE DIRECTOR "MOST RECENTLY, THE HOSPITAL HELPED US PURCHASE 25 MATT RESSES FOR OUR SHELTER ON A LARGE SCALE, WE RECEIVE FUNDING FROM YRMC EVERY YEAR TO HELP OFFSET THE COSTS OF OUR FIRST STEPS CENTER THESE FUNDS HELP SUPPORT THE MEDICAL UNIT FOR OUR DRUG AND ALCOHOL RECOVERY PROGRAM WHERE PATIENTS GO THROUGH DETOXIFICATION AND GET STA BILIZED" CROSSROADS MISSION SERVES APPROXIMATELY 3,000 PEOPLE EACH YEAR "OUR OVERALL MIS SION IS TO HELP PEOPLE AT THE CROSSROADS OF THEIR LIFE," MYRA SAYS "WE WANT TO MAKE YUMA COUNTY BETTER ONE PERSON AT A TIME."

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS CONTINUED	FORM 990, PART III, LINE 4A	WE'RE FOR LENDING A HELPING HAND YRMC EMPLOYEES ARE PASSIONATE ABOUT VOLUNTEERING IN FY 2011 THEY SELFLESSLY DONATED MORE THAN 1,794 HOURS OF THEIR FREE TIME TO WORK AT A VARIETY OF COMMUNITY OUTREACH EVENTS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4		BY LAWS WERE CLARIFIED DUE TO A CONFLICT IN TWO PROVISIONS THE CEO, CHIEF OF MEDICAL STAFF AND THE PHY SICIAN REPRESENTATIVE TOGETHER HAVE ONE VOTE UNDER THE REVISED BY LAWS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON INFORMATION PROVIDED BY THE FINANCE DEPARTMENT THE 990 IS THEN REVIEWED BY MANAGEMENT IN THE FINANCE DEPARTMENT AND PRESENTED TO THE BOARD AUDIT COMMITTEE FOR REVIEW AND COMMENT THE 990 IS THEN PROVIDED TO THE ENTIRE BOARD PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	YRMC RECOGNIZES THAT THE POTENTIAL FOR CONFLICTS OF INTEREST EXISTS FOR DECISION-MAKERS AT ALL LEVELS WITHIN THE ORGANIZATION LEVELS WITHIN THE ORGANIZATION INCLUDE YRMC EMPLOYEES, VOLUNTEERS, AND BOARD MEMBERS YRMC REQUIRES THE DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST SO THAT APPROPRIATE ACTION MAY BE TAKEN TO ENSURE THAT SUCH CONFLICTS WILL NOT INAPPROPRIATELY INFLUENCE IMPORTANT DECISIONS EMPLOYEES ARE REQUIRED TO DISCLOSE ANY AND ALL POTENTIAL CONFLICTS OF INTEREST THAT COULD INAPPROPRIATELY INFLUENCE DECISIONS THIS WOULD INCLUDE BECOMING INVOLVED AS A VENDOR, OR RECEIVING REMUNERATION OR OTHER BENEFIT FROM A VENDOR THIS INCLUDES IMMEDIATE FAMILY MEMBERS IF A TRANSACTION IS PLANNED, THE EMPLOYEE MUST DISCLOSE THE FOLLOWING INFORMATION TO HIS OR HER DEPARTMENT DIRECTOR AND THE V P OF HUMAN RESOURCES THE EMPLOYEE'S OR FAMILY MEMBER'S PERSONAL INTEREST, AND A DESCRIPTION OF THE PROPOSED TRANSACTION INCLUDING ALL RELEVANT INFORMATION YRMC'S WORKFORCE MEMBER ACKNOWLEDGEMENT, CONFIDENTIALITY AGREEMENT, CONFLICT OF INTEREST AND DISCLOSURE STATEMENT AND CERTIFICATION FORM IS SIGNED UPON ENTRY AND THEN ANNUALLY RECORDS ARE RETAINED IN THE PERSONNEL FILE IN THE VOLUNTEER DEPARTMENT OFFICE OR THE HUMAN RESOURCES DEPARTMENT OFFICE DOCUMENTS SIGNED BY MEMBERS OF THE YRMC BOARD OF DIRECTORS ARE KEPT WITH THE BOARD COORDINATOR

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF YUMA REGIONAL MEDICAL CENTER HAS ADOPTED A COMPETITIVE PAY STRATEGY IN ORDER TO ATTRACT AND RETAIN QUALIFIED EXECUTIVES TO LEAD OUR ORGANIZATION AND TO FAIRLY COMPENSA TE EXECUTIVES FOR ADVANCING THE MISSION OF YUMA REGIONAL MEDICAL CENTER THE POLICY IS ALS O INTENDED TO ESTABLISH A FORMAL, CONSISTENT PROCESS FOR GOVERNING EXECUTIVE COMPENSATION DECISIONS THIS PROCESS IS MEANT TO ESTABLISH A "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER IRC SECTION 4958 TO SECURE A LEGAL "REBUTTABLE PRESUMPTION OF REASONABLENESS" IN D ETERMINING COMPENSATION OF THE CEO AND OTHER EXECUTIVES CONSIDERED DISQUALIFIED INDIVIDUAL S, AN OUTSIDE CONSULTANT IS ENGAGED PERIODICALLY TO PROVIDE COMPARABILITY DATA AND CONTEMP ORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION IN SETTING UP TOTAL COMPENSATION PACKAGES INCLUDING AN INCENTIVE PAY PROGRAM KNOWN AS "PAY AT RISK" AND EXECUTIVE RETIREMEN T PROGRAMS OUR TOTAL COMPENSATION PHILOSOPHY IS COMPRISED OF THE FOLLOWING ELEMENTS ROLE OF THE EXECUTIVE COMMITTEE THE BOARD'S EXECUTIVE COMMITTEE, AFTER REVIEWING THE MATERIAL PROVIDED BY THE CONSULTANT, SETS THE COMPENSATION FOR THE PRESIDENT/CEO AS WELL AS THE CO MPENSATION POLICY AND STRATEGY FOR OTHER EXECUTIVES THE EXECUTIVE COMMITTEE WILL REVIEW A ND APPROVE, OR MODIFY AS APPROPRIATE, THE CEO'S RECOMMENDATIONS FOR OTHER EXECUTIVES THE EXECUTIVE COMMITTEE PRESENTS ITS RECOMMENDATIONS TO THE FULL BOARD FOR ENDORSEMENT PEER G ROUP A NATIONAL PEER GROUP OF HEALTH CARE ORGANIZATIONS COMPARABLE TO YRMC IN REVENUE, ST RUCTURE, MISSION AND SCOPE OF OPERATIONS WILL BE USED IN COLLECTING COMPARABILITY DATA CO MPETITIVE POSITIONING - SALARY RANGE MIDPOINTS ARE SET AT THE 60TH PERCENTILE OF THE PEER GROUP INDIVIDUAL SALARIES ARE POSITIONED WITHIN THE SALARY RANGES BASED ON FACTORS SUCH A S QUALIFICATIONS, EXPERIENCE AND PERFORMANCE AS WELL AS RECRUITMENT AND RETENTION NEEDS - ANNUAL INCENTIVE OPPORTUNITY FOR THE PRESIDENT/CEO, VICE PRESIDENTS AND DIRECTORS ARE POSI TIONED ON PAR WITH THE AVERAGE LEVELS PROVIDED TO INDIVIDUALS OCCUPYING COMPARABLE POSITIO NS IN THE PEER GROUP -BENEFIT EXPENDITURES ARE POSITIONED ABOVE THE 75TH PERCENTILE AND D ESIGNED TO ENCOURAGE RETENTION AND STABILITY OF THE EXECUTIVE TEAM -OUR TOTAL COMPENSATIO N INCLUDING CASH COMPENSATION AND BENEFITS WILL BE POSITIONED AT APPROXIMATELY THE 75TH PE RCENTILE FOR EXPECTED PERFORMANCE TOTAL COMPENSATION ABOVE THE 75TH PERCENTILE MAY BE ACH IEVED FOR EXCEPTIONAL OR SUPERIOR PERFORMANCE APPROPRIATE PERQUISITES WILL BE PROVIDED BA SED ON POSITION LEVEL AND TYPICALLY WILL BE FUNDED BY A PERQ ALLOWANCE A MODERATE SEVERAN CE POLICY IS ALSO PROVIDED BASED ON POSITION LEVEL SEE THE SEVERANCE POLICY FOR FURTHER D ETAIL PAY AT RISK INCENTIVE PROGRAM YRMC'S ANNUAL INCENTIVE PLAN (OUR "PAY AT RISK" PROG RAM) USES A COMBINATION OF ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE MEASURES ORGANIZATIO NAL MEASURES ALIGNED WITH THE ORGANIZATION'S PILLARS OF PERFORMANCE INCLUDING QUALITY/SAFE TY, SERVICE SATISFACTION, PEOPLE, SYSTEMS, PROCESSES, FINANCE AND GROWTH ARE ESTABLISHED A NNUALLY AND APPROVED BY THE BOARD EXECUTIVE COMMITTEE THE WEIGHTING FOR EACH MEASURE IS E STABLISHED ANNUALLY AND SLIGHTLY MORE WEIGHT MAY APPLY TO ANY OF THESE FIVE CATEGORIES -T RIGGERS ARE ESTABLISHED TO DEFINE CERTAIN MINIMUM PERFORMANCE LEVELS THAT MUST BE MET BEFO RE INCENTIVE AWARDS MAY BE PAID -NET OPERATING MARGIN MUST BE ACHIEVED AT A MINIMUM OF 80 % OF BUDGET -ACCREDITATION MUST BE MAINTAINED - PERFORMANCE MEASURES ARE TYPICALLY EXPRES SED IN TERMS OF DEFINED OUTCOMES EACH PERFORMANCE MEASURE INCLUDES THREE LEVELS OF PERFOR MANCE THAT CORRESPOND TO THREE LEVELS OF AWARD OPPORTUNITY -A THRESHOLD LEVEL OF PERFORMA NCE REPRESENTING "SIGNIFICANT PROGRESS" TOWARD ACHIEVING THE PLANNED PERFORMANCE OBJECTIVE (TARGET) -A STRETCH LEVEL OF PERFORMANCE INDICATING THAT THE PLANNED PERFORMANCE OBJECTI VE HAS BEEN FULLY ACHIEVED (WINNING) -AN OUTSTANDING LEVEL OF PERFORMANCE REPRESENTING RE SULTS THAT "CLEARLY EXCEED" THE PLANNED PERFORMANCE OBJECTIVE (MAXIMUM OR CHAMPION) TARGE TS ARE SET AT THE 60TH PERCENTILE OF NATIONAL DATA WHEN AVAILABLE -WINNING LEVEL IS SET A T THE 75TH PERCENTILE AND CHAMPION LEVEL IS THE 90TH PERCENTILE FOR FINANCIAL MEASURES, W INNING IS SET AT THE BUDGET LEVEL WITH 95% EQUALING TARGET AND 105% EQUALING CHAMPION LEVE L EACH YEAR, THE CEO RECOMMENDS TO THE COMMITTEE THE OUTCOMES REQUIRED TO ACHIEVE EACH GO AL LEVEL AND PROVIDES SUPPORTING RATIONALE AND DATA FOR THE RECOMMENDATIONS THE COMMITTEE REVIEWS THE RECOMMENDATIONS, MODIFIES AS APPROPRIATE, AND APPROVES THE FINAL GOALS AND RE QUIRED OUTCOMES PERFORMANCE LEVEL PERCENTAGES ARE SET BASED ON POSITION -CEO'S WINNING L EVEL EQUALS 40% OF INCUMBENT'S SALARY WITH A MINIMUM OF 30% AND A MAXIMUM OF 50% WITH 100% WEIGHTING ON ORGANIZATIONAL GOALS -VICE PRESIDENT'S WINNING LEVEL EQUALS 20% OF INCUMBEN T'S SALARY WITH A MINIMUM OF 10% AND A MAXIMUM OF 30% WITH 70% WEIGHTING ON ORGANIZATIONAL GOALS, 30% WEIGHTING FOR DIVISION GOALS -DIRECTO

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	R'S WINNING LEVEL EQUALS 10% OF MIDPOINT OF SALARY RANGE WITH A MINIMUM OF 5% AND A MAXIMU M OF 15% WITH 60% WEIGHTING ON ORGANIZATIONAL GOALS, 40% WEIGHTING FOR DIVISION GOALS -TH E AMOUNT, IF ANY, DUE WILL BE PAID PRIOR TO THE DECEMBER 31 FOLLOWING THE CLOSE OF THE FIS CAL YEAR INSURANCE PRODUCTS A NUMBER OF EXECUTIVE INSURANCE PRODUCTS ARE AVAILABLE AT TH E EXECUTIVE'S CHOICE THESE BENEFITS ARE OPTIONAL AND EXECUTIVES WILL HAVE AN OPPORTUNITY TO ELECT THESE BENEFITS AT ANY TIME WITH THE EXCEPTION OF SURVIVOR LIFE INSURANCE, EXECUT IVES MAY BE BILLED DIRECTLY FOR THESE PRODUCTS AND PREMIUMS ARE PAID ON AN AFTER TAX BASIS THE CURRENTLY AVAILABLE PROGRAMS ARE -LONG-TERM CARE INSURANCE FOR THE EXECUTIVE AND SP OUSE - EXECUTIVE DISABILITY COVERAGE (THIS WOULD SUPPLEMENT THE BASIC HOSPITAL PLAN) -SURVI VOR LIFE INSURANCE - FOR EXECUTIVES ENROLLING IN THIS BENEFIT, THE HOSPITAL WILL PAY THE E XECUTIVE'S PREMIUM UNDER APPLICABLE TAX RULES, THE PREMIUM PAY MENTS MADE BY THE HOSPITAL WILL BE TREATED AS A LOAN THE EXECUTIVE MUST PAY INTEREST ON HOSPITAL PAID PREMIUMS THE HOSPITAL WILL BE REPAID FROM THE CASH SURRENDER VALUE OF THE POLICY OR THE FACE AMOUNT OF THE POLICY IN THE EVENT OF DEATH THIS ARRANGEMENT IS DOCUMENTED BY AN AGREEMENT ACCEPTABL E TO THE HOSPITAL PAID LEAVE TIME CASH OUT REFER TO THE EXECUTIVE PAID LEAVE TIME CASH O UT POLICY FOR DETAILS THE PURPOSE OF THIS POLICY IS TO ALLOW EXECUTIVES TO CASH OUT A LIM ITED AMOUNT OF PLT TO FUND PREMIUMS OR OTHER COSTS FOR INSURANCE OR TO USE THE PROCEEDS IN WHATEVER MANNER THEY WISH THE EXECUTIVE HAS TO MEET CERTAIN CRITERIA TO QUALIFY

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

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -8,239,496 CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS -3,286,897 INCREASE IN PENSION LIABILITY -18,894,122 TOTAL TO FORM 990, PART XI, LINE 5 -30,420,515

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) YUMA REGIONAL OUTPATIENT SURGICAL CENTER 2261 S AVENUE B YUMA, AZ 85364 26-0708281	HEALTHCARE	AZ	3,870,670	9,495,392	N/A
(2) YUMA REGIONAL MED CTR PROF SVCS GROUP 2400 S AVENUE A YUMA, AZ 85364 35-2381086	HEALTHCARE	AZ	478,620	154,523	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) YUMA HEALTHCARE SERVICES INC 2400 S AVENUE A YUMA, AZ85364 86-0775929	HEALTHCARE	AZ	N/A	C	3,214,031	3,556,429	100 000 %

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) YUMA HEALTHCARE SERVICES INC	A	99,387	FMV
(2) YUMA HEALTHCARE SERVICES INC	N	135,332	FMV
(3) YUMA HEALTHCARE SERVICES INC	P	384,960	FMV
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Report of Independent Auditors and Combined Financial Statements and Other Financial Information for

Yuma Regional Medical Center and Affiliates

September 30, 2011 and 2010

MOSS-ADAMS LLP

Yuma Regional Medical Center and Affiliates

Combined Financial Statements and
Other Financial Information

Years Ended September 30, 2011 and 2010

Contents

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Yuma Regional Medical Center and Affiliates

We have audited the accompanying combined balance sheet of Yuma Regional Medical Center and Affiliates (the Medical Center) as of September 30, 2011, and the related combined statements of operations, changes in net assets, and cash flows for the year then ended These combined financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these combined financial statements based on our audit The combined financial statements of the Medical Center as of and for the year ended September 30, 2010 were audited by other auditors, whose report, dated January 31, 2011, expressed an unqualified opinion on those financial statements

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

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

Moss Adams LLP

Scottsdale, Arizona
January 31, 2012

Yuma Regional Medical Center and Affiliates

Combined Balance Sheets

	September 30, 2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 77,379,214	$ 67,190,722
Accounts receivable, net of allowance for doubtful and charitable accounts of $22,166,000 in 2011 and $15,124,000 in 2010	38,436,422	39,755,127
Short-term investments	4,593,261	5,187,043
Assets limited as to use, current portion	594,886	594,873
Estimated third-party payor settlements, net	-	540,623
Inventories	4,614,690	4,616,094
Prepaid expenses and other current assets	5,059,272	4,982,708
Total current assets	130,677,745	122,867,190
Assets limited as to use, net of current portion	201,932,836	200,919,271
Property and equipment, net	169,653,003	150,233,760
Deferred financing costs, net	1,385,659	1,446,340
Other assets	19,002,281	16,250,312
Total assets	$ 522,651,524	$ 491,716,873
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 13,431,979	$ 10,971,318
Accrued expenses	8,691,060	10,888,038
Current maturities of long-term debt	1,447,446	1,264,762
Estimated third-party payor settlements, net	660,487	-
Total current liabilities	24,230,972	23,124,118
Long-term debt, net of current maturities	107,349,182	108,162,146
Accrued pension cost	76,340,287	55,360,046
Interest rate swaps and cap	19,760,561	16,473,664
Self-insurance programs	12,387,970	10,350,138
Other liabilities	3,503,209	3,260,551
Total liabilities	243,572,181	216,730,663
Net assets		
Unrestricted	277,153,231	273,097,908
Temporarily restricted	1,380,847	1,343,037
Permanently restricted	545,265	545,265
Total net assets	279,079,343	274,986,210
Total liabilities and net assets	$ 522,651,524	$ 491,716,873

See accompanying notes.

Yuma Regional Medical Center and Affiliates

Combined Statements of Operations

	Year Ended September 30, 2011	2010
Unrestricted revenues		
Net patient service	$ 325,914,119	$ 310,233,796
Other revenue	4,557,574	6,778,348
Total revenues	330,471,693	317,012,144
Expenses		
Salaries and wages	109,829,854	106,129,230
Employee benefits	34,008,982	32,739,382
Supplies	50,147,023	46,866,819
Professional fees	22,949,753	24,225,396
Purchased services	26,028,526	25,197,050
Operating and other expenses	22,584,181	23,899,999
Depreciation and amortization	14,300,760	14,147,540
Provision for doubtful accounts	26,479,732	19,624,109
Interest, net	(42,884)	1,422,248
Total operating expenses	306,285,927	294,251,773
Operating income	24,185,766	22,760,371
Non-operating income (expense)		
Net investment income	2,022,976	10,403,352
Change in fair value of interest rate swaps	(3,286,897)	(6,458,149)
Excess of revenues over expenses	$ 22,921,845	$ 26,705,574

See accompanying notes.

Yuma Regional Medical Center and Affiliates

Combined Statements of Changes in Net Assets

	Year Ended September 30, 2011	2010
Unrestricted net assets		
Excess of revenues over expenses	$ 22,921,845	$ 26,705,574
Change in pension plan assets and liabilities recognized as changes in net assets	(18,894,122)	(5,443,235)
Prior year reclassification	27,600	-
Increase in unrestricted net assets	4,055,323	21,262,339
Temporarily restricted net assets		
Donations, gifts and contributions	65,447	158,080
Transfer to permanently restricted net assets	-	(496,343)
Net assets released from restrictions used for operations	(20,657)	(43,191)
Investment income	20,620	-
Prior year reclassification	(27,600)	-
Increase (decrease) in temporarily restricted net assets	37,810	(381,454)
Permanently restricted net assets		
Transfer from temporarily restricted net assets	-	496,343
Increase in permanently restricted net assets	-	496,343
Change in net assets	4,093,133	21,377,228
Net assets, beginning of year	274,986,210	253,608,982
Net assets, end of year	$ 279,079,343	$ 274,986,210

See accompanying notes.

Yuma Regional Medical Center and Affiliates

Combined Statements of Cash Flows

	Year Ended September 30, 2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 4,093,133	$ 21,377,228
Adjustments to reconcile increase in net cash to net cash (used in) provided by operating activities		
Change in pension liability	18,894,122	5,443,235
Change in fair value of interest rate swaps	3,286,897	6,458,149
Provision for doubtful accounts	26,479,732	19,624,109
Depreciation and amortization	14,300,760	14,147,540
Amortization of deferred financing costs	60,681	57,692
Net investment income	(2,022,976)	(10,403,352)
Equity in earnings of unconsolidated affiliates	(2,763,523)	(2,709,460)
Distribution of earnings from unconsolidated affiliates	3,012,390	2,967,175
Loss on disposal of fixed assets	104,842	124,003
Change in operating assets and liabilities		
Accounts receivable	(25,161,027)	(20,445,287)
Estimated third-party payor settlements	1,201,110	568,821
Inventories	1,404	1,033,546
Other assets	(3,077,400)	(3,298,910)
Accounts payable, accrued expenses, and other liabilities	4,630,292	4,628,173
Net cash provided by operating activities	43,040,437	39,572,662
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(33,229,474)	(22,278,069)
Proceeds from sale of property and equipment	120,504	190,911
Net (purchases) sales of investments classified as trading	1,603,180	(39,468,238)
Net cash used in investing activities	(31,505,790)	(61,555,396)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(1,295,000)	(1,200,000)
Repayment of capital lease obligation	(51,155)	(640,268)
Net cash used in financing activities	(1,346,155)	(1,840,268)
Net change in cash and cash equivalents	10,188,492	(23,823,002)
CASH AND CASH EQUIVALENTS, beginning of year	67,190,722	91,013,724
CASH AND CASH EQUIVALENTS, end of year	$ 77,379,214	$ 67,190,722
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	$ 2,098,237	$ 2,272,044
NONCASH INVESTING AND FINANCING ACTIVITIES		
Acquisitions of property and equipment using capital leases	$ 715,875	$ 484,324

See accompanying notes.

1. Organization and Business Activity

Yuma Regional Medical Center (YRMC or the Medical Center) is organized as a not-for-profit corporation under the laws of the state of Arizona and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code YRMC and its affiliates provide health care and related services to the people of Yuma, Arizona, and surrounding communities

The mission of YRMC is to improve the health and well-being of individuals, families, and the communities it serves through excellence, innovation, and prudent use of resources

2. Summary of Significant Accounting Policies

Combinations

The combined financial statements include the accounts of YRMC, Hospital District No 1 of Yuma County, Arizona (the District), Yuma Health Care Services, Inc (YHCS), Yuma Regional Outpatient Surgical Center, LLC (YROSC), YRMC Professional Services Group (YPSG) (organized during fiscal year 2010), and Foundation of Yuma Regional Medical Center (the Foundation), collectively referred to as the Medical Center The District was organized in 1958 as a political subdivision of the state of Arizona, primarily to assist in providing medical facilities for Yuma County, Arizona The District owns certain land, buildings, and equipment that it leases to YRMC in return for YRMC providing health care services to the people of Yuma County The District is included in the combined financial statements of the Medical Center as it is considered a special purpose leasing entity for accounting purposes All intercompany transactions and balances are eliminated in combination

The District, YHCS, YROSC, YPSG, and the Foundation are not members of the Obligated Group as defined under the master Indenture for the outstanding bonds

Subsequent events

Subsequent events are events or transactions that occur after the combined balance sheet date but before the combined financial statements are available to be issued The Medical Center recognizes in the combined financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined balance sheet, including the estimates inherent in the process of preparing the combined financial statements The Medical Center's combined financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the combined balance sheet but arose after the combined balance sheet date and before financial statements are available to be issued The Medical Center has evaluated subsequent events through January 31, 2012, which is the date the combined financial statements were available to be issued

2. Summary of Significant Accounting Policies (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Fair value of financial instruments

The carrying values of financial instruments classified as current assets and current liabilities approximate fair value due to their liquidity and short-term natures The fair values of other financial instruments are discussed in their respective notes

Cash and cash equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when acquired

Short-term investments and investments

Short-term investments include certificates of deposits and debt securities with maturity dates of one year or less from the combined balance sheet date and actively traded equity securities These investments are stated at fair value, based on quoted market prices in active markets

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value as all such investments are considered trading securities Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income is restricted by donor or law

Assets limited as to use

Assets limited as to use are stated at fair value and primarily include investments held by trustees under an indenture agreement and designated assets set aside by the Board of Directors (the Board) primarily 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 Medical Center have been classified as current in the balance sheets Income earned on the trust assets held under bond indenture agreements and Board-designated funds are reported as other unrestricted revenues

2. Summary of Significant Accounting Policies (continued)

Derivative and hedging instruments

The Medical Center has various interest rate swaps and an interest rate cap to manage the cost of borrowings on its outstanding debts These interest rate swaps and the interest rate cap do not qualify as hedges The Medical Center recognizes all its derivative instruments on the combined balance sheet at fair value Therefore, the changes in their fair values are recognized within the excess of revenues over expenses

As the Medical Center's derivative contracts are all executed with one counterparty and are subject to a master netting arrangement, the fair values of the derivatives are reported on a net basis None of the Medical Center's derivative contracts are subject to collateral posting requirements

Inventories

Inventories, consisting principally of medical supplies and pharmaceuticals, are stated at the lower of cost or market value, utilizing the first-in, first-out method of accounting

Property and equipment

Property and equipment acquisitions are recorded at cost Interest cost incurred on borrowed funds during the period of construction, less interest income on qualified borrowed funds of capital assets, is capitalized as a component of the cost of acquiring those assets Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Upon sale or retirement, cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in investment and other income

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

Assets under capital lease obligations or leasehold improvements are amortized using the straight-line method over the shorter period of the lease term or respectful useful life

2. Summary of Significant Accounting Policies (continued)

Costs incurred in the development and installation of software for internal use are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage Amounts capitalized are amortized over the useful life of the developed asset following project completion

Long-lived asset impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset If the carrying amount of an asset exceeds its estimated future cash flows, an impairment change is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset

Deferred financing costs

Certain costs incurred in connection with long-term financing programs have been deferred Deferred financing costs are amortized over the life of the related financing using the effective interest method

Equity method investments

The Medical Center utilizes the equity method of accounting for investments in certain affiliates where the Medical Center's ownership is equal to or less than fifty percent Under this method, the Medical Center's share of the net income or net losses of the respective affiliate is reflected as investment income or loss and serves to increase or reduce the recorded amount of the Medical Center's investment in the respective affiliate

Excess of revenues over expenses

The combined statements of operations includes excess of revenues over expenses Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in the Medical Center's pension liability, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets)

2. Summary of Significant Accounting Policies (continued)

Income taxes

YRMC and the Foundation are not-for-profit corporations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code Accordingly, no provision for income taxes for these entities has been included in the accompanying combined financial statements Management is not aware of any events that would cause YRMC or the Foundation to become disqualified for tax-exempt status YROSC and YPSG are single member limited liability companies that are 100% owned by YRMC and are considered disregarded entities for tax purposes

YHCS is a taxable entity and accounts for income taxes under the liability method Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws Valuation allowances are used to reduce deferred tax assets to their estimated net realizable values when management determines ultimate recovery is not probable

The District is a political subdivision of the state of Arizona and is not subject to income taxes

The Medical Center has not identified any uncertain tax positions as of September 30, 2011 and 2010, and has determined that there are no material uncertain tax positions that have not been reflected in the combined financial statements

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity

Net patient service revenue, accounts receivable, and allowance for doubtful accounts

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts before estimates for bad debts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined Accounts receivable consist principally of amounts due from patient services rendered

2. Summary of Significant Accounting Policies (continued)

The allowance for doubtful accounts is based on management's assessment of expected net collections of accounts receivable, considering economic conditions, trends in health care coverage, and other collection indicators Periodically, management assesses the adequacy of the allowance based on historical write-off experience by payor category The results of these reviews are used to make modifications to the allowance as appropriate After satisfaction of amounts due from insurance and reasonable collection efforts have been exhausted, accounts receivable are written off and deducted from the allowance

Charity care

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

Donor-restricted gifts

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

Advertising

The Medical Center expenses advertising costs as they are incurred During the years ended September 30, 2011 and 2010, the Medical Center incurred approximately $547,000 and $510,000 in advertising expense, respectively

Physician net income guarantees

The Medical Center enters into agreements with non-employed physicians that include minimum net collection guarantees These guarantees arise out of a community need to recruit physicians in certain specialties to the areas surrounding the Medical Center and provide a guaranteed level

2. Summary of Significant Accounting Policies (continued)

of income to the physicians for the first year of practice The guarantee provides a buffer between the physician's actual collection on patient billings in this initial period and an agreed-upon income level based on the specialty The physician is expected to practice in the area subsequent to the guarantee term for a total period of three years Over the period subsequent to the guarantee period, amounts paid to the physician during the guarantee period are ratably forgiven, resulting in income to the physicians in the years of forgiveness The estimated amount of the liability for the Medical Center's obligation under the guarantees total approximately $885,000 and $1,658,000 at September 30, 2011 and 2010, respectively, and are included in accrued expenses

Self-insurance programs

The Medical Center has a comprehensive insurance program designed to safeguard its assets and properties The Medical Center assumes retention risk for those risks that it can mitigate to offset risk transfer cost Risk transfer is used to mitigate various exposures and losses to a third-party insurer when it is appropriate In addition, the Medical Center purchases excess liability coverage to cover losses that exceed its self-insurance programs It is the Medical Center's policy to record the expense and related liability for medical malpractice and general liability and workers' compensation losses based on actuarial determined estimates There are known claims and incidents that may result in assertion of additional claims, as well as claims from unknown incidents arising from services provided to patients that may be asserted However, management does not believe that the asserted or unasserted claims will exceed the total amount of insurance coverage

Reclassifications

Certain amounts were reclassified in the 2010 combined financial statements to conform to the 2011 presentation Such reclassifications had no impact on previously reported excess of revenues over expenses or net assets

New accounting pronouncements

In August 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-23, *Measuring Charity Care for Disclosure.* ASU 2010-23 amends FASB ASC 954 to require that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care Disclosure is required of the method used to identify or determine such costs and the amount of any funds received to subsidize charity care services must be disclosed The

2. Summary of Significant Accounting Policies (continued)

amendments in this update are effective for fiscal years beginning after December 15, 2010, on a retrospective basis, with earlier application allowed The Medical Center is in the process of determining the impact of the adoption of the new guidance on its financial statements

In August 2010, ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, amended ASC 954 to separately report insurance recoveries and related claim liabilities Under ASU 2010-24, the amount of claim liabilities should be determined without consideration of insurance recoveries The amendments in this update are effective for fiscal years beginning after December 15, 2010 The Medical Center is in the process of determining the impact of the adoption of the new guidance on its financial statements

In July 2011, the FASB issued ASU No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, those health care entities will be required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The amendment also requires disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The update is effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented The disclosures required by the amendments in this update should be provided for the period of adoption and subsequent reporting periods The Medical Center is in the process of determining the impact of the adoption of the new guidance on its financial statements

3. Net Patient Service Revenue

A summary of the payment arrangements with major third-party payors is as follows

Medicare

Substantially all inpatient and 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 Medical Center is reimbursed for Medicare outlier payments and sole community hospital status at a tentative rate Final settlement is determined after submission of annual cost reports by the Medical Center and audit

3. Net Patient Service Revenue (continued)

thereof by the Medicare fiscal intermediary Approximately 34 8% and 35 6% of the Medical Center's net patient revenue was derived from the Medicare program in 2011 and 2010, respectively, the continuation of which is dependent on government policies

The Medicare cost reports of the Medical Center have been audited by the fiscal intermediary through September 30, 2009 Management believes that estimated accrued settlements related to unaudited cost reports are adequate Estimates are continually monitored and reviewed, and any adjustments are reflected in current operations

AHCCCS

Inpatient and outpatient services rendered to Arizona Health Care Cost Containment System (AHCCCS) program beneficiaries are reimbursed under per diem and discounted charge methodologies Approximately 14 5% and 16 2% of the Medical Center's net patient revenue was derived from the AHCCCS program in 2011 and 2010, respectively

Laws and regulations governing the Medicare and AHCCCS programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and AHCCCS programs

Other third-party payors

The Medical Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates Approximately 45 1% and 44 2% of the Medical Center's net patient revenue was derived from commercial, managed care, and other third-party payors in 2011 and 2010, respectively

4. Fair Value of Financial Instruments

Fair value measurements used by the Medical Center for all financial assets and liabilities that are recognized or disclosed at fair value in the combined financial statements are based on the premise that fair value represents an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants In determining fair value, the Medical Center uses various valuation approaches, including market, income and/or cost approaches The established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Medical Center Unobservable inputs are inputs that reflect the Medical Center's assumptions about the value that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances The hierarchy is broken down into three levels based on the reliability of inputs, as follows

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities on the reporting date Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment

Level 2 - Valuations are based on pricing inputs on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 - Pricing inputs are generally unobservable and include situations where there is little, if any, market activity

The availability of observable inputs varies based on the nature of the specific financial instrument To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment Accordingly, the degree of judgment exercised by the Medical Center in determining the fair value is greatest for instruments categorized in Level 3 In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety

4. Fair Value of Financial Instruments (continued)

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure When market assumptions are available, the Medical Center is required to make assumptions regarding the assumptions that market participants would use to estimate the fair value of the financial instrument at the measurement date

The following table presents the balances of the assets and liabilities measured at fair value on a recurring basis as of September 30

	2011		
ASSETS	Level 1	Level 2	Total Fair Value
Short-term investments			
Certificates of deposit	$ -	$ 1,000,000	$ 1,000,000
Equity securities	2,139,615	-	2,139,615
Corporate bonds	-	325,005	325,005
U S Government securities	-	1,128,641	1,128,641
Assets limited as to use			
Certificates of deposit	-	5,823,991	5,823,991
Equity securities	49,874,959	-	49,874,959
Corporate bonds	-	19,310,308	19,310,308
U S Government securities	-	49,515,680	49,515,680
Foreign equity securities	11,681,284	-	11,681,284
Total assets	$ 63,695,858	$ 77,103,625	$ 140,799,483

	2010		
ASSETS	Level 1	Level 2	Total Fair Value
Short-term investments			
Equity securities	$ 821,835	$ -	$ 821,835
U S Government securities	-	1,040,867	1,040,867
Assets limited as to use			
Certificates of deposit	-	9,039,836	9,039,836
Equity securities	49,082,626	-	49,082,626
Corporate bonds	-	20,763,114	20,763,114
U S Government securities	-	49,719,869	49,719,869
Foreign equity securities	10,054,488	-	10,054,488
Total assets	$ 59,958,949	$ 80,563,686	$ 140,522,635

4. Fair Value of Financial Instruments (continued)

Joint venture investments are accounted for under the equity method of accounting, which is not a fair value measurement There were no transfers of assets between Level 1 and Level 2 valuation measurements during the years ended September 30, 2011 and 2010

The following table presents the balances of the assets and liabilities measured at fair value on a non-recurring basis as of September 30

	2011		
	Level 1	Level 2	Total Fair Value
LIABILITIES			
Interest rate swaps and cap	$ -	$ 19,760,561	$ 19,760,561

	2010		
	Level 1	Level 2	Total Fair Value
LIABILITIES			
Interest rate swaps and cap	$ -	$ 16,473,664	$ 16,473,664

The estimated fair values of the Medical Center's financial instruments are as follows at September 30

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 77,379,214	$ 77,379,000	$ 67,190,722	$ 67,191,000
Short-term investments	$ 4,593,261	$ 4,593,000	$ 5,187,043	$ 5,187,000
Assets limited as to use	$ 202,527,722	$ 202,188,000	$ 201,514,144	$ 201,514,000
Financial liabilities				
Long-term debt	$ 108,796,628	$ 106,697,000	$ 109,426,908	$ 109,514,000
Interest rate swaps and cap	$ 19,760,561	$ 19,761,000	$ 16,473,664	$ 16,474,000
Accounts payable and accrued expenses	$ 22,123,039	$ 22,123,000	$ 21,859,356	$ 21,859,000
Estimated amounts due to (from) third party payers	$ 660,487	$ 660,000	$ (540,623)	$ (541,000)

4. Fair Value of Financial Instruments (continued)

The following methods and assumptions were used to estimate the fair value of financial instruments

Cash and cash equivalents – The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value

Assets limited as to use

The fair value and carrying amount of cash and cash equivalents, charitable gift annuities and investments in funds held by trustees are estimated based on quoted market prices when available The fair value and carrying amount of contributions receivable is based on observed interest rates for similar instruments The discount rate used is commensurate with the credit, interest rate, and prepayment risks involved If a quoted market price is not available, fair value is estimated using quoted market prices for identical securities

Investments

The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities

Long-term debt

The fair value is based on quoted market prices, if available If a quoted market price is not available, fair value is estimated using quoted market prices for identical securities The fair value of debt is estimated based on quoted market prices when available or on the discounted value of the future cash flows that would theoretically be paid using current rates offered to the Medical Center for debt for the same remaining maturities, considering existing call premium and protection The Medical Center's long-term debt is subject to a third-party credit enhancement, which was included in the determination of its estimated fair value

Interest rate swaps

The fair value is based on observed interest rates for similar instruments traded in the derivative market, municipal bonds, market credit spreads, treasury yields, and maturity dates

Accounts payable and accrued expenses – The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value

4. Fair Value of Financial Instruments (continued)

Estimated amounts due to third party payers

The carrying amount reported in the balance sheet for estimated amounts due to third party payers approximates its fair value

5. Assets Limited as to Use and Short-Term Investments

Assets limited as to use include assets set aside in accordance with the provisions of bond indentures of approximately $595,000 at both September 30, 2011 and 2010, assets designated by the Board for future capital needs of approximately $191,625,000 and $193,017,000, and a malpractice liability reserve $9,968,000 and $7,902,000 at September 30, 2011 and 2010, respectively

Following is a summary of assets limited as to use as of September 30

	2011	2010
Cash and cash equivalents	$ 66,321,500	$ 62,854,211
Certificates of deposit	5,823,991	9,039,836
Government securities	49,515,680	49,719,869
U S corporate bonds	19,310,308	20,763,114
U S equity securities	49,874,959	49,082,626
Foreign equity securities	11,681,284	10,054,488
Total assets limited as to use	202,527,722	201,514,144
Less current portion	(594,886)	(594,873)
Assets limited as to use, net of current portion	$ 201,932,836	$ 200,919,271

Short-term investments include the following as of September 30

	2011	2010
Certificates of deposit	$ 1,000,000	$ 3,324,341
U.S. equity securities	2,139,615	821,835
Government securities	1,128,641	1,040,867
U.S. corporate bonds	325,005	-
	$ 4,593,261	$ 5,187,043

5. Assets Limited as to Use and Short-Term Investments (continued)

Investment income consisted of the following for the years ended September 30

	2011	2010
Interest and dividend income	$ 3,602,915	$ 5,954,686
Net realized gain on sale of investments	6,800,815	1,280,488
Net unrealized (loss) gain on investments	(8,380,754)	3,168,178
	$ 2,022,976	$ 10,403,352

6. Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements The following table summarizes the percentage of net accounts receivable from all third-party payors as of September 30

	2011	2010
Private (commerical and self-pay)	42%	52%
Medicare	28%	24%
AHCCCS	19%	15%
Others (contractual arrangements)	11%	9%
	100%	100%

The Medical Center may, in the normal course of business, maintain checking and savings account balances in excess of the Federal Deposit Insurance Corporation's insurance limit in the United States At September 30, 2011, the Medical Center had cash balances in excess of insured amounts of approximately $11,503,000 The Hospital has not experienced any losses in such accounts, and management believes that the Hospital is not exposed to any significant credit risk

7. Property and Equipment

Property and equipment consisted of the following at September 30

	2011	2010
Land and improvements	$ 21,981,090	$ 21,826,389
Buildings and improvements	168,758,776	165,641,562
Equipment	119,113,772	111,987,788
	309,853,638	299,455,739
Less accumulated depreciation and amortization	(170,254,874)	(157,265,251)
Construction in progress	30,054,239	8,043,272
	$ 169,653,003	$ 150,233,760

The Medical Center capitalizes costs associated with software developed internally or obtained for internal use Such capitalized costs, which are primarily related to the Medical Center's electronic medical record project, totaled approximately $14,777,000 and $6,966,000 as of September 30, 2011 and 2010, respectively Capitalized software development costs are amortized on a straight-line basis, based upon an estimated useful life of 3 to 7 years for the related asset beginning when the asset is ready for its intended use There was no amortization of capitalized software development costs for the years ended September 30, 2011 and 2010 In connection with the Medical Center's software development project, the Medical Center has contract-related commitments of $1,087,357 at September 30, 2011

8. Long-Term Debt and Derivative Instruments

Long-term debt consisted of the following at September 30

	2011	2010
Hospital Revenue Bonds - Series 2008	$ 105,730,000	$ 106,835,000
Hospital Revenue Bonds - Series 2001	955,000	1,095,000
Subordinated Health Facility Revenue Bonds, Series 2007 - YROSC	1,430,000	1,430,000
Capital leases	681,628	66,908
	108,796,628	109,426,908
Less current maturities	(1,447,446)	(1,264,762)
	$ 107,349,182	$ 108,162,146

Future maturities of long-term debt at September 30, 2011, follow

Years ending September 30,	
2012	$ 1,447,446
2013	1,485,000
2014	1,535,000
2015	1,595,000
2016	1,520,000
Thereafter	101,214,182
	$ 108,796,628

In December 2008, the Medical Center issued $190,025,000 in Series 2008 Variable-Rate Refunding Bonds (Series 2008 Bonds) The proceeds of the bond issuance were used to refund the Series 2004A and 2004B Bonds (Series 2004 Bonds) The advance refunding of the Series 2004 Bonds was considered a legal defeasement The Series 2008 Bonds mature on August 1, 2043 The Series 2008 Bonds bear interest at variable rates, which ranged from 0 07% to 0 38% during 2011 and 0 13% to 0 34% during 2010 Interest is due on a weekly basis The Series 2008 Bonds are subject to early redemption at the option of the Medical Center at amounts generally equal to the remaining outstanding principal balance, plus accrued interest, at any time before redemption The effective interest rate on the 2008 Bonds was 1 23% and 1 27% at September 30, 2011 and 2010, respectively

8. Long-Term Debt and Derivative Instruments (continued)

The Medical Center entered into a $109,106,000 letter of credit agreement (LOC) in conjunction with the issuance of the Series 2008 Bonds to enhance the marketability In June 2010, the Medical Center extended the LOC maturity to December 11, 2014 from December 11, 2011 The Medical Center pays an LOC commitment fee of 0 90% per annum The Series 2008 Bonds are subject to mandatory redemption if the LOC agreement is not renewed In the event of a tender of the Series 2008 Bonds due to a remarketing failure or mandatory redemption by a holder, the remarketing agent may choose to either try to remarket the Series 2008 Bonds tendered, hold the Series 2008 Bonds in its inventory, or require the Trustee Bank to acquire the Series 2008 Bonds from the tendering bondholders While one of these options would be the likely outcome of such a tender, the fourth option would result in the Trustee Bank drawing against the LOC to reimburse the tendering bondholders Such a draw constitutes a borrowing due and payable (including applicable interest) over the subsequent three-year period commencing at least one year and one day from the draw on the LOC At September 30, 2011, all the bonds had been successfully remarketed and no amounts had been drawn on the LOC

In fiscal year 2008, YROSC issued $1,430,000 in Subordinated Health Facility Revenue Bonds, Series 2007 (Series 2007 Bonds) through The Industrial Development Authority of the City of Yuma, Arizona The bonds mature on December 31, 2027, and are fixed interest rate securities yielding 9 3% per annum Payment of interest is subject to meeting certain financial and quality/patient safety targets

At September 30, 2011, $955,000 of the Series 2001 Bonds is outstanding as serial bonds, due in annual installments ranging from $145,000 to $175,000 through 2017 Interest is due semiannually with annual rates ranging from 4 3% to 4 9%

The Series 2008 and 2001 Bonds are collateralized by a Master Indenture, as supplemented, and Deed of Trust The bond indentures and LOC require that certain funds be held by a trustee The Master Indenture also places other restrictions, including restriction on disposition of assets and maintenance of certain specified financial ratios, among others The Medical Center was in compliance with these covenants as of September 30, 2011 and 2010

Interest rate swaps and interest rate cap - In 2004, the Medical Center entered into three fixed payor interest rate swaps to economically hedge the Series 2004 Bonds In conjunction with the defeasement of the Series 2004 Bonds, these interest rate swaps were left in place to economically hedge the Series 2008 Bonds The first swap agreement hedges an outstanding notional amount of $12,325,000 The Medical Center pays a 3 48% fixed rate and receives 60% of the one-month LIBOR rate plus 0 36% (0 58% and 0 62% at September 30, 2011 and 2010, respectively) from the counterparty The second swap agreement hedges an outstanding notional amount of $29,975,000 The Medical Center pays a 3 80% fixed rate and receives

8. Long-Term Debt and Derivative Instruments (continued)

60% of the one-month LIBOR rate plus 0 36% The notional amounts of these two swaps decrease over the terms of their respective agreements, which expire on August 1, 2017 and August 1, 2031, respectively The third swap hedges an outstanding notional amount of $55,450,000 The Medical Center pays a 3 88% fixed rate and receives 60% of the one-month LIBOR rate plus 0 36% from the counterparty The notional amount of the third swap decreases over its term, which expires on August 1, 2031 Settlements on these three interest rate swaps are made monthly

In 2001, the Medical Center entered into two fixed receiver interest rate swaps, two basis swaps, and an interest rate cap to economically hedge the Series 2001 Bonds One of the fixed receiver swaps was terminated in fiscal 2008 by the counterparty The remaining fixed receiver swap has an outstanding notional amount of $52,275,000 The Medical Center receives a 4 81% fixed rate of interest and pays an average of the SIFMA Municipal Swap Index (0 16% and 0 27% at September 30, 2011 and 2010, respectively) to the counterparty Settlements are made semiannually on February 1 and August 1 The notional amount decreases over the term of the agreement, which expires on August 1, 2031 This swap agreement was called August 1, 2011 and a payment was made to the Medical Center in the amount of $521,350

The first basis swap agreement has an outstanding notional amount of $52,135,000 In September 2006, the Medical Center amended the swap to receive 72 50% of the five-year LIBOR rate minus 0 265% instead of 72 50% of the three-month LIBOR rate In January 2010, the Medical Center amended the basis swap to again receive 72 50% of the three-month LIBOR rate (0 22% at September 30, 2011) from the counterparty and continued to pay the weighted average of the SIFMA Municipal Swap Index rate The second amendment allowed the Medical Center to monetize a portion of the future basis swap cash flows and resulted in a realized gain of $1,700,000 in 2010 Settlements are made quarterly on November 1, February 1, May 1, and August 1 The notional amount decreases over the term of the agreement, which expires on August 1, 2031

The second basis swap agreement has an outstanding notional amount of $11,900,000 In September 2006, the Medical Center amended the swap to receive 70% of the five-year LIBOR rate minus 0 223% instead of 70% of the three-month LIBOR rate In January 2010, the Medical Center amended the basis rate swap to again receive 70% of the three-month LIBOR rate (0 26% at September 30, 2011) from the counterparty and to continue to pay a weighted average of the SIFMA Municipal Swap Index rate The second amendment allowed the Medical Center to monetize a portion of the future basis swap cash flows and resulted in a realized gain of $472,000 in 2010 Settlements are made quarterly on November 1, February 1, May 1, and August 1 The notional amount decreases over the term of the agreement, which expires on August 1, 2017

8. Long-Term Debt and Derivative Instruments (continued)

The interest rate cap agreement allows the Medical Center to economically hedge against increases in short-term interest rates and is based on a notional amount of $40,000,000 The Medical Center was required to make premium payments through fiscal 2003 totaling $730,000 This cap agreement provides that the Medical Center will receive quarterly payments for amounts by which the SIFMA Municipal Swap Index exceeds 7 50% The interest rate cap agreement expired on July 5, 2011

The fair value of these interest rate swaps and cap is determined on contractual terms and discounted at the prevailing swap curve on the respective valuation date The mark-to-market adjustment for these derivative instruments during fiscal 2011 and 2010 totaled approximately $3,300,000 and $6,500,000, respectively, which includes the monetization noted above All of Medical Center's derivative instruments were in liability positions except for the fixed receiver swap that was called in August 2011, which left an asset position of $0 and $2,265,201 at September 30, 2011 and 2010, respectively

Net interest expense for the years ended September 30 includes the following components

	2011	2010
Interest paid during the year	$ 1,739,862	$ 1,595,968
Cash paid on swaps during the year	3,266,370	3,369,976
Less cash received from swaps during the year	(2,907,995)	(2,693,900)
Interest expense capitalized	(50,792)	1,274,896
Less monetization of contractual changes to interest rate swaps	-	(2,172,000)
Fiscal year 2009 and 2010 interest capitalization correction	(2,366,895)	-
Change in accrued interest and swap receivable	276,566	47,308
Net interest expense	$ (42,884)	$ 1,422,248

9. Retirement Plans

The Medical Center has an eligible noncontributory defined benefit retirement plan (the Plan) covering substantially all hospital employees hired prior to September 26, 2006, as described more completely below Employees of certain other subsidiaries of the Medical Center are covered on the same terms Under the Plan, employee benefits are based on each employee's years of service and the employee's highest average compensation during five consecutive years of the last 10 years Vesting occurs over a five-year period Annual contributions are made to the Plan sufficient to satisfy legal funding requirements established by the Employee Retirement Income Security Act of 1974 (ERISA) For the upcoming fiscal year ending September 30, 2012 the employer expects to make cash contributions in the range of $17 5 million to $19 3 million The employer contributions will satisfy the minimum required contributions under ERISA and include an additional amount sufficient to bring the Plan's funded status, as measured under ERISA (i e , the Adjusted Funded Target Attainment Percentage, or AFTAP), to 80%

As of September 26, 2006, the Medical Center ceased offering pension benefits to new employees under the Plan The Medical Center will continue to provide pension benefits under the Plan for retirees and employees hired prior to September 26, 2006, who met eligibility requirements During an initial choice phase (October 1, 2006 to December 31, 2006), all current employees were given an opportunity to cease participation in the Plan and enroll in a qualified defined contribution plan (the 401(k) Plan) As of January 1, 2007, new employees are enrolled in the 401(k) Plan, which requires the Medical Center to match 100% on the first 3% contributed by the employee If the employee contributes 4%, the Medical Center will match 3 1/2% and if the employee contributes 5% or more, the Medical Center will match 4% The Medical Center made matching contributions to the 401(k) Plan of approximately $1,248,000 in 2011 and $1,080,000 in 2010

9. Retirement Plans (continued)

Pension cost and the funded status of the Plan, as determined by the Plan's actuary as of and for the years ended September 30 follow

	2011	2010
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$ 128,928,502	$ 109,250,884
Service cost	5,014,450	4,659,675
Interest cost	6,834,806	6,185,725
Amendments	915,913	-
Actuarial gain	15,889,478	10,904,561
Benefits paid	(2,483,313)	(2,072,343)
Projected benefit obligation at end of year	$ 155,099,836	$ 128,928,502

	2011	2010
Change in plan assets		
Fair value of plan assets at beginning of year	$ 73,568,456	$ 61,849,790
Actual return on plan assets	(971,711)	6,138,840
Employer contributions	8,595,390	7,652,169
Benefits paid	(2,483,313)	(2,072,343)
Fair value of plan assets at end of year	$ 78,708,822	$ 73,568,456
Funded status (accrued pension cost)	$ (76,340,287)	$ (55,360,046)
Unrecognized net loss recorded in net assets	$ 66,508,423	$ 47,614,301

9. Retirement Plans (continued)

The underfunded status of the Plan of approximately $76,340,000 and $55,360,000 at September 30, 2011 and 2010, respectively, is recognized in the accompanying combined balance sheets as a liability The Pension Plan's accumulated benefit obligation was $136,920,321 and $112,649,169 at September 30, 2011 and 2010, respectively

	September 30,	
Components of net periodic benefit cost	2011	2010
Service cost	$ 5,014,450	$ 4,659,675
Interest cost	6,834,806	6,185,725
Expected return on plan assets	(6,271,683)	(5,183,716)
Amortization of prior service cost	62,757	16,630
Amortization of actuarial cost	5,041,179	4,489,572
Net periodic benefit cost	$ 10,681,509	$ 10,167,886

Changes in Plan assets and benefit obligations recognized in unrestricted net assets during 2011 and 2010, respectively, include

	2011	2010
Net loss	$ 23,082,145	$ 9,949,437
Prior service cost	915,913	-
Amortization of actuarial loss	(5,041,179)	(4,489,572)
Amortization of prior service cost	(62,757)	(16,630)
Change in pension plan assets and liabilities recognized as changes in net assets	$ 18,894,122	$ 5,443,235

9. Retirement Plans (continued)

The assumptions used to determine the projected benefit obligation and net periodic benefit cost for the Plan are set forth below

	September 30,	
	2011	2010
Assumptions		
Weighted-average assumptions used to determine benefit obligation		
Measurement date	9/30/2011	9/30/2010
Discount rate	4 63%	5 17%
Rate of compensation increase	3 75%	3 75%
Weighted-average assumptions used to determine net periodic benefit cost		
Fiscal year-end	2011	2010
Discount rate	5 17%	5 57%
Expected return on plan assets	8 00%	8 00%
Rate of compensation increase	3 75%	3 75%

The expected long-term rate of return on plan assets assumption of 8 00% was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No 27, *Selection of Economic Assumptions for Measuring Pension Obligations* Based on the Medical Center's investment allocation for the Plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year rolling averages An average inflation rate within the range equal to 3 75% was selected and added to the real rate of return range to arrive at a best estimate range of 7 25% — 9 25% A rate of 8 00% near the midpoint of the best estimate range was selected

9. Retirement Plans (continued)

Plan assets

The following represents the Plan's weighted-average asset allocation by asset category

	September 30,	
	2011	2010
Asset category		
Equity	60%	51%
Fixed income	37%	43%
Other	3%	6%
	100%	100%

Plan assets are intended to satisfy, over time, the obligation of the Medical Center to provide retirement benefits in accordance with the Plan's terms Hence, Plan assets are to be managed in a prudent manner for the exclusive benefit of the Plan's participants and their beneficiaries, consistent with the provision of ERISA

The targeted range by principal investment category as a percentage of the total value of the Plan assets is 1) domestic equities 35% to 45%, 2) international equities 7% to 13%, 3) fixed income 30% to 40%, 4) real estate 3% to 7%, and 5) cash 0% to 10%

The investment objective for Plan assets shall be to achieve an annual average rate of return (net of investment management expense) over a moving five-year period, which exceeds the average annual rate of return that would have been achieved in the same period by a composite market index comprised of the Russell 3000 Index (weighted 0 55), the Barclays Capital Aggregate Bond Index (weighted 0 30), and MSCI AC World Index (weighted 0 15)

9. Retirement Plans (continued)

The fair value of the Plan's assets at September 30, 2011 and 2010, by asset category, are as follows

	2011		
	Level 1	Level 2	Total Fair Value
Cash and cash equivalents	$ 2,598,921	$ -	$ 2,598,921
U.S. equity securities	40,389,030	-	40,389,030
Foreign equity securities	6,691,113	-	6,691,113
U.S. corporate bonds	-	9,581,492	9,581,492
U.S. government securities	-	9,813,955	9,813,955
U.S. municipal bonds	-	9,634,311	9,634,311
Fair value of plan assets	$ 49,679,064	$ 29,029,758	$ 78,708,822

	2010		
	Level 1	Level 2	Total Fair Value
Cash and cash equivalents	$ 4,661,158	$ -	$ 4,661,158
U.S. equity securities	32,114,692	-	32,114,692
Foreign equity securities	3,226,248	-	3,226,248
U.S. corporate bonds	-	8,993,363	8,993,363
U.S. government securities	-	13,117,312	13,117,312
U.S. municipal bonds	-	9,068,862	9,068,862
Foreign equity mutual fund	2,386,821	-	2,386,821
Fair value of plan assets	$ 42,388,919	$ 31,179,537	$ 73,568,456

9. Retirement Plans (continued)

Benefit payments - The benefit payments, which reflect expected future service, are expected to be paid as follows

2012	$ 3,427,219
2013	4,163,285
2014	4,954,766
2015	5,662,372
2016	6,334,171
2017 to 2021	41,144,347

Contributions - Medical Center contributions to the Plan for the fiscal year ended September 30, 2012, are expected to be approximately $17,500,000 to $19,300,000

No portion of the pension liability would be classified as a current liability because plan assets exceed the value of benefit obligations expected to be paid within the year ending September 30, 2011

No plan assets are expected to be returned to the Medical Center during the year ending September 30, 2011

Amounts not yet reflected in net periodic pension cost, which are expected to be reflected in expense in fiscal 2011, are as follows

Amortization of actuarial loss	$ 8,354,061
Amortization of prior service cost	144,323
	$ 8,498,384

10. Commitments and Contingencies

Redeemable joint venture interests

The Medical Center has a joint venture operating agreement with HEALTHSOUTH of Yuma, Inc (HEALTHSOUTH) for the purpose of owning and operating a rehabilitation hospital in Yuma The Medical Center has a 49% membership interest in this joint venture (Yuma Rehabilitation Hospital, LLC) Under the terms of this agreement, HEALTHSOUTH will provide management services to Yuma Rehabilitation Hospital, LLC and has the right and option

10. Commitments and Contingencies (continued)

to put all of its membership interest to the Medical Center should the management services agreement be terminated HEALTHSOUTH and the Medical Center have separate options to acquire each other's respective membership interest in Yuma Rehabilitation Hospital, LLC due to change in control and other contingent dissolution event circumstances The Medical Center also has an option to purchase all of HEALTHSOUTH's membership interest in Yuma Rehabilitation Hospital, LLC in April 2012 and/or in April 2022 Management is currently not aware of any plans by Yuma Rehabilitation Hospital, LLC to terminate the management services agreement

The Medical Center has formed a Limited Liability Company and entered into an operating agreement with Yuma Unified Medical Associates, Inc (IPA) for the purpose of owning and operating urgent care facilities in Yuma The Medical Center has a 50% membership interest in this LLC (Desert Healthcare Services, LLC) Under the terms of this agreement, members of IPA will provide management for Desert Healthcare Services, LLC Under the terms of the agreement no member is permitted to make a transfer unless transfer is considered a permitted transfer under the guidelines set forth in the operating agreement The operating agreement has a term through December 31, 2045

Regulation and litigation

The Medical Center is involved in litigation and regulatory investigations arising in the course of business and of a nature that is routine to the industry After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed Management believes that the Medical Center is in compliance with the fraud and abuse regulations as well as other applicable government laws and regulations Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time

11. Functional Expenses

The Medical Center provides health care services to residents within its geographic locations Operating expenses related to providing these services are as follows for the years ended September 30

	2011	2010
Health care services	$ 277,792,908	$ 268,486,187
General and administrative	28,493,019	25,765,586
	$ 306,285,927	$ 294,251,773

12. Charity Care and Commitment to the Community

In support of its mission and philosophy, the Medical Center provides a number of services for which it receives partial or no reimbursement These services include charity care, support of children's programs, services to undocumented aliens, services to patients who qualify for government-supported programs, and other programs that support the community

Traditional charity care

The Medical Center provides uncompensated health care to individuals who cannot afford health care due to inadequate resources and do not otherwise qualify for government-subsidized insurance Because the Medical Center does not pursue collections, charity care is not included in net patient service revenue A copy of the Medical Center's Charity Care Policy is available at the website www yumaregional org The costs of providing health care services that are uncompensated are estimated to be approximately $7,492,000 in 2011 and $6,863,000 in 2010

Unpaid costs of public programs

Public programs such as AHCCCS are provided for the poor and indigent Public programs such as Medicare are provided for the elderly Public programs do not always cover the costs of providing those services The unreimbursed costs of the AHCCCS program were approximately $13,340,000 in 2011 and $14,004,000 in 2010 The unreimbursed costs of the Medicare program were approximately $26,717,000 in 2011 and $22,630,000 in 2010

12. Charity Care and Commitment to the Community (continued)

Care for undocumented patients

The Medical Center provides care for patients who have entered the United States without obtaining a visa or other authorized form of identification The charges for these patients are partially reimbursed under Section 1011 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 The unreimbursed costs for serving these patients were approximately $367,000 in 2011 and $429,000 in 2010

Children's school program – Until April 1, 2011, when the program was transferred to a Federal Qualified Community Healthcare Center, the Medical Center sponsored clinics in six school districts in Yuma County, Arizona, from San Luis to Dateland, Arizona The intention is to provide health care on-site to children whose families cannot afford primary care The costs for this program were $232,000 in 2011 and $451,000 in 2010

Other community benefit programs - The Medical Center sponsors monthly community events which include free health screening and educational programs, a phone-in "Care Line" to provide community education on specific illnesses, health fairs, speakers, diaper and food drives, helmet/bike safety programs, car seat distribution, schoolbag program, palliative care program, diabetes education, and free blood pressure checks The Medical Center incurred costs and expenses of approximately $1,137,000 in 2011 and $1,194,000 in 2010 supporting these community benefit programs

The Medical Center is committed to continuing education in the Yuma community through the sponsorship of a chaplaincy residency program The Medical Center provided funding of $265,000 in 2011 and $241,000 in 2010

The Medical Center is also committed to contributing to the level of health care workers in the community Through co-sponsorship with Arizona Western College, the Medical Center provided funding of approximately $601,000 in 2011 and $539,000 in 2010

13. Self-Insurance Programs

Professional liability and estimated medical malpractice claims - The Medical Center is self-insured for medical malpractice and general liability for the first $1,000,000 of loss per occurrence Losses in excess of this amount are insured through claims-made professional liability policies that also provide coverage for incidents reported within a specified time period

13. Self-Insurance Programs (continued)

Losses from asserted and unasserted claims identified are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors Medical malpractice and general liability losses have been discounted at a rate of 4% and totaled approximately $9,967,000 and $7,901,000 at September 30, 2011 and 2010, respectively

Workers' compensation insurance - The Medical Center is self-insured for workers' compensation risk for the first $250,000 of loss per occurrence Losses in excess of this amount are insured through third-party insurance policies, which provide coverage up to statutory amounts The Medical Center currently has reserved $1,198,000 for workers compensation claims

Employee health insurance - The Medical Center is self-insured for employee health benefits, and records an accrual for claims incurred but not yet reported Stop loss coverage is maintained, which caps the maximum payable per fiscal year ending June 30 Healthcare benefit expense for the years ended September 30, 2011 and 2010 was approximately $12,407,000 and $11,113,000, respectively Accruals for unpaid claims incurred but not reported amounted to approximately $1,173,000 and $1,024,000 at September 30, 2011 and 2010, respectively, and are included in the consolidated balance sheet in self-insurance programs liability Estimates for incurred but not reported claims are based on historical trends, expected lag time in reporting of claims and other factors

Note 14 - Subsequent Events

On October 1, 2011, the Medical Center acquired 100% of the equity shares of Sonoran Desert Oncology, P C (SDO) for a total purchase price of $1,467,000 As part of the acquisition, the Medical Center acquired substantially all assets and liabilities of SDO, with an estimated net fair value of approximately $587,000

OTHER FINANCIAL INFORMATION

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS ON OTHER FINANCIAL INFORMATION

To the Board of Directors
Yuma Regional Medical Center and Affiliates

We have audited the combined financial statements of Yuma Regional Medical Center and Affiliates as of and for the year ended September 30, 2011, and our report thereon dated January 31, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1 Our audit was conducted for the purpose of forming an opinion on the 2011 combined financial statements as a whole The 2011 supplementary condensed combining financial statements are presented for the purpose of additional analysis and are not a required part of the 2011 combined financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the 2011 combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 combined financial statements or to the 2011 combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as of and for the year ended September 30, 2011, as a whole

The combined financial statements of Yuma Regional Medical Center and Affiliates as of and for the year ended September 30, 2010, were audited by other auditors and their report thereon dated January 31, 2011, which expressed an unqualified opinion on those combined financial statements, appears on page 1 Their report, as of the same date, on the 2010 supplementary condensed combining financial statements, stated that, in their opinion, such information was fairly stated in all material respects in relation to the combined financial statements as of and for the year ended September 30, 2010, as a whole

Moss Adams LLP

Scottsdale, Arizona
January 31, 2012

Yuma Regional Medical Center and Affiliates

Condensed Combining Balance Sheet

September 30, 2011

	YRMC District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Assets							
Current assets	$ 122,133,311	$ 4,126,891	$ 2,992,992	$ 1,614,255	$ 112,012	$ (301,716)	$ 130,677,745
Assets limited as to use	201,932,836	-	-	-	-	-	201,932,836
Property and equipment, net	166,685,704	57,902	563,439	2,336,564	9,394	-	169,653,003
Deferred financing costs, net	937,045	-	-	448,614	-	-	1,385,659
Other assets	28,569,943	5,000	-	5,095,958	33,116	(14,701,736)	19,002,281
Total assets	$ 520,258,839	$ 4,189,793	$ 3,556,431	$ 9,495,391	$ 154,522	$ (15,003,452)	$ 522,651,524
Liabilities and net assets							
Current liabilities	$ 23,711,414	$ 73,735	$ 249,885	$ 437,139	$ 60,515	$ (301,716)	$ 24,230,972
Long-term debt, net	105,618,782	-	300,400	2,712,005	-	(1,282,005)	107,349,182
Accrued pension cost and other liabilities	111,849,299	142,728	-	-	-	-	111,992,027
Net assets	279,079,344	3,973,330	3,006,146	6,346,247	94,007	(13,419,731)	279,079,343
Total liabilities and net assets	$ 520,258,839	$ 4,189,793	$ 3,556,431	$ 9,495,391	$ 154,522	$ (15,003,452)	$ 522,651,524

Yuma Regional Medical Center and Affiliates

Condensed Combining Balance Sheet

September 30, 2010

	YRMC/ District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Assets							
Current assets	$ 115,219,265	$ 3,752,089	$ 2,827,563	$ 1,259,926	$ 98,160	$ (289,813)	$ 122,867,190
Assets limited as to use	200,919,271	-	-	-	-	-	200,919,271
Property and equipment, net	147,584,069	67,648	205,628	2,376,415	-	-	150,233,760
Deferred financing costs, net	969,833	-	-	476,507	-	-	1,446,340
Other assets	24,960,588	234,715	-	5,095,958	-	(14,040,949)	16,250,312
Total assets	$ 489,653,026	$ 4,054,452	$ 3,033,191	$ 9,208,806	$ 98,160	$ (14,330,762)	$ 491,716,873
Liabilities and net assets							
Current liabilities	$ 22,731,103	$ 19,453	$ 155,183	$ 507,644	$ 548	$ (289,813)	$ 23,124,118
Long-term debt, net	106,676,711	-	55,435	2,952,005	-	(1,522,005)	108,162,146
Accrued pension cost and other liabilities	85,259,002	185,397	-	-	-	-	85,444,399
Net assets	274,986,210	3,849,602	2,822,573	5,749,157	97,612	(12,518,944)	274,986,210
Total liabilities and net assets	$ 489,653,026	$ 4,054,452	$ 3,033,191	$ 9,208,806	$ 98,160	$ (14,330,762)	$ 491,716,873

Yuma Regional Medical Center and Affiliates

Condensed Combining Statement of Operations

Year Ended September 30, 2011

	YRMC/ District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Unrestricted revenues							
Net patient service	$ 317,216,614	$ -	$ 4,362,673	$ 3,856,212	$ 478,620	$ -	$ 325,914,119
Other revenue	4,465,828	852,859	86,504	14,458	-	(862,075)	4,557,574
Total revenues	321,682,442	852,859	4,449,177	3,870,670	478,620	(862,075)	330,471,693
Expenses							
Salaries and wages	106,608,490	313,516	1,422,893	1,020,990	854,248	(390,283)	$ 109,829,854
Employee benefits	33,408,854	-	345,029	207,664	115,715	(68,280)	34,008,982
Supplies	48,187,915	10,866	802,586	1,290,502	5,864	(150,710)	50,147,023
Professional fees	22,743,039	45,305	88,864	42,600	58,420	(28,475)	22,949,753
Purchased services	25,125,380	14,780	712,135	190,976	20,415	(35,160)	26,028,526
Operating and other expenses	21,684,727	300,092	483,122	189,726	115,681	(189,167)	22,584,181
Depreciation and amortization	14,036,005	9,747	98,616	155,955	437	-	14,300,760
Provision for doubtful accounts	26,012,638	83,859	341,544	30,247	11,444	-	26,479,732
Interest, net	(223,655)	-	9,827	170,944	-	-	(42,884)
Total operating expenses	297,583,393	778,165	4,304,616	3,299,604	1,182,224	(862,075)	306,285,927
Operating income (loss)	24,099,049	74,694	144,561	571,066	(703,604)	-	24,185,766
Net investment income	2,109,693	11,222	39,012	26,026	-	(162,977)	2,022,976
Change in fair value of interest rate swaps	(3,286,897)	-	-	-	-	-	(3,286,897)
Excess (deficiency) of revenues over expenses	$ 22,921,845	$ 85,916	$ 183,573	$ 597,092	$ (703,604)	$ (162,977)	$ 22,921,845

Yuma Regional Medical Center and Affiliates

Condensed Combining Statement of Operations

Year Ended September 30, 2010

	YRMC/ District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Unrestricted revenues							
Net patient service	$ 302,144,369	$ -	$ 4,558,826	$ 3,521,018	$ 9,583	$ -	$ 310,233,796
Other revenue	6,236,772	1,317,191	102,804	8,362	-	(886,781)	6,778,348
Total revenues	308,381,141	1,317,191	4,661,630	3,529,380	9,583	(886,781)	317,012,144
Expenses							
Salaries and wages	103,614,249	301,474	1,603,703	994,773	2,407	(387,376)	106,129,230
Employee benefits	32,252,731	-	368,926	179,629	277	(62,181)	32,739,382
Supplies	45,066,937	6,024	810,477	1,160,085	303	(177,007)	46,866,819
Professional fees	24,158,151	39,698	7,745	42,600	-	(22,798)	24,225,396
Purchased services	24,210,357	9,312	834,130	169,427	8,984	(35,160)	25,197,050
Operating and other expenses	22,436,048	903,915	520,296	241,999	-	(202,259)	23,899,999
Depreciation and amortization	13,519,580	11,432	64,800	551,728	-	-	14,147,540
Provision for doubtful accounts	19,223,048	1,800	367,440	31,821	-	-	19,624,109
Interest, net	1,279,814	-	6,895	135,539	-	-	1,422,248
Total operating expenses	285,760,915	1,273,655	4,584,412	3,507,601	11,971	(886,781)	294,251,773
Operating income (loss)	22,620,226	43,536	77,218	21,779	(2,388)	-	22,760,371
Net investment income	10,473,833	191,108	3,168	-	-	(264,757)	10,403,352
Change in fair value of interest rate swaps	(6,458,149)	-	-	-	-	-	(6,458,149)
Excess (deficiency) of revenues over expenses	$ 26,635,910	$ 234,644	$ 80,386	$ 21,779	$ (2,388)	$ (264,757)	$ 26,705,574

Yuma Regional Medical Center and Affiliates

Condensed Combining Statement of Changes in Net Assets

Year Ended September 30, 2011

	YRMC/ District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	$ 22,921,845	$ 85,916	$ 183,573	$ 597,092	$ (703,604)	$ (162,977)	$ 22,921,845
Increase in pension liability	(18,894,122)	-	-	-	-	-	(18,894,122)
Transfer to temporarily restricted net assets	-	-	-	-	-	-	-
Distributions/capital contributions	-	-	-	-	700,000	(700,000)	-
Prior year reclassification	27,600	-	-	-	-	-	27,600
Increase in unrestricted net asset	4,055,323	85,916	183,573	597,092	(3,604)	(862,977)	4,055,323
Temporarily restricted net assets							
Donations, gifts, and contributions	65,447	37,847	-	-	-	(37,847)	65,447
Net assets released from restricted used for operations	(20,657)	(20,657)	-	-	-	20,657	(20,657)
Investment income	20,620	20,620	-	-	-	(20,620)	20,620
Prior year reclassification	(27,600)	-	-	-	-	-	(27,600)
Increase in temporarily restricted net assets	37,810	37,810	-	-	-	(37,810)	37,810
Permanently restricted net assets							
Transfer from temporarily restricted net assets	-	-	-	-	-	-	-
Increase in permanently restricted net assets	-	-	-	-	-	-	-
Change in net assets	4,093,133	123,726	183,573	597,092	(3,604)	(900,787)	4,093,133
Net assets, beginning of year	274,986,210	3,849,602	2,822,573	5,749,157	97,612	(12,518,944)	274,986,210
Net assets, end of year	$ 279,079,343	$ 3,973,328	$ 3,006,146	$ 6,346,249	$ 94,008	$ (13,419,731)	$ 279,079,343

Yuma Regional Medical Center and Affiliates

Condensed Combining Statement of Changes in Net Assets

Year Ended September 30, 2010

	YRMC/ District	Foundation	YHCS	YROSC	YPSG	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	$ 26,635,910	$ 234,644	$ 80,386	$ 21,779	$ (2,388)	$ (264,757)	$ 26,705,574
Increase in pension liability	(5,443,235)	-	-	-	-	-	(5,443,235)
Distributions/capital contributions	-	-	-	-	100,000	(100,000)	-
Increase in unrestricted net asset	21,192,675	234,644	80,386	21,779	97,612	(364,757)	21,262,339
Temporarily restricted net assets							
Donations, gifts, and contributions	-	158,080	-	-	-	-	158,080
Net assets released from restricted used for operations	-	(43,191)	-	-	-	-	(43,191)
Transfer to permanently restricted net assets	-	(496,343)	-	-	-	-	(496,343)
Decrease in temporarily restricted net assets	-	(381,454)	-	-	-	-	(381,454)
Permanently restricted net assets							
Transfer from temporarily restricted net assets	-	496,343	-	-	-	-	496,343
Increase in permanently restricted net assets	-	496,343	-	-	-	-	496,343
Change in net assets	21,192,675	349,533	80,386	21,779	97,612	(364,757)	21,377,228
Net assets, beginning of year	253,608,982	3,684,622	2,742,187	5,727,378	-	(12,154,187)	253,608,982
Net assets, end of year	$ 274,801,657	$ 4,034,155	$ 2,822,573	$ 5,749,157	$ 97,612	$ (12,518,944)	$ 274,986,210

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOANN LINVILLE CHAIRPERSON (RESIGNED 6/30/11)	3 00	X		X				829	0	0
VICTOR SMITH VICE CHAIR (MOVED TO CHAIR 7/1/2011)	3 00	X		X				0	0	0
WOODROW MARTIN SECRETARY/TREASURER	3 00	X		X				404	0	0
ISMAEL GUERRERO MD TRUSTEE	3 00	X						378	0	0
RUSS CLARK TRUSTEE	3 00	X						1,010	0	0
JEFF ANDREWS TRUSTEE	3 00	X						991	0	0
SRIDHAR RAJAMANI MD TRUSTEE	3 00	X						481	0	0
TOM TYREE TRUSTEE (TERM ENDED 12/31/10)	3 00	X						2,310	0	0
LARRY DEASON TRUSTEE	3 00	X						0	0	0
LOUIE HIRTH TRUSTEE	3 00	X						0	0	0
IAN WATKINSON PHD TRUSTEE (TERM ENDED 12/31/10)	3 00	X						0	0	0
PHILLIP RICHEMONT MD TRUSTEE	3 00	X						0	0	0
MARIO JAUREGUI TRUSTEE	3 00	X						0	0	0
CAROL COLEMAN TRUSTEE	3 00	X						0	0	0
JULIE ENGEL TRUSTEE	3 00	X						0	0	0
JOHN STERNITZKE TRUSTEE	3 00	X						0	0	0
ALBERTO MEJIA MD CHIEF OF MEDICAL STAFF (EFF 1/1/11)	10 00	X						0	0	0
RAUL CASTILLO MD VC OF MED STAFF (EFF 1/1/11)	5 00	X						0	0	0
KIRK MINKUS MD OFF OF PHYSICAN REL (EFF 1/1/11)	5 00	X						0	0	0
KAMAL AHMED MD CHIEF OF STAFF (THRU 12/31/10)	10 00	X						18,000	0	0
MARGARET KUNES MD VC CHIEF OF STAFF (THRU 12/31/10)	5 00	X						12,000	0	0
RAUL CASTILLO MD OFF OF PHYSICIAN REL (THRU 12/31/10)	5 00	X						0	0	0
PATRICK T WALZ CEO	40 00			X				761,934	0	114,961
TONY STRUCK VP-FINANCE, CFO	40 00			X				225,445	0	47,921
JAMES F HALL SR VP CLINICAL SVCE LINES (1/4/11)	40 00				X			294,490	0	61,002

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SHARON R GARDNER VP - HUMAN RESOURCES	40 00				X			251,875	0	181,085
KAREN D JENSEN VP OF PATIENT CARE SERVICES, CNO	40 00				X			282,548	0	100,914
STEWART M HAMILTON MD VP OF MEDICAL AFFAIRS, CMO	40 00				X			807,972	0	134,858
EUGENE M SHAW VP INFORMATION TECHNOLOGY, CIO	40 00				X			257,340	0	30,558
MARK E PARSTON VP PLAN & BUS DVPMT -ROLE ELIM 4/11	40 00				X			365,982	0	94,656
MACHELE HEADINGTON VP COMMUNICATION & MARKETING	40 00				X			185,048	0	91,374
JOHN MAKOWSKY CLINCIAL PHARMACIST	40 00					X		170,549	0	38,872
RUSSELL E MCCAMY CLINICAL PHARMACIST	40 00					X		164,237	0	38,613
JANET MCLELLAN DIRECTOR OF CLINICAL INFO	40 00					X		171,855	0	17,100
JOSEPH PAULI CLINCIAL PHARMACIST (RETIRED 1/2/11)	40 00					X		166,246	0	24,130
EDWARD PAUL DIRECTOR OF MEDICAL ED	40 00					X		287,193	0	23,245
GREGORY BECKMAN PRESIDENT/CEO (TERMED 4/20/10)	40 00						X	1,288,786	0	103,697