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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

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

C Name of organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Doing Business As
SIDNEY REGIONAL MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
645 OSAGE STREET

City or town, state or country, and ZIP + 4
SIDNEY, NE 69162

D Employer identification number
47-0408242

E Telephone number
(308) 254-5825

G Gross receipts $ 30,175,048

F Name and address of principal officer
KELLY UTLEY
645 OSAGE STREET
SIDNEY, NE 69162

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 MEMORIALHEALTHCENTER ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1951 | **M** State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
FOCUS ON THE NEEDS OF THOSE SERVED THROUGH THE DELIVERY OF HIGH QUALITY AND COMPASSIONATE CARE

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	365
6	Total number of volunteers (estimate if necessary)	**6**	105
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	48,196	428,769
	9 Program service revenue (Part VIII, line 2g)	25,941,028	29,553,726
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	85,262	63,175
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	79,412	89,767
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	26,153,898	30,135,437
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	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)	14,628,927	15,095,069
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	9,005,730	10,478,230
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	23,634,657	25,573,299
	19 Revenue less expenses Subtract line 18 from line 12	2,519,241	4,562,138

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	25,622,492	29,888,648
	21 Total liabilities (Part X, line 26)	5,303,642	5,007,660
	22 Net assets or fund balances Subtract line 21 from line 20	20,318,850	24,880,988

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

****** 2012-11-14
Signature of officer — Date

JASON PETIK CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ BARBARA J FAJEN | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions) P00400874

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ SEIM JOHNSON LLP
18081 BURT STREET SUITE 200
OMAHA, NE 680224722

EIN ▶ 47-6097913

Phone no ▶ (402) 330-2660

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

OUR MISSION IS TO FOCUS ON THE NEEDS OF THOSE WE SERVE THROUGH THE DELIVERY OF HIGH QUALITY AND COMPASSIONATE CARE

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 organization's program service accomplishments for each of its three largest program services, as measured 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 $ 2,750,411 including grants of $) (Revenue $ 5,183,819)

THE HOSPITAL NURSING DEPARTMENT PROVIDED 3,060 PATIENTS DAYS OF CARE IN 2011 WE DELIVERED 65 NEWBORNS FOR THE ELEVEN COUNTY AREAS FOR WHICH SIDNEY REGIONAL MEDICAL CENTER (SRMC) SERVES SRMC HAD 3,354 PATIENTS THAT PASSED THROUGH THE EMERGENCY DEPARTMENT

4b (Code) (Expenses $ 1,828,625 including grants of $) (Revenue $ 3,581,923)

THE EXTENDED CARE UNIT HAS PROVIDED CARE FOR 53 PATIENTS A MONTH ON THE AVERAGE FOR 2011 SRMC PROVIDED 19,513 PATIENT DAYS OF CARE FOR RESIDENTS IN THE CHEYENNE, DEUEL, KIMBALL AND SURROUNDING AREAS

4c (Code) (Expenses $ 1,418,421 including grants of $) (Revenue $ 4,164,473)

SRMC PHARMACY DEPARTMENT HAS BEEN ACTIVELY INVOLVED WITH THE QUALITY OF CARE THAT WE HAVE PROVIDED TO ALL OUR PATIENTS IN THE SURROUNDING AREAS THE PHARMACY DEPARTMENT HAS HELPED PROVIDE CARE FOR THOSE INDIVIDUALS WITH THE TREATMENT FOR RADIATION OR CHEMOTHERAPY

(Code) (Expenses $ 18,511,529 including grants of $) (Revenue $ 16,633,953)

OTHER MISCELLANOUES PATIENT SERVICES

4d Other program services (Describe in Schedule O)

(Expenses $ 18,511,529 including grants of $) (Revenue $ 16,633,953)

4e **Total program service expenses** ▶ $ 24,508,986

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 instructions)?	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 for which 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 temporarily restricted endowments, permanent endowments, 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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 questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
b	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*	**35b**		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**	26		
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**	365			
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**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate 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	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
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	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		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	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete 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 the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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 made 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 made 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 ▶

KELLY UTLEY
645 OSAGE STREET
SIDNEY, NE 69162
(308) 254-5825

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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BILL PILE CHAIRMAN	1 00	X		X				0	0	0
(2) TIM MILLER VICE CHAIRMAN	1 00	X		X				0	0	0
(3) TOM MILLMAN SECRETARY	1 00	X		X				0	0	0
(4) JEFF ELLWANGER TREASURER	1 00	X		X				0	0	0
(5) MICHAEL MATTHEWS MD MEMBER	1 00	X						0	0	0
(6) STAN BELIEU MEMBER	1 00	X						0	0	0
(7) JEFF JOHNSON MEMBER	1 00	X						0	0	0
(8) JIM JONES MEMBER	1 00	X						0	0	0
(9) ROB ROBINSON MEMBER	1 00	X						0	0	0
(10) LAURIE WIDDOWSON MEMBER	1 00	X						0	0	0
(11) CALVIN CUTRIGHT MD MEMBER	1 00	X						0	0	0
(12) DWIGHT SMITH MEMBER	1 00	X						0	0	0
(13) DOUG FAUS INTERIM CEO (1/11-5/11)	40 00			X				0	0	0
(14) JASON PETIK CEO (6/11-PRESENT)	40 00			X				0	0	0
(15) KELLY UTLEY CFO	39 00			X				112,932	0	5,941
(16) JAMES GROSSHANS CRNA	40 00					X		200,421	0	12,229
(17) JAMES THAYER SURGEON	40 00					X		342,063	0	13,334

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) DANNA HLAVINKA CRNA	40 00					X		189,071	0	10,013
(19) TRACY RAY PA	40 00					X		164,563	0	8,618
(20) RACHEL FORSTER DIRECTOR	40 00					X		147,729	0	7,532

1b	**Sub-Total** ▶			
c	**Total from continuation sheets to Part VII, Section A** ▶			
d	**Total (add lines 1b and 1c)** ▶	1,156,779	0	57,667

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 11

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
BD CONSTRUCTION 209 EAST 6TH KEARNEY, NE 68848	BUILDING CONSTRUCTION	570,461
POUDRE VALLEY HEALTH CARE INC PO BOX 2103 FORT COLLINS, CO 80522	MANAGEMENT SERVICES	233,632
SIDNEY MEDICAL ASSOCIATES 1625 DORWART DR SIDNEY, NE 69162	ER DOCTORS	191,225
RURAL PARTNERS IN MEDICINE PO BOX 772519 STEAMBOAT SPRINGS, CO 80477	DOCTOR SERVICES	159,103
WESTERN MOBILE SERVICES PO BOX 6 NEW RICHMOND, WI 54017	MRI SCAN SERVICES	133,125

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 20

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	36,104			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	392,665			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		428,769			
			Business Code				
Program Service Revenue	2a	PATIENT SERVICE REVENU	624100	19,648,185	19,648,185		
	b	MEDICARE/MEDICAID	624100	9,158,468	9,158,468		
	c	HOME CARE	621610	302,280	302,280		
	d	MEDICAL SERVICES - COM	621400	147,578	147,578		
	e	MISC MEDICAL SERVICES	621400	92,822	92,822		
	f	All other program service revenue		204,393	204,393		
	g	**Total.** Add lines 2a–2f		29,553,726			
	3	Investment income (including dividends, interest and other similar amounts)		86,087			86,087
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	8,277				
	b	Less rental expenses	0				
	c	Rental income or (loss)	8,277				
	d	Net rental income or (loss)		8,277			8,277
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		16,699			
	b	Less cost or other basis and sales expenses		39,611			
	c	Gain or (loss)		-22,912			
	d	Net gain or (loss)		-22,912			-22,912
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	624100	71,048			71,048
	b	PATRONAGE DIVIDEND	624100	9,310	9,310		
	c	MEDICAL RECORDS	624100	1,132	1,132		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		81,490			
	12	**Total revenue.** See Instructions		30,135,437	29,564,168	0	142,500

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

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 United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	118,873		118,873	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	11,752,002	11,564,988	187,014	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	316,957	314,630	2,327	
9	Other employee benefits	2,051,256	1,999,505	51,751	
10	Payroll taxes	855,981	834,869	21,112	
11	Fees for services (non-employees)				
a	Management	338,762		338,762	
b	Legal	52,119		52,119	
c	Accounting	90,163		90,163	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	2,311,299	2,311,299		
12	Advertising and promotion	67,680	67,680		
13	Office expenses	1,564,631	1,531,130	33,501	
14	Information technology				
15	Royalties . .				
16	Occupancy	650,808	647,808	3,000	
17	Travel	131,426	117,992	13,434	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	93,766		93,766	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,038,510	1,038,510		
23	Insurance	374,926	374,926		
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	1,956,051	1,956,051		
b	BAD DEBTS	1,508,818	1,508,818		
c	MISCELLANEOUS EXPENSE	245,510	220,527	24,983	
d	DUES AND SUBSCRIPTIONS	42,447	18,589	23,858	
e					
f	All other expenses	11,314	1,664	9,650	
25	**Total functional expenses.** Add lines 1 through 24f	25,573,299	24,508,986	1,064,313	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		9,267,277	1	12,976,872
	2	Savings and temporary cash investments		3,430,755	2	1,178,213
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		3,176,788	4	4,554,336
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		563,531	8	636,117
	9	Prepaid expenses and deferred charges		209,917	9	225,212
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 22,147,637			
	b	Less accumulated depreciation	10b 12,131,814	8,715,537	10c	10,015,823
	11	Investments—publicly traded securities		242,176	11	248,228
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		16,511	15	53,847
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		25,622,492	16	29,888,648
Liabilities	17	Accounts payable and accrued expenses		1,793,266	17	2,479,010
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		2,525,912	20	2,229,673
	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		203,563	23	266,585
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		780,901	25	32,392
	26	**Total liabilities.** Add lines 17 through 25		5,303,642	26	5,007,660
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		20,307,952	27	24,878,090
	28	Temporarily restricted net assets		10,898	28	2,898
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		20,318,850	33	24,880,988
	34	Total liabilities and net assets/fund balances		25,622,492	34	29,888,648

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	30,135,437
2	Total expenses (must equal Part IX, column (A), line 25)	2	25,573,299
3	Revenue less expenses Subtract line 2 from line 1	3	4,562,138
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	20,318,850
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
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	24,880,988

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

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

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 **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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** 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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 47-0408242
Name: CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Form 990, Special Condition Description:

Special Condition Description

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

4d. Other program services

(Code) (Expenses $ 18,511,529 including grants of $) (Revenue $ 16,633,953)
OTHER MISCELLANOUES PATIENT SERVICES

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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

2011

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, line 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC	47-0408242

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 on behalf of or in opposition to candidates for public office 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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) 2008	(b) 2009	(c) 2010	(d) 2011	(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		3,389
j	Total lines 1c through 1i			3,389
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 LOBBYING ACTIVITIES	PART II-B, LINE 1	A PORTION OF THE DUES PAID TO AHA AND NHA ARE USED BY THOSE ORGANIZATIONS FOR LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	92,500	91,219		183,719
b Buildings		14,046,284	7,205,256	6,841,028
c Leasehold improvements				
d Equipment		7,411,904	4,612,854	2,799,050
e Other		505,730	313,704	192,026
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				10,015,823

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	
DUE TO CHEYENNE COUNTY HOSP & HEALTH CARE FOUNDATION	1,083
DEFERRED COMPENSATION PLAN LIABILITY	31,309
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	32,392

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	CHEYENNE COUNTY HOSPITAL ASSOCIATION, INC D/B/A SIDNEY REGIONAL MEDICAL CENTER, CHEYENNE COUNTY HOSPITAL AND HEALTH CENTER FOUNDATION, AND HIGH PLAINS MEDICAL FOUNDATION ARE EXEMPT FROM INCOME TAXES UNDER SECTION 501(A) OF THE CODE AND A SIMILAR PROVISION OF STATE LAW HOWEVER, THEY ARE SUBJECT TO FEDERAL INCOME TAX ON ANY UNRELATED BUSINESS TAXABLE INCOME THE SYSTEM ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDANCE INCLUDED IN FASB ASC 740, INCOME TAXES THE SYSTEM RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED AT DECEMBER 31, 2011, THE SYSTEM HAD NO UNCERTAIN TAX POSITIONS ACCRUED WITH FEW EXCEPTIONS, THE SYSTEM IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY U S FEDERAL, STATE, OR LOCAL AUTHORITIES FOR YEARS BEFORE 2007

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other 133.000000000000 %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did 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 policy provide 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 charity care 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	Did the organization prepare a community benefit reportduring 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 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			247,192	0	247,192	1 030 %
b Medicaid (from Worksheet 3, column a)			2,837,225	2,650,633	186,592	0 780 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			3,084,417	2,650,633	433,784	1 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	20	20	50,875	36,952	13,923	0 060 %
f Health professions education (from Worksheet 5)	3	4	69,038	35,729	33,309	0 140 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	1	6	750	0	750	0 %
j **Total** Other Benefits	24	30	120,663	72,681	47,982	0 200 %
k **Total.** Add lines 7d and 7j	24	30	3,205,080	2,723,314	481,766	2 010 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	1,508,818		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	603,527		
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	7,573,501		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,410,312		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	163,189		
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	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

	(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 from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CHEYENNE COUNTY HOSPITAL ASSOCIATION DBA 645 OSAGE STREET SIDNEY,NE 69162	X	X			X		X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 133.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☑ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☑ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☐ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? 2

	Name and address	Type of Facility (Describe)
1	SIDNEY REG'L MEDICAL CTR EXTENDED CARE 645 OSAGE SIDNEY,NE 69162	LONG TERM CARE FACILITY
2	SLOAN ESTATES ASSISTED LIVING 2550 CRAIG AVENUE SIDNEY,NE 69162	ASSISTED LIVING
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 descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C NOT APPLICABLE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COST TO CHARGE RATIO IS DETERMINED AS FOLLOWS (TOTAL EXPENSES - BAD DEBT)/GROSS PATIENT SERVICE REVENUE = PERCENTAGE OF COST TO CHARGE

Identifier	ReturnReference	Explanation
		PART I, LINE 7G THERE ARE NO SUBSIDIZED HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE OF $1,508,818 HAS BEEN EXCLUDED FROM THE DENOMINATOR IN THE CALCULATION OF THE PERCENTAGES IN LINE 7, COLUMN F

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HOSPITAL'S FINANCIAL STATEMENTS DO NOT CONTAIN A SPECIFIC FOOTNOTE DESCRIBING BAD DEBT HOWEVER, THE FOLLOWING IS THE TEXT OF THE FOOTNOTE TITLED "PATIENT RECEIVABLES, NET" THE SYSTEM REPORTS PATIENT ACCOUNTS RECEIVABLE AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYORS, PATIENTS, AND OTHERS AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS HAS BEEN ESTABLISHED FOR THESE RECEIVABLES AND IS ADJUSTED THROUGHOUT THE YEAR BASED ON THE AGING OF EACH FUNDING SOURCE'S RECEIVABLE ACCOUNT INDIVIDUAL ACCOUNTS WITH BALANCES OVER NINETY DAYS ARE REVIEWED PERIODICALLY FOR FUNDING SOURCE DENIALS, REBILLS TO DIFFERENT FUNDING SOURCES, SUBMISSIONS TO A COLLECTION AGENCY, OR WRITE-OFF AS BAD DEBT ACCOUNTS DEEMED UNCOLLECTABLE ARE WRITTEN-OFF RATIONALE FOR INCLUDING BAD DEBT AMOUNTS IN COMMUNITY BENEFITS STEMS FROM THE CULTURE OF THE COMMUNITY GENERALLY, THE PEOPLE IN THE COMMUNITY WHO CAN AFFORD TO PAY THEIR BILLS DO PAY THEM OTHERS WHO ARE UNINSURED, UNDERINSURED, OR SIMPLY OVER EXTENDED AND ARE UNABLE TO PAY ARE EITHER PROACTIVELY CLASSIFIED AS CHARITY CARE OR END UP ON BAD DEBT GIVEN THEIR RELUCTANCE TO APPLY FOR THE HELP

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE INFORMATION IS DERIVED FROM THE MEDICARE COST REPORT D,E, & H

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE CHARITY CARE POLICY ALLOWS FOR PROACTIVE WRITE OFF TO CHARITY CARE OF ANY BALANCE OWED BY A PATIENT KNOWN TO QUALIFY FOR CHARITY CARE TO ENHANCE OUR STANDARD CHARITY PROGRAM, SIDNEY REGIONAL MEDICAL CENTER (SRMC) CURRENTLY UTILIZES A PRESUMPTIVE CHARITY SCORING MODEL OUR OBJECTIVE IS TO WRITE OFF THE MOST ELIGIBLE AND IN-NEED FAMILIES OR INDIVIDUALS

Identifier	ReturnReference	Explanation
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC		PART V, SECTION B, LINE 13G OUR FINANCIAL ASSISTANCE POLICY IS WELL VERSED AMONGST THE PATIENT FINANCIAL SERVICES REPRESENTATIVES THE FINANCIAL ASSISTANCE PROGRAM IS COMMUNICATED WITH PATIENTS WHO INDICATE THAT THEY ARE HAVING TROUBLE

Identifier	ReturnReference	Explanation
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC		PART V, SECTION B, LINE 19D THIS IS ADJUSTED AS A PERCENT OF CHARGES BASED ON THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NEEDS ASSESSMENTS ARE DETERMINED THROUGH SCIENTIFIC AS WELL AS UNSCIENTIFIC METHODS EVERY 2 TO 3 YEARS A MARKET ASSESSMENT IS COMPLETED USING CLAIMS DATA WHICH REVEALS THE NEEDS OF COMMUNITY MEMBERS BEING MET ELSEWHERE DUE TO EITHER UNAVAILABILITY OF SERVICE OR PATIENT CHOICE THIS ASSESSMENT INCLUDES THE DEMOGRAPHICS OF THE AREA WHICH SHOW AN AGING AND MODERATE INCOME POPULATION THESE FACTS ARE THEN USED TO DETERMINE THE NEEDS OF THE COMMUNITY AS WELL AS THE FUTURE NEEDS BASED ON HISTORICAL DATA ADDITIONALLY, COMMUNITY NEEDS ARE DETERMINED USING PUBLIC OPINION, PATIENT SATISFACTION RECOMMENDATIONS, BOARD AND LEADERSHIP EXPERIENCE, COMMUNICATIONS WITH COMMUNITY MEMBERS, AND PHYSICIAN INPUT

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 AT THE POINT OF ADMISSION A PATIENT'S INSURED STATUS IS DETERMINED PATIENTS WHO ARE UNINSURED OR UNDERINSURED RECEIVE COUNSELING THROUGH THE HOSPITAL SOCIAL WORKER &/OR A MEMBER OF THE FINANCIAL SERVICES STAFF SERVING AS A FINANCIAL COUNSELOR INFORMATION IS CONVEYED TO THE PATIENT OR THE GUARANTOR REGARDING MEDICAID AND MEDICARE, AS WELL AS CHARITY CARE PROVIDED BY THE HOSPITAL ADDITIONALLY, SOCIAL SERVICES PERSONNEL HOLD WORKSHOPS AND MEET WITH PATIENTS INDIVIDUALLY REGARDING THEIR COVERAGE IN AN ATTEMPT TO DETERMINE ELIGIBILITY, THE NEEDS OF THE INDIVIDUALS WITH RESPECT TO ABILITIES, AND THE AMOUNT OF ASSISTANCE NEEDED

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE HOSPITAL'S PRIMARY SERVICE AREA (PSA) IDENTIFIES THE GEOGRAPHIC AREA THAT ACCOUNTS FOR 80-90% OF ALL PATIENT VISITS RESIDENTS OF SRMC'S PSA IN THE PANHANDLE OF WESTERN NEBRASKA COMPRISE 90% OF THE HOSPITAL'S INPATIENT DISCHARGES AND 83% OF ITS ER VISITS THE PSA POPULATION IS ESTIMATED AT APPROXIMATELY 12,500 WITH A NONEXISTENT GROWTH PATTERN EXPECTED BETWEEN 2009 AND 2014 MEDIAN AGE IN THE PSA IS 40 7, WHICH IS SLIGHTLY YOUNGER THAN THE STATE OF NEBRASKA AT 41 8 SIGNIFICANT GROWTH IS PROJECTED FOR THE AGE GROUP 65+ BETWEEN 2009 & 2014 MEDIAN HOUSEHOLD INCOME IN THE PSA IS COMPARABLE TO THE STATE OF NEBRASKA OVERALL, HOWEVER THERE IS WIDE VARIATION IN MEDIAN HOUSEHOLD INCOME WITHIN THE PSA THE MEDIAN INCOME RANGES FROM A HIGH OF $47,049 IN SIDNEY TO A LOW OF $37,222 IN BIG SPRINGS

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 SPECIFIC TO THE COMMUNITY BUILDING ACTIVITIES THE HOSPITAL CONTRIBUTES THROUGH LEADERSHIP EDUCATION, RESIDENCIES AND SCHOLARSHIPS, IMPROVEMENTS TO FACILITIES, AND COLLABORATION WITH COMMUNITY CLUBS, EMPLOYERS, LEADERS AND THE COMMUNITY CENTER THE CFO SERVED DURING 2011 AS THE PRESIDENT OF THE FINANCE COMMITTEE FOR PANHANDLE PUBLIC HEALTH AND A BOARD MEMBER OF THE CHAMBER OF COMMERCE WHILE OTHER LEADERS IN THE HOSPITAL PARTICIPATED IN THE CHEYENNE COUNTY LEADERSHIP GROUPS ROTARY CLUB AND CITY COUNCIL ACTIVITIES AS WELL AS OTHER VOLUNTEER ORGANIZATIONS SAW COLLABORATION FROM THE HOSPITAL AND ITS REPRESENTATIVES SIDNEY REGIONAL MEDICAL CENTER (SRMC) HOLDS A HOSPITAL SPONSORED COMMUNITY HEALTH FAIR ANNUALLY SRMC ALSO PROVIDES SMALLER HEALTH CLINICS AT BUSINESSES THROUGHOUT THE COMMUNITY CHILD OUTREACH FOR NEW MOTHERS, IMMUNIZATION CLINICS, DIABETES EDUCATION, FLU SHOTS AND COMMUNITY WELLNESS ACTIVITIES ARE ACCOMPLISHED THROUGH COLLABORATION WITH SCHOOLS, THE COMMUNITY CENTER, DOCTORS' OFFICES, AND COMMUNITY BUSINESSES AS WELL AS OTHER NOT FOR PROFIT ORGANIZATIONS SMALL HOSPITALS HAVE BEEN INCREASINGLY CHALLENGED TO MAINTAIN THEIR HISTORICAL SCOPE OF SERVICES, AND MANY HAVE RELUCTANTLY DISCONTINUED PROVIDING OBSTETRICS, CRITICAL CARE, HOME HEALTH AND OTHER SERVICES IMPORTANT TO THE COMMUNITY BUT NOT SUSTAINABLE FROM A FINANCIAL PERSPECTIVE SRMC HAS BEEN ABLE TO CONTINUE PROVIDING THESE SERVICES AND REMAINS COMMITTED TO DOING SO IN THE FORESEEABLE FUTURE THE HOSPITAL ORGANIZATION IS PART OF A 'HEALTH SERVICES' COLLABORATION FOCUSING ON THE INITIATIVES ABOVE IN DAILY ROUTINE THE ORGANIZATION INCLUDES HOME HEALTH AND HOSPICE SERVICES IN COLLABORATION WITH MANY COMMUNITY VOLUNTEERS, WITHOUT WHOM THE SERVICE WOULD NOT BE SUCCESSFUL EXTENDED CARE SERVICES AS WELL AS ASSISTED LIVING SERVICES ARE OFFERED AS DEPARTMENTAL ENTITIES OF THE HOSPITAL ORGANIZATION THESE SERVICES ALONG WITH THE HOME HEALTH AND HOSPICE ARE NOT COST BASED REIMBURSED AND, IN FACT, ERODE THE COST BASED REIMBURSEMENT WHICH COULD BE ENJOYED AS A CRITICAL ACCESS HOSPITAL HOWEVER, THE BOARD OF THE DIRECTORS IS COMMITTED TO PUBLIC HEALTH IN ITS ENTIRETY AND CONTINUES TO SUPPORT ALL HEALTH SERVICES IN THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 SIDNEY REGIONAL MEDICAL CENTER IS NOT PART OF AN AFFILIATED HEALTH CARE ORGANIZATION

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

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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

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) JAMES GROSSHANS	(i)	200,421	0	0	10,263	1,966	212,650	0
	(ii)	0	0	0	0	0	0	0
(2) JAMES THAYER	(i)	329,563	12,500	0	12,250	1,084	355,397	0
	(ii)	0	0	0	0	0	0	0
(3) DANNA HLAVINKA	(i)	189,071	0	0	9,888	125	199,084	0
	(ii)	0	0	0	0	0	0	0
(4) TRACY RAY	(i)	164,563	0	0	8,516	102	173,181	0
	(ii)	0	0	0	0	0	0	0
(5) RACHEL FORSTER	(i)	147,729	0	0	7,447	85	155,261	0
	(ii)	0	0	0	0	0	0	0

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 3	DOUG FAUS AND JASON PETIK RECEIVE COMPENSATION FROM POUDRE VALLEY HEALTH CARE, INC , AN UNRELATED ENTITY, WHICH PROVIDES MANAGEMENT SERVICES TO ITS CLIENTS THE SIDNEY REGIONAL MEDICAL CENTER'S BOARD OF DIRECTORS SETS THE SALARY AND BENEFITS FOR MR FAUS AND MR PETIK POUDRE VALLEY HEALTH CARE, INC CHARGES SIDNEY REGIONAL MEDICAL CENTER FOR THE SERVICES THEY PROVIDE TO THE HOSPITAL
	PART I, LINE 5	DR JAMES THAYER RECEIVES DRAW ON HIS SALARY BASED ON HIS GROSS CHARGES THE DRAW IS CALCULATED BY MULTIPLYING THE GROSS CHARGES BY 33% AND SUBTRACTING OFF HIS BASE BIWEEKLY SALARY OF $10,000 ADDITIONALLY, HE RECEIVES A BONUS BASED UPON QUALITY INDICATORS, MEDICAL RECORDS COMPLETION, ETC
SUPPLEMENTAL INFORMATION	PART III	

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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

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	DURING 2011, THE HOSPITAL INCREASED THE SERVICE OFFERINGS TO PATIENTS TO INCLUDE JOINT REPLACEMENT THIS ENABLES PATIENTS IN OUR RURAL AREA TO GET THIS SURGICAL PROCEDURE CLOSE TO HOME AND RECOVER AT HOME

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 3	POUDRE VALLEY HEALTH CARE INC CURRENTLY EMPLOYS THE CHIEF EXECUTIVE OFFICER FOR SIDNEY REGIONAL MEDICAL CENTER SRMC PROVIDES POUDRE VALLEY HEALTH CARE WITH DATA ON SERVICES PROVIDED TO THE COMMUNITY MONTHLY FOR COMPARISON DATA PURPOSES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION'S ACCOUNTING DEPARTMENT PREPARES AN ORGANIZER SUPPLIED BY THE ACCOUNTING FIRM SEIM JOHNSON, LLP AND SUBMITS THE ORGANIZER TO THE ACCOUNTING FIRM FOR THE PREPARATION OF THE FORM 990 COMMUNICATIONS BETWEEN THE ACCOUNTING FIRM AND THE ACCOUNTING DEPARTMENT FINALIZE THE PREPARATION OF THE FORM 990 THE CEO AND CFO THEN REVIEW THE FORM 990 AND E-MAIL IT TO ALL MEMBERS OF THE BOARD OF DIRECTORS FOR THEIR REVIEW ONCE THE 990 RETURN HAS BEEN APPROVED BY ALL PARTIES IT IS SUBMITTED TO THE IRS ON OR BEFORE THE REGULAR OR EXTENDED DUE DATE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ANY DUALITY OF INTEREST OR POTENTIAL CONFLICT OF INTEREST ON THE PART OF ANY OFFICER, DIRECTOR, COMMITTEE MEMBER, OR ANY KEY EMPLOYEE SHOULD BE DISCLOSED TO THE BOARD OF DIRECTORS AND MADE A MATTER OF RECORD WHENEVER IT ARISES, OR WHENEVER IT INVOLVES A MATTER OF BOARD ACTION ANY OFFICER, DIRECTOR, COMMITTEE MEMBER, OR KEY EMPLOYEE HAVING A DUALITY OF INTEREST OR A POSSIBLE CONFLICT OF INTEREST IN ANY MATTER SHOULD NOT VOTE OR USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	POUDRE VALLEY HEALTH CARE, INC PROVIDES ADMINISTRATIVE SERVICES TO SIDNEY REGIONAL MEDICAL CENTER (SRMC) THIS INCLUDES THE HOSPITAL'S CHIEF EXECUTIVE OFFICER SRMC USES A METHOD ANNUALLY TO DETERMINE EXECUTIVE SALARY RANGES WHEREBY SRMC PULLS RANGES FROM NO LESS THAN TWO SURVEY SOURCES (THREE WHEN POSSIBLE) TO DETERMINE THE AVERAGE SALARY RANGES FOR EACH EXECUTIVE POSITION ACCORDING TO THEIR GEOGRAPHICAL REGION THESE ARE THEN REVIEWED AND THEN PRESENTED TO THE HUMAN RESOURCE COMMITTEE OF THE BOARD OF DIRECTORS FOR REVIEW AND APPROVAL/RECOMMENDATIONS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES AND FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST ALSO, THE FINANCIAL STATEMENTS ARE SENT OUT ONCE A YEAR TO COMMUNITY LEADERS

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK DEVOTED TO A RELATED ORGANIZATION	FORM 990, PART VII, SECTION A, LINE 1A	JASON PETIK, CEO, DEVOTED AN AVERAGE OF 1 00 HOUR PER WEEK TO CHEYENNE COUNTY HOSPITAL & HEALTH CENTER FOUNDATION, A RELATED ORGANIZATION DOUG FAUS, INTERIM CEO, DEVOTED AN AVERAGE OF 1 00 HOUR PER WEEK TO CHEYENNE COUNTY HOSPITAL & HEALTH CENTER FOUNDATION, A RELATED ORGANIZATION FROM JANUARY 1, 2011 THROUGH MAY 31, 2011 KELLY UTLEY, CFO, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO CHEYENNE COUNTY HOSPITAL & HEALTH CENTER FOUNDATION, A RELATED ORGANIZATION ROB ROBINSON, BOARD MEMBER, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO CHEYENNE COUNTY HOSPITAL & HEALTH CENTER FOUNDATION, A RELATED ORGANIZATION STAN BELIEU, BOARD MEMBER, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO CHEYENNE COUNTY HOSPITAL & HEALTH CENTER FOUNDATION, A RELATED ORGANIZATION

Identifier	Return Reference	Explanation
OFFICERS PAID BY UNRELATED ORGANIZATION	FORM 990, PART VII, SECTION A, LINE 1A	DOUG FAUS AND JASON PETIK RECEIVE COMPENSATION FROM AN UNRELATED ORGANIZATION, POUDRE VALLEY HEALTH CARE INC , WHICH PROVIDES MANAGEMENT SERVICES TO CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Identifier	Return Reference	Explanation
COMMITTEE WITH OVERSIGHT OF THE AUDIT	FORM 990, PART XI, LINE 2C	THERE HAVE BEEN NO CHANGES FROM THE PRIOR YEAR THE BOARD OF DIRECTORS ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT

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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

2011

Open to Public Inspection

Name of the organization
CHEYENNE COUNTY HOSPITAL ASSOCIATION INC

Employer identification number
47-0408242

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CHEYENNE COUNTY HOSPITAL AND HEALTH CENTER FOUNDATION 645 OSAGE SIDNEY, NE 69162 47-0686476	SUPPORT SIDNEY REGIONAL MEDICAL CENTER	NE	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) WESTERN NEBRASKA HEALTH SYSTEMS 645 OSAGE SIDNEY, NE 69162 91-1774837	SUPPORT SIDNEY REGIONAL MEDICAL CENTER	NE	501(C)(3)	LINE 9	N/A		No

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

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

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

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

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Cheyenne County Hospital Association, Inc. d/b/a

Sidney Regional Medical Center

(f/k/a Western Nebraska Health Systems)

and Combined Affiliates

Sidney, Nebraska

Combined Financial Statements

December 31, 2011 and 2010

Together with Independent Auditor's Report

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Table of Contents

SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors
Cheyenne County Hospital Association, Inc d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates
Sidney, Nebraska

We have audited the accompanying combined balance sheets of Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center (f/k/a Western Nebraska Health Systems) and Combined Affiliates (the "System") as of December 31, 2011 and 2010, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended These combined financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these combined financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements An audit also includes 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 audits provide a reasonable basis for our opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the System, as of December 31, 2011 and 2010, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole The supplementary information (Exhibits 1 through 3) is presented for purposes of additional analysis and is not a required part of the 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 combined financial statements The information has been subjected to the auditing procedures applied in the audit of the 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 combined financial statements or to the 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 a whole

Seim Johnson, LLP

Omaha, Nebraska,
May 9, 2012

[illegible]

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Combined Balance Sheets
December 31, 2011 and 2010

		2011	2010
ASSETS			
Current assets			
Cash and cash equivalents	$	13,190,644	9,813,940
Receivables -			
Patients, net of estimated uncollectible accounts of $1,360,523 in 2011 and $1,430,398 in 2010		4,698,967	3,138,765
Other		252,597	229,462
Inventories		639,177	565,055
Prepaid expenses		225,212	209,917
Estimated third-party payor settlements - Medicare and Medicaid		6,503	--
Total current assets		19,013,100	13,957,139
Investments		170,364	167,338
Assets limited as to use		2,598,431	4,786,610
Property and equipment, net		10,221,546	8,942,026
Total assets	$	32,003,441	27,853,113
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion of long-term debt	$	299,907	287,639
Accounts payable -			
Trade		661,030	461,838
Property and equipment		145,956	--
Accrued salaries, vacation, and benefits payable		1,766,631	1,665,006
Estimated third-party payor settlements - Medicare and Medicaid		--	770,462
Total current liabilities		2,873,524	3,184,945
Deferred compensation plan liability		190,128	158,718
Long-term debt, net of current portion		2,196,351	2,441,836
Total liabilities		5,260,003	5,785,499
Commitments and contingencies			
Net assets			
Unrestricted		26,560,768	21,874,360
Temporarily restricted		182,670	193,254
Total net assets		26,743,438	22,067,614
Total liabilities and net assets	$	32,003,441	27,853,113

See notes to combined financial statements

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Combined Statements of Operations
For the Years Ended December 31, 2011 and 2010

	2011	2010
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT		
Net patient service revenue	$ 32,464,152	28,696,876
Other operating revenue	452,138	295,169
Net assets released from restrictions used for operations	40,388	164,256
Total revenue, gains, and other support	32,956,678	29,156,301
EXPENSES		
Salaries and wages	13,882,381	12,950,548
Employee benefits	3,504,871	3,608,219
Purchased services and professional fees	2,573,067	2,215,356
Supplies and other	6,067,990	5,411,604
Interest	93,766	128,911
Depreciation and amortization	1,059,274	953,658
Provision for bad debts	1,670,951	1,476,301
Total expenses	28,852,300	26,744,597
OPERATING INCOME	4,104,378	2,411,704
NONOPERATING REVENUE		
Investment income	95,809	98,360
Contributions	63,020	81,979
Other	39,983	8,180
Nonoperating revenue	198,812	188,519
EXCESS OF REVENUE, GAINS, AND OTHER SUPPORT OVER EXPENSES	4,303,190	2,600,223
CONTRIBUTIONS FOR PROPERTY AND EQUIPMENT	393,876	--
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	(10,658)	15,221
INCREASE IN UNRESTRICTED NET ASSETS	$ 4,686,408	2,615,444

See notes to combined financial statements

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Combined Statements of Changes in Net Assets
For the Years Ended December 31, 2011 and 2010

	2011	2010
UNRESTRICTED NET ASSETS		
Excess of revenue, gains, and other support over expenses	$ 4,303,190	2,600,223
Contributions for property and equipment	393,876	--
Change in net unrealized gains and losses on other than trading securities	(10,658)	15,221
Increase in unrestricted net assets	4,686,408	2,615,444
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	29,804	38,103
Net assets released from restrictions used for operations	(40,388)	(164,256)
Decrease in temporarily restricted net assets	(10,584)	(126,153)
INCREASE IN NET ASSETS	4,675,824	2,489,291
NET ASSETS, beginning of year	22,067,614	19,578,323
NET ASSETS, end of year	$ 26,743,438	22,067,614

See notes to combined financial statements

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Combined Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,675,824	2,489,291
Adjustments to reconcile the change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,059,274	953,658
Change in net unrealized gains and losses on other than trading securities	10,658	(15,221)
Loss on sale of property and equipment	22,911	--
Contributions for property and equipment	(393,876)	--
Increase in current assets -		
Receivables -		
Patients	(1,560,202)	(387,662)
Other	(23,135)	(47,313)
Inventories	(74,122)	(16,374)
Prepaid expenses	(15,295)	(71,764)
Estimated third-party payor settlements - Medicare and Medicaid	(6,503)	--
Increase (decrease) in current liabilities -		
Accounts payable - trade	199,192	(104,903)
Accrued salaries, vacation, and benefits payable	101,625	381,955
Estimated third-party payor settlements - Medicare and Medicaid	(770,462)	248,016
Net cash provided by operating activities	3,225,889	3,429,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits to investments	(3,026)	(167,338)
Withdrawals from assets limited as to use, net	2,208,931	46,096
Purchase of property and equipment, net	(1,997,752)	(677,763)
Net cash provided by (used in) investing activities	208,153	(799,005)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions for property and equipment	393,876	--
Payments on long-term debt	(451,214)	(351,159)
Net cash used in financing activities	(57,338)	(351,159)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,376,704	2,279,519
CASH AND CASH EQUIVALENTS - Beginning of year	9,813,940	7,534,421
CASH AND CASH EQUIVALENTS - End of year	$ 13,190,644	9,813,940
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
The System entered into capital lease obligations for new equipment	$ 217,997	--
Cash paid for interest	$ 93,766	128,911

See notes to combined financial statements

(1) Description of Organization and Summary of Significant Accounting Policies

The following is a description of the organization and a summary of significant accounting policies of Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center (f/k/a Western Nebraska Health Systems) and Combined Affiliates (the "System") These policies are in accordance with accounting principles generally accepted in the United States of America

A Description of Organization

The combined financial statements include the accounts of Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center, Cheyenne County Hospital and Health Center Foundation, and High Plains Medical Foundation d/b/a Sidney Medical Associates

Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center is a not-for-profit acute care hospital which provides inpatient, outpatient and emergency care service to patients in Sidney, Nebraska It also operates long-term care facilities and a home health agency in Sidney, Nebraska

Cheyenne County Hospital and Health Center Foundation is a not-for-profit organization established to receive and solicit contributions, gifts, and grants exclusively for the benefit of the Cheyenne County Hospital Association, Inc

High Plains Medical Foundation d/b/a Sidney Medical Associates is a not-for-profit free standing rural health clinic which provides physician clinic services to patients in Sidney, Nebraska

For financial reporting purposes, management has elected to present combined financial statements due to the common organizational purposes between the entities Significant intercompany accounts and transactions have been eliminated in combination

See subsequent events Note 14 for the dissolution of the High Plains Medical Foundation d/b/a Sidney Medical Associates

B Industry Environment

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

Management believes that the System is in compliance with applicable government laws and regulations as they apply to the areas of fraud and abuse While no regulatory inquiries have been made which are expected to have a material effect on the System's combined financial statements, 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

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

C *Management*

Sidney Regional Medical Center is a not-for-profit provider of health care services Prior to December 31, 2010, Sidney Regional Medical Center had an agreement for management services with Quorum Health Resources, LLC (QHR) Effective January 1, 2011, Sidney Regional Medical Center entered into a contract with Poudre Valley Health Care Inc , to provide management personnel and consulting services The contract expires December 31, 2013

D *Use of Estimates*

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

E *Cash and Cash Equivalents*

Cash and cash equivalents for purposes of the combined statements of cash flows include certain investments in highly liquid debt instruments with original maturities of three months or less

F *Patient Receivables, Net*

The System reports patient accounts receivable at net realizable amounts from third-party payors, patients, and others An allowance for uncollectible accounts has been established for these receivables and is adjusted throughout the year based on the aging of each funding source's receivable account Individual accounts with balances over ninety days are reviewed periodically for funding source denials, rebills to different funding sources, submissions to a collection agency, or write-off as bad debt Accounts deemed uncollectable are written-off

G *Inventories*

Inventories are stated at the lower of cost (first-in, first-out valuation method) or market

H *Investments*

Investments in equity securities with readily determinable fair values, all investments in debt securities, and investments in land are measured at fair value in the accompanying combined balance sheets Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenue, gains and other support over expenses unless the income or loss is restricted by donor or law Unrealized gains and loses on investments are excluded from excess of revenue, gains, and other support over expenses unless the investments are trading securities

I *Assets Limited as to Use*

Assets limited as to use include assets restricted by donors and assets set aside by the Board of Directors for future capital improvements and a deferred compensation plan over which the Board retains control and may at its discretion subsequently use for other purposes

J *Property and Equipment*

Property and equipment acquisitions are recorded at cost Depreciation is provided on the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Useful Lives of Depreciable Hospital Assets Assets under capital lease obligations and leasehold improvements are amortized on the straight-line method over the shorter of the lease term or their respective estimated useful lives Such amortization is included in depreciation and amortization in the combined financial statements Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those costs The System maintains a capitalization policy of $5,000

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

The System's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable If the sum of expected cash flows is less than the carrying amount of the asset, a loss is recognized

K *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the System 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 System in perpetuity At December 31, 2011 and 2010, the System had no permanently restricted net assets

When the System has both restricted and unrestricted net assets available for a particular expense, it is the System's policy to apply restricted net assets before unrestricted

L *Excess of Revenue, Gains, and Other Support Over Expenses*

The combined statements of operations include excess of revenue, gains and other support over expenses as a performance indicator Changes in unrestricted net assets which are excluded from the performance indicator, consistent with industry practice, include change in net unrealized gains and losses on other than trading securities and contributions of long lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets)

M *Net Patient Service Revenue*

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

N *Charity Care*

The System 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 System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the combined statements of operations

O *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received Conditional promises to give and indications of intent 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 the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined financial statements

P *Group Health Insurance Costs*

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

Q *Medical Malpractice Insurance*

Medical malpractice insurance is purchased under claims-made policies Under these policies, only claims made and reported to the insurer are covered during the policy term

The System accrues the expense of its share of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim Such estimates are based on the System's own claims experience The System's management does not expect any claim to exceed the insurance coverage limits However, because of the risk involved in providing health care services, it is possible an event has occurred that will be the basis of a future material claim

R *Fair Value of Financial Statements*

The System applies the provisions included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date At December 31, 2011, there were no nonfinancial assets or liabilities measured at fair value in the financial statements on the nonrecurring basis

Financial instruments consist of cash and cash equivalents, receivables, investments, assets limited as to use, liabilities and long-term debt obligations Management's estimates of fair value of investments and assets limited as to use are described in Note 5 The carrying amounts reported in the combined balance sheets for cash and cash equivalents, receivables and current liabilities approximate fair value due to the short-term nature of these financial instruments The carrying value of long-term debt obligations approximates fair value since the interest rates closely reflect current market rates for notes with similar maturities and credit quality

S *Income Taxes*

Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center, Cheyenne County Hospital and Health Center Foundation, and High Plains Medical Foundation are exempt from income taxes under Section 501(a) of the Code and a similar provision of state law However, they are subject to federal income tax on any unrelated business taxable income

The System accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes* The System recognizes the effect of income tax positions only if those positions are more likely than not of being sustained At December 31, 2011, the System had no uncertain tax positions accrued With few exceptions, the System is no longer subject to income tax examinations by U S federal, state, or local authorities for years before 2007

T *Subsequent Events*

The System considered events occurring through May 9, 2012 for recognition or disclosure in the combined financial statements as subsequent events That date is the date the combined financial statements were available to be issued See Note 14 for subsequent events

(2) Net Patient Service Revenue

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

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries in a Critical Access Hospital are paid based on Medicare defined costs of providing the services Inpatient nonacute services, outpatient services, and rural health clinic services related to Medicare beneficiaries are paid based on a cost reimbursement methodology The System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicare Administrative Contractor The System's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2009

Medicaid. Inpatient acute services, outpatient services, and rural health clinic services rendered to Medicaid program beneficiaries in a Critical Access Hospital are paid based on Medicaid defined costs of providing the services Beginning July 1, 2011, Medicaid changed reimbursement paid to 97 5% of defined costs The System is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the System

Commercial Insurance. The basis for payment to the System under these agreements includes discounts from established charges

The System reports net patient service revenue at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

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

	2011	2010
Gross patient charges		
Health Center -		
Acute	$ 8,816,187	9,772,400
Home health	1,500,418	1,364,580
Assisted living	961,377	738,602
Hospice	1,308,371	2,155,495
Long-term care	3,611,773	3,259,347
Outpatient	24,795,397	20,011,740
	40,993,523	37,302,164
Clinic	4,087,242	3,925,876
	45,080,765	41,228,040
Less deductions from service revenue		
Health Center -		
Medicare	7,428,187	8,306,341
Medicaid and other payors	4,069,774	2,962,079
Charity care	407,607	352,081
	11,905,568	11,620,501
Clinic	711,045	917,663
	12,616,613	12,538,164
Net patient service revenue	$ 32,464,152	28,689,876

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 11%, respectively, of the System's net patient revenue for the year ended December 31, 2011 and approximately 34% and 10%, respectively, of the System's net patient revenue for the year ended December 31, 2010 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The 2011 net patient service revenue increased approximately $290,000 due to the removal of allowances previously estimated that are no longer necessary as a result of final settlements and years no longer subject to audits, reviews, and investigations

(3) Charity Care

The System provides charity care to patients who are financially unable to pay for the health care services they receive It is the policy of the System not to pursue collection of amounts determined to qualify as charity care Accordingly, the System does not report these amounts in net operating revenue or in the allowance for doubtful accounts The System determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost to charge ratio The costs of caring for charity care patients for the years ended December 31, 2011 and 2010 were $245,766 and $214,988, respectively

(4) Assets Limited as to Use

Assets limited as to use include assets restricted by donors and assets set aside by the Board of Directors for future capital improvements and a deferred compensation plan over which the Board retains control and may at its discretion subsequently use for other purposes

The composition of assets limited as to use at December 31, 2011 and 2010, is as follows

	2011	2010
By Board for future capital improvements	$ 2,225,633	4,434,638
By Trustee under deferred compensation plan	190,128	158,718
By donor	182,670	193,254
	$ 2,598,431	4,786,610

Investment Return

Total investment return is comprised of the following

	2011	2010
Interest and dividend income	$ 95,809	98,360
Change in unrealized gains and losses on other than trading securities	(10,658)	15,221
Total investment return	$ 85,151	113,581

(5) Fair Value

Fair Value Hierarchy

The System has adopted FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the combined financial statements on a recurring basis FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are as follows

Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the System has the ability to access at the measurement date

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

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

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

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

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

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

U S treasury bonds – U S treasury bonds are classified as Level 1 if they trade with sufficient frequency and volume to enable to the System to obtain pricing information on an ongoing basis

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

Land – The fair value of land is based on assessed market value at acquisition date which approximates current fair value and is classified as Level 3

Annuity contracts – Annuity contracts are classified as Level 2 based on contract values as reported by the insurance company that holds the contract Contract values are based on the net asset value of underlying investment options

Corporate stock – The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers

For the fiscal years ended December 31, 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following tables present the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2011 and 2010

	December 31, 2011			
	Total	Level 1	Level 2	Level 3
Investments				
Land	$ 92,500	--	--	92,500
U S treasury bonds	77,864	77,864	--	--
	170,364	77,864	--	92,500
By Board for future capital improvements				
Cash and cash equivalents	637,717	637,717	--	--
Certificates of deposit	1,410,393	--	1,410,393	--
Mutual funds - large cap	153,540	153,540	--	--
Corporate stock - domestic	11,134	11,134	--	--
Accrued interest	12,849	12,849	--	--
	2,225,633	815,240	1,410,393	--
By Trustee under deferred compensation plan				
Annuity contracts	190,128	--	190,128	--
By Donor				
Cash and cash equivalents	176,036	176,036	--	--
Certificates of deposit	6,634	--	6,634	--
	182,670	176,036	6,634	--
	$ 2,768,795	1,069,140	1,607,155	92,500

	December 31, 2010			
	Total	Level 1	Level 2	Level 3
Investments				
Land	$ 92,500	--	--	92,500
U S treasury bonds	74,838	74,838	--	--
	167,338	74,838	--	92,500
By Board for future capital improvements				
Cash and cash equivalents	524,642	524,642	--	--
Certificates of deposit	3,732,866	--	3,732,866	--
Mutual funds - large cap	159,944	159,944	--	--
Corporate stock - domestic	12,520	12,520	--	--
Accrued interest	4,666	4,666	--	--
	4,434,638	701,772	3,732,866	--
By Trustee under deferred compensation plan				
Annuity contracts	158,718	--	158,718	--
By Donor				
Cash and cash equivalents	176,150	176,150	--	--
Certificates of deposit	17,104	--	17,104	--
	193,254	176,150	17,104	--
	$ 4,953,948	952,760	3,908,688	92,500

(6) Property and Equipment

Property and equipment as of December 31, 2011 and 2010 is summarized as follows

	2011	2010
Land and land improvements	$ 685,107	685,107
Buildings and fixed equipment	14,147,889	13,493,009
Equipment and furnishings	7,986,138	6,643,417
Construction in progress	56,325	142,549
	22,875,459	20,964,082
Less Accumulated depreciation and amortization	(12,653,913)	(12,022,056)
	$ 10,221,546	8,942,026

(7) Long-Term Debt

A summary of long-term debt and capital lease obligation at December 31, 2011 and 2010 follows

	2011	2010
Note payable, Hospital Authority No 1 of Cheyenne County, Nebraska (A)	$ 2,229,673	2,525,912
Capital lease obligation (B)	176,216	--
Capital lease obligation (C)	90,369	123,651
Capital lease obligation	--	16,700
Note payable, bank	--	63,212
	2,496,258	2,729,475
Less debt current portion	(299,907)	(287,639)
Long-term debt, net of current portion	$ 2,196,351	2,441,836

(A) Due October 2020, payable $92,945 quarterly, including interest at 4 87% through 2010, at which time the rate moves to the U S treasury security annual index, which was 3 09% at December 31, 2011, and is fixed until maturity, collateralized by Deed of Trust on Sidney Regional Medical Center's property

(B) Capital lease due December 2015, payable $4,327 monthly including interest at 7 36% collateralized by leased equipment

(C) Capital lease due October 2014, payable $3,025 monthly, including interest at 4 46% collateralized by leased equipment

Property and equipment include the following property under capital leases

	2011	2010
Equipment	$ 380,733	337,661
Less Accumulated depreciation	(119,543)	(177,505)
	$ 261,190	160,156

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows

Year Ending December 31,	Long-Term Debt	Capital Lease Obligations
2012	$ 228,883	85,382
2013	313,568	88,220
2014	323,371	74,499
2015	333,479	51,926
2016	343,822	--
Thereafter	686,550	--
	$ 2,229,673	300,027
Less Amount representing interest under capital lease obligation		33,442
		$ 266,585

(8) Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2011 and 2010 are available for the following purposes

	2011	2010
Purchases of equipment, maintenance and improvements	$ 141,826	161,993
Long-term care resident housing	15,949	15,484
Other	24,895	15,777
	$ 182,670	193,254

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for operations of $40,388 and $164,256 in 2011 and 2010, respectively

(9) Operating Leases

Noncancellable operating leases for primary care outpatient offices and equipment expire in various years through 2013 These leases require the System to pay all executory costs (property taxes, maintenance, and insurance)

Future minimum lease payments at December 31, 2011, were

2012	$ 112,836
2013	100,384
2014	73,972
2015	70,122
2016	46,192
Future minimum lease payments	$ 403,506

Rental expense for all operating leases was $252,700 and $198,570 for the years ended December 31, 2011 and 2010, respectively

(10) Employee Benefit Plans

Pension Plans

Sidney Regional Medical Center has a defined-contribution pension plan covering substantially all employees The plan allows for employee contributions up to the maximum allowable percentage of the employee's annual compensation, plus the employer will match 100% of the employee's contributions up to a maximum contribution of 6% of the employee's annual compensation Pension expense was $322,790 and $255,781 for 2011 and 2010, respectively

Sidney Medical Associations (SMA) has a defined-contribution pension plan covering substantially all employees The plan is funded through employee contributions only and allows for employee contributions up to a maximum contribution of 20% of the employee's annual compensation SMA contributions to the plan are discretionary There were no SMA discretionary contributions to the plan in 2011 or 2010

Profit Sharing Plan

SMA has a profit-sharing plan covering substantially all employees The plan is funded through employer contributions only and the amount contributed is determined annually by the Board of Directors Contributions to the plan were $138,246 and $123,344 for 2011 and 2010, respectively

Deferred Compensation Plans

Sidney Regional Medical Center and SMA offer deferred compensation plans for employed physicians Eligible employees may defer and place into a deferred compensation account an amount up to the maximum allowed by Section 457(b) of the Internal Revenue Code Upon retirement, as defined by the plan, the balance of each participant's deferred compensation account will be paid to the participant

The value of the deferred compensation accounts are included in the accompanying combined balance sheets as assets limited as to use and are valued at fair value of the underlying mutual funds The related deferred compensation plan liability is separately stated as a long term liability

(11) Concentrations of Credit Risk

The System is located in Sidney Nebraska The System grants credits without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors was as follows

	2011	2010
Medicare	29%	32%
Medicaid	10	10
Other third-party payors	41	41
Private pay	20	17
	100%	100%

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

(12) Functional Expenses

The System provides general health care services to residents within its geographic area Expenses related to providing these services are as follows

	2011	2010
Program services	$ 27,576,858	25,169,615
General and administrative	1,194,128	1,513,439
Fundraising	81,314	61,543
	$ 28,852,300	26,744,597

(13) Professional Liability Insurance

The System carries a professional liability policy (including malpractice) which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage In addition, the System carries an umbrella policy which also provides an additional $5,000,000 of professional liability coverage per occurrence and aggregate coverage These policies provide coverage on a claims-made basis covering only those claims which have occurred and are reported to the insurance company while the coverage is in force The System could have exposure on possible incidents that have occurred for which claims will be made in the future should professional liability insurance not be obtained, should coverage be limited and/or not available

Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur The System does evaluate all incidents and claims along with prior claims experience to determine if a liability is to be recognized For the year ending December 31, 2011, management recognized an estimated liability for known incidents of $195,616 which is included in the combined balance sheets as an accounts payable Management also recorded a corresponding receivable from its insurance company of $185,616 which is included in the combined balance sheets as an other receivable For the year ended December 31, 2010, management determined no liability should be recognized for asserted or unasserted claims Management is not aware of any such claim that would have a material adverse impact on the accompanying combined financial statements

(14) Subsequent Events

During 2011 the High Plains Medical Foundation d/b/a Sidney Medical Associates' (SMA) Board of Directors approved the dissolution of SMA effective January 1, 2012 Upon dissolution, SMA distributed its assets and its net assets, after paying all existing liabilities, to Cheyenne County Hospital Association, Inc d/b/a Sidney Regional Medical Center f/ka Memorial Health Center SMA employees became employed by Sidney Regional Medical Center and SMA's physician clinic services are now operated by Sidney Regional Medical Center

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Exhibit 1

Combining Balance Sheet
December 31, 2011

ASSETS		Cheyenne County Hospital Association, Inc	Cheyenne County Hospital and Health Center Foundation	High Plains Medical Foundation	Elimination Entries	Combined
Current assets						
Cash and cash equivalents	$	12,976,872	229,396	(15,624)	--	13,190,644
Receivables -						
Patients, net of estimated uncollectible accounts of $1,360,523 in 2011		4,306,385	--	392,582	--	4,698,967
Other		247,951	--	4,646	--	252,597
Inventories		636,117	3,060	--	--	639,177
Prepaid expenses		225,212	--	--	--	225,212
Estimated third-party payor settlements - Medicare and Medicaid		6,503	--	--	--	6,503
Total current assets		18,399,040	232,456	381,604	--	19,013,100
Investments		170,364	--	--	--	170,364
Assets limited as to use		1,348,577	1,091,035	158,819	--	2,598,431
Due from affiliates		47,344	--	1,083	(48,427)	--
Property and equipment, net		9,923,323	204,769	93,454	--	10,221,546
Total assets	$	29,888,648	1,528,260	634,960	(48,427)	32,003,441

Exhibit 1

Combining Balance Sheet (Continued)
December 31, 2011

	Cheyenne County Hospital Association, Inc	Cheyenne County Hospital and Health Center Foundation	High Plains Medical Foundation	Elimination Entries	Combined
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long-term debt	$ 299,907	--	--	--	299,907
Accounts payable -					
Trade	619,484	143	41,403	--	661,030
Property and equipment	145,956	--	--	--	145,956
Accrued salaries, vacation, and benefits payable	1,713,570	--	53,061	--	1,766,631
Total current liabilities	2,778,917	143	94,464	--	2,873,524
Deferred compensation plan liability	31,309	--	158,819	--	190,128
Long-term debt, net of current portion	2,196,351	--	--	--	2,196,351
Due to affiliates	1,083	17,896	29,448	(48,427)	--
Total liabilities	5,007,660	18,039	282,731	(48,427)	5,260,003
Commitments and contingencies					
Net assets					
Unrestricted	24,878,090	1,330,449	352,229	--	26,560,768
Temporarily restricted	2,898	179,772	--	--	182,670
Total net assets	24,880,988	1,510,221	352,229	--	26,743,438
Total liabilities and net assets	$ 29,888,648	1,528,260	634,960	(48,427)	32,003,441

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Exhibit 2

Combining Statement of Operations
For the Year Ended December 31, 2011

	Cheyenne County Hospital Association, Inc	Cheyenne County Hospital and Health Center Foundation	High Plains Medical Foundation	Elimination Entries	Combined
UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT					
Net patient service revenue	$ 29,108,934	--	3,543,200	(187,982)	32,464,152
Other operating revenue	511,647	--	--	(59,509)	452,138
Net assets released from restrictions used for operations	8,000	32,388	--	--	40,388
Total revenue, gains, and other support	29,628,581	32,388	3,543,200	(247,491)	32,956,678
EXPENSES					
Salaries and wages	11,864,935	--	2,017,446	--	13,882,381
Employee benefits	3,128,316	--	376,555	--	3,504,871
Purchased services and professional fees	2,656,009	--	80,652	(163,594)	2,573,067
Supplies and other	5,282,945	77,250	813,206	(105,411)	6,067,990
Interest	93,766	--	--	--	93,766
Depreciation and amortization	1,038,509	4,064	16,701	--	1,059,274
Provision for bad debts	1,508,819	--	162,132	--	1,670,951
Total expenses	25,573,299	81,314	3,466,692	(269,005)	28,852,300
OPERATING INCOME (LOSS)	4,055,282	(48,926)	76,508	21,514	4,104,378
NONOPERATING REVENUE					
Investment income	86,087	9,065	657	--	95,809
Contributions	34,893	28,127	--	--	63,020
Other	--	10,405	51,092	(21,514)	39,983
Nonoperating revenue	120,980	47,597	51,749	(21,514)	198,812
EXCESS OF REVENUE, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES	4,176,262	(1,329)	128,257	--	4,303,190
CONTRIBUTIONS FOR PROPERTY AND EQUIPMENT	393,876	--	--	--	393,876
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	--	(10,658)	--	--	(10,658)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$ 4,570,138	(11,987)	128,257	--	4,686,408

Cheyenne County Hospital Association, Inc. d/b/a
Sidney Regional Medical Center
(f/k/a Western Nebraska Health Systems) and Combined Affiliates

Exhibit 3

Combining Statement of Changes in Net Assets
For the Year Ended December 31, 2011

	Cheyenne County Hospital Association, Inc	Cheyenne County Hospital and Health Center Foundation	High Plains Medical Foundation	Elimination Entries	Combined
UNRESTRICTED NET ASSETS					
Excess of revenue, gains, and other support over (under) expenses	$ 4,176,262	(1,329)	128,257	--	4,303,190
Contributions for property and equipment	393,876	--	--	--	393,876
Change in net unrealized gains and losses on other than trading securities	--	(10,658)	--	--	(10,658)
Increase (decrease) in unrestricted net assets	4,570,138	(11,987)	128,257	--	4,686,408
TEMPORARILY RESTRICTED NET ASSETS					
Contributions	--	29,804	--	--	29,804
Net assets released from restrictions used for operations	(8,000)	(32,388)	--	--	(40,388)
Decrease in temporarily restricted net assets	(8,000)	(2,584)	--	--	(10,584)
INCREASE (DECREASE) IN NET ASSETS	4,562,138	(14,571)	128,257	--	4,675,824
NET ASSETS, beginning of year	20,318,850	1,524,792	223,972	--	22,067,614
NET ASSETS, end of year	$ 24,880,988	1,510,221	352,229	--	26,743,438