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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
FAITH REGIONAL HEALTH SERVICES

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1500 KOENIGSTEIN AVENUE PO BOX 869

City or town, state or country, and ZIP + 4
NORFOLK, NE 687020869

D Employer identification number
47-0796875

E Telephone number
(402) 371-4880

G Gross receipts $ 152,819,985

F Name and address of principal officer
JAMES J SINEK
1500 KOENIGSTEIN AVENUE PO BOX 869
NORFOLK, NE 687020869

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 FRHS ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1996 | **M** State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
FAITH REGIONAL HEALTH SERVICES IS A HEALTHCARE ORGANIZATION PROVIDING ACUTE, SKILLED AND OUTPATIENT SERVICES TO INDIVIDUALS IN OUR SERVICE AREA

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

Activities & Governance	**3** Number of voting members of the governing body (Part VI, line 1a)	**3**	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,400
	6 Total number of volunteers (estimate if necessary)	**6**	185
	7a Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	259,511
	b Net unrelated business taxable income from Form 990-T, line 34	**7b**	188,462

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,228,007	1,241,736
	9 Program service revenue (Part VIII, line 2g)	140,448,769	148,226,036
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	387,599	2,002,325
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	221,862	175,877
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	142,286,237	151,645,974
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	491,544	449,695
	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)	75,834,466	71,891,251
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶454,476		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	61,532,461	74,189,647
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	137,858,471	146,530,593
	19 Revenue less expenses Subtract line 18 from line 12	4,427,766	5,115,381

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	185,782,930	188,031,415
	21 Total liabilities (Part X, line 26)	105,166,197	102,340,882
	22 Net assets or fund balances Subtract line 21 from line 20	80,616,733	85,690,533

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

****** 2012-11-09
Signature of officer Date

JOHN WILKER CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: P GREG DONDELINGER | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00400863

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

FAITH REGIONAL HEALTH SERVICES (FAITH REGIONAL), A NOT-FOR-PROFIT HEALTH CARE FACILITY LOCATED IN NORTHEAST NEBRASKA OPERATES FOR THE BENEFIT OF THE INDIVIDUALS IN ITS SERVICE AREA FAITH SERVES ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AND DOES NOT LIMIT ITS SERVICES OR DISCRIMINATE AGAINST ANYONE ON THE BASIS OF RACE, COLOR, SEX, NATIONAL ORIGIN, SEXUAL ORIENTATION, RELIGION, AGE, DISABILITY, DISEASE, OR DIAGNOSIS

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 $ 63,284,326 including grants of $) (Revenue $ 38,891,091)

FAITH REGIONAL PROVIDES HEALTHCARE TO ALL PEOPLE REGARDLESS OF THEIR ABILITY TO PAY OR THEIR INSURANCE PROVIDER DURING 2011, FAITH PROVIDED 11,396 PATIENT DAYS TO MEDICARE PATIENTS AND 2,603 PATIENT DAYS TO MEDICAID PATIENTS

4b (Code) (Expenses $ 18,210,715 including grants of $) (Revenue $ 14,574,353)

MANY SERVICES PROVIDED BY FAITH REGIONAL ARE DONE TO MEET SPECIFIC NEEDS OF THE COMMUNITY BECAUSE NO OTHER SERVICES ARE AVAILABLE AS A RESULT, THESE SERVICES ARE PROVIDED KNOWING THAT THEY WILL NOT BE FINANCIALLY VIABLE OR SELF-SUPPORTING THESE SERVICES INCLUDE ACUTE REHABILITATION, BEHAVIORAL HEALTH INPATIENT SERVICES, CARDIOPULMONARY REHABILTIATION SERVICES, DIALYSIS, HOME HEALTH CARE AND TRANSITIONAL CARE (LONG-TERM REHABILITIATION) SERVICES

4c (Code) (Expenses $ 5,932,990 including grants of $) (Revenue $)

A SUBSTANTIAL PORTION OF COMMUNITY BENEFITS PROVIDED BY FAITH REGIONAL IS THE PROVISION OF PATIENT CARE SERVICES THAT ARE NOT PAID FOR EITHER BY THE PATIENT OR A THIRD PARTY INSURANCE DURING 2011, FAITH PROVIDED PATIENTS OVER $5 MILLION IN ASSISTANCE WITH PAYING THEIR HOSPITAL BILLS

(Code) (Expenses $ 39,009,564 including grants of $ 449,695) (Revenue $ 94,194,560)

FAITH REGIONAL IS COMMITTED TO MAINTAINING AND ENHANCING THE QUALITY OF CARE THROUGH THE PROVISION OF EDUCATION TO EMPLOYEES AND MEDICAL STAFF AND THROUGH THE OFFERING OF BENEFITS THAT SUPPORT THIS BENEFITS TO OUR EMPLOYEES INCLUDE EDUCATIONAL LOANS, TUITION REIMBURSEMENT AND WORKSHOP EXPENSE REIMBURSEMENT IN 2011, A TOTAL OF 17,000 HOURS OF EDUCATION HOURS WERE PROVIDED TO OUR 1,300 EMPLOYEES AND MEDICAL STAFF MEMBERS THIS INCLUDED 465 PROGRAMS AND 3,200 HOURS OF CONTINUING EDUCATION FOR HEALTHCARE PROFESSIONALS AND PHYSICIANS FAITH REGIONAL ALSO HAS E-LEARNING EMPLOYEES COMPLETED A TOTAL OF 13,000 HOURS OF ONLINE EDUCATION WHICH WAS 330 DIFFERENT COURSES FAITH REGIONAL ALSO PROMOTES HEALTHCARE CAREERS BY PARTICIPATING AT HIGH SCHOOL CAREER FAIRS, OFFERING STUDENT SHADOWING AND HOSTING MEDICAL EXPLORERS

4d Other program services (Describe in Schedule O)

(Expenses $ 39,009,564 including grants of $ 449,695) (Revenue $ 94,194,560)

4e **Total program service expenses** ▶ $ 126,437,595

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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	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**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
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**	Yes	
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**	92		
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**	1,400			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account 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	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			5		No
6	Did the organization have members or stockholders?			6	Yes	
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	Yes	
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	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9		No

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

			Yes	No
10a	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	Yes	
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	Yes	

Section C. Disclosure

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

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

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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) JIM MILLER PRESIDENT	1 00	X		X				0	0	0
(2) BERT LAMMLI VICE PRESIDENT	1 00	X		X				0	0	0
(3) BERNIE AUTEN TREASURER	1 00	X		X				0	0	0
(4) PAUL SANDALL SECRETARY	1 00	X		X				0	0	0
(5) ANITA BRENNEMAN MEMBER	1 00	X						0	0	0
(6) JOHN DINKEL MEMBER	1 00	X						0	0	0
(7) PHIL ECKSTROM MD MEMBER	1 00	X						0	0	0
(8) JEFF EISENMENGER MEMBER	1 00	X						0	0	0
(9) DONNA HERRICK MEMBER	1 00	X						0	0	0
(10) DAN KARMAZIN DDS MEMBER	1 00	X						0	0	0
(11) STEFFAN LACEY MD MEMBER	1 00	X						0	0	0
(12) SCOTT MILLER MEMBER	1 00	X						0	0	0
(13) JEFF PAPE OD MEMBER	1 00	X						0	0	0
(14) MARY KAY UHING MEMBER	1 00	X						0	0	0
(15) TOD VOSS MD MEMBER	1 00	X						0	0	0
(16) JAMES J SINEK CEO	39 00			X				476,500	0	27,240
(17) DOUGLAS WISMER CFO	39 00			X				180,391	0	14,727

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) LINDA MILLER VP/CHIEF NURSING OFFICER	40 00			X				133,095	0	13,231
(19) DEAN FRENCH MD VP MEDICAL AFFAIRS	40 00			X				78,850	0	6,498
(20) H MICHAEL HAMMOND ACCESS HOSPITAL	40 00			X				149,471	0	24,194
(21) JANET PINKELMAN VP HUMAN RESOURCES	40 00			X				151,899	0	10,845
(22) PATRICK ROCHE COO - FRPS	40 00			X				187,005	0	25,257
(23) BARRY SPEAR VP GROWTH AND DEVELOPMENT	24 00			X				172,013	0	12,062
(24) TIMOTHY DAVY MD VP MEDICAL AFFAIRS	40 00			X				46,132	0	2,102
(25) KELLY DRISCOLL VP/CHIEF NURSING OFFICER	40 00			X				58,381	0	7,800
(26) JOSEPH MCCLAIN MD CARDIOVASCULAR SURGEON	40 00					X		752,161	0	23,238
(27) DOUGLAS WELSH MD CARDIOLOGIST	40 00					X		668,305	0	26,816
(28) MOHAMMAD IMRAN MD CARDIOLOGIST	40 00					X		595,584	0	24,682
(29) CHRISTOPHER PRICE MD ANESTHESIOLOGIST	40 00					X		553,406	0	27,044
(30) HAKAM ASAAD MD NEUROLOGIST	40 00					X		539,263	0	16,990
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								4,742,456	0	262,726

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 ▶66

			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
QUAMMEN HEALTH CARE CONSULTANT 552 BRANDIES CIRCLE B4 MURFREESBORO, TN 37128	IT CONSULTING	751,638
NEBRASKA LAB INC PO BOX 30 BEREA, OH 44017	LAB SERVICES	577,600
SIOUX CITY NIGHT PATROL PO BOX 3276 SIOUX CITY, IA 51102	SECURITY SERVICES	327,354
READY TEC-GO INC 1005 E 23RD ST SUITE 200 FREMONT, NE 68025	NURSING SERVICES	209,102
DUAYNE ALLEN CARLSON 6301 NW 112 ST LINCOLN, NE 68524	ORTHOPEDIC SERVICES	191,104

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 ▶10

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	18,000				
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations	1,089,050				
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	134,686				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,241,736			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	623000	102,359,846	102,359,846		
	b	MEDICARE/MEDICAID	623000	38,795,492	38,795,492		
	c	OTHER OPERATING REVENU	900099	5,468,861	5,085,951	56,550	326,360
	d	LEASED MEDICAL EMPLOYE	900099	975,237	975,237		
	e	PHYSICIAN CLINICS	621110	626,600	626,600		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		148,226,036			
	3	Investment income (including dividends, interest and other similar amounts)		492,985			492,985
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	948,166				
	b	Less rental expenses	975,250				
	c	Rental income or (loss)	-27,084				
	d	Net rental income or (loss)		-27,084			-27,084
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,708,101				
	b	Less cost or other basis and sales expenses	198,761				
	c	Gain or (loss)	1,509,340				
	d	Net gain or (loss)		1,509,340			1,509,340
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	MHR HOME CARE LLC	446199	202,961		202,961	
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		202,961			
	12	**Total revenue.** See Instructions		151,645,974	147,843,126	259,511	2,301,601

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	449,695	449,695		
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	1,777,693		1,777,693	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	243,563	243,563		
7	Other salaries and wages	55,344,350	49,883,539	5,194,625	266,186
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,612,450	2,333,719	266,309	12,422
9	Other employee benefits	8,137,861	7,207,016	892,483	38,362
10	Payroll taxes	3,775,334	3,306,276	451,459	17,599
11	Fees for services (non-employees)				
a	Management	338,602		338,602	
b	Legal	224,351		224,351	
c	Accounting	168,348		168,348	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	16,873,006	11,317,846	5,489,390	65,770
12	Advertising and promotion	54,225	39,220	13,648	1,357
13	Office expenses	5,640,971	3,301,711	2,302,718	36,542
14	Information technology	2,586,052	541,267	2,041,402	3,383
15	Royalties . .				
16	Occupancy	3,295,951	3,020,268	275,683	
17	Travel	86,961	58,712	26,273	1,976
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	4,487,667	4,487,667		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	10,802,729	10,759,751	42,978	
23	Insurance	793,645	789,014	4,631	
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	22,234,402	22,234,402		
b	BAD DEBT	6,371,281	6,371,281		
c	DUES & SUBSCRIPTIONS	213,509	75,185	127,445	10,879
d	LICENSES	17,463	17,463		
e					
f	All other expenses	484		484	
25	**Total functional expenses.** Add lines 1 through 24f	146,530,593	126,437,595	19,638,522	454,476
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		73	1	213
	2	Savings and temporary cash investments		20,380,825	2	34,071,093
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		18,245,967	4	17,107,418
	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		782,142	7	1,647,453
	8	Inventories for sale or use		4,083,846	8	3,841,458
	9	Prepaid expenses and deferred charges		1,139,734	9	1,178,593
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 192,368,599			
	b	Less accumulated depreciation	10b 77,204,440	122,146,086	10c	115,164,159
	11	Investments—publicly traded securities		13,126,141	11	9,004,798
	12	Investments—other securities See Part IV, line 11		25,302	12	15,302
	13	Investments—program-related See Part IV, line 11		2,028,769	13	1,902,408
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,824,045	15	4,098,520
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		185,782,930	16	188,031,415
Liabilities	17	Accounts payable and accrued expenses		13,599,377	17	14,251,628
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		75,508,998	20	72,855,943
	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		15,134,135	23	12,769,181
	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		923,687	25	2,464,130
	26	**Total liabilities.** Add lines 17 through 25		105,166,197	26	102,340,882
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		80,588,488	27	85,662,070
	28	Temporarily restricted net assets		28,245	28	28,463
	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		80,616,733	33	85,690,533
	34	Total liabilities and net assets/fund balances		185,782,930	34	188,031,415

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	151,645,974
2	Total expenses (must equal Part IX, column (A), line 25)	2	146,530,593
3	Revenue less expenses Subtract line 2 from line 1	3	5,115,381
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	80,616,733
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-41,581
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	85,690,533

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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in 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

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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.**

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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
FAITH REGIONAL HEALTH SERVICES	47-0796875

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		7,524
j	Total lines 1c through 1i			7,524
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	FAITH REGIONAL PAID DUES TO THE NEBRASKA ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS, AMERICAN HOSPITAL ASSOCIATION AND NEBRASKA ASSOCIATION OF HOME AND COMMUNITY HEALTH AGENCIES DUES WHICH WERE USED FOR LOBBYING ACTIVITIES THE AMOUNT OF DUES PAID WERE $3,657, $3,730 AND $137, RESPECTIVELY

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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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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	5,670,101	5,188,508	4,493,972	5,706,317	
b	Contributions	13,321	2,727	6,814	4,188	
c	Investment earnings or losses	-38,571	517,780	721,427	-1,146,496	
d	Grants or scholarships	66,738	38,914	33,705	71,037	
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	5,578,113	5,670,101	5,188,508	4,492,972	

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 100 000 %
- c Term endowment ▶ 0 %

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

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

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

Part VI 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		1,006,212		1,006,212
b Buildings	7,149,316	85,955,630	35,994,435	57,110,511
c Leasehold improvements				
d Equipment	176,685	94,379,922	39,663,458	54,893,149
e Other		3,700,834	1,546,547	2,154,287
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				115,164,159

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	
ESTIMATED THIRD PARTY PAYOR SETTLEMENTS - MEDICARE & MEDICAID	588,463
DEFERRED COMP INVESTMENT	1,875,667
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	2,464,130

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	151,645,974
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	146,530,593
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	5,115,381
4	Net unrealized gains (losses) on investments	4	-41,581
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	-41,581
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,073,800

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	152,579,643
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-41,581		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	975,250		
e	Add lines **2a** through **2d**			2e	933,669
3	Subtract line **2e** from line **1**			3	151,645,974
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	151,645,974

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

1	Total expenses and losses per audited financial statements			1	147,505,843
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	975,250		
e	Add lines **2a** through **2d**			2e	975,250
3	Subtract line **2e** from line **1**			3	146,530,593
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	146,530,593

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	CARSON CANCER CENTER ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BE USED TO FUND CAPITAL EQUIPMENT PURCHASES AND/OR OPERATIONS OF THE CARSON REGIONAL CANCER CENTER INVESTMENT EARNINGS ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE GENERAL ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS INVESTMENT EARNINGS ON THESE FUNDS ARE NOT RESTRICTED AS TO USE THE HOSPICE ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT THE HOSPICE PROGRAM AND ITS PATIENTS INVESTMENT INCOME ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE THE CARDIAC SERVICES ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO FUND FAITH REGIONAL HEALTH SERVICE'S CARDIAC PROGRAM CAPITAL AND/OR OPERATIONAL EXPENSES THE EDUCATION ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT FAITH REGIONAL HEALTH SERVICE'S EDUCATION PROGRAMS AND ITS EFFORTS TO RECRUIT AND RETAIN EMPLOYEES INVESTMENT INCOME ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE ST JOSEPH'S NURSING HOME/SKYVIEW VILLA ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BE USED TO FUND CAPITAL EQUIPMENT PURCHASES AND/OR OPERATION OF ST JOSEPH'S NURSING HOME AND SKYVIEW VILLA INVESTMENT EARNINGS ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE THE PEDIATRIC ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT FAITH REGIONAL HEALTH SERVICE'S CHILDREN'S CARE FUND DONORS CAN SPECIFY CONTRIBUTIONS TO ANY OF THE ENDOWMENT FUNDS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	FRHS AND THE FOUNDATION ARE NOT-FOR-PROFIT CORPORATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE EXEMPT FROM FEDERAL AND NEBRASKA STATE INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE FRPS IS A LIMITED LIABILITY COMPANY WHOLLY OWNED BY FAITH THE INTERNAL REVENUE SERVICE HAS ESTABLISHED STANDARDS TO BE MET TO MAINTAIN TAX-EXEMPT STATUS IN GENERAL, SUCH STANDARDS REQUIRE FRHS AND THE FOUNDATION TO MEET A COMMUNITY BENEFIT STANDARD AND COMPLY WITH VARIOUS LAWS AND REGULATIONS FRHS ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDANCE INCLUDED IN FASB ASC 740, INCOME TAXES FAITH RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED AT DECEMBER 31, 2011 AND 2010, FAITH HAD NO UNCERTAIN TAX POSITIONS ACCRUED OPEN TAX YEARS FOR FAITH INCLUDE 2011, 2010 AND 2009
PART XII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 975,250
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 975,250

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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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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 **400.000000000000 %**	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)			2,450,325		2,450,325	1 750 %
b Medicaid (from Worksheet 3, column a)			9,656,885	6,912,675	2,744,210	1 960 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			12,107,210	6,912,675	5,194,535	3 710 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			810,643	61,678	748,965	0 530 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			18,210,715	14,574,353	3,636,362	2 590 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			363,618		363,618	0 260 %
j **Total** Other Benefits			19,384,976	14,636,031	4,748,945	3 380 %
k **Total.** Add lines 7d and 7j			31,492,186	21,548,706	9,943,480	7 090 %

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	2,632,308		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	110,640		
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	33,601,076		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	43,021,167		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-9,420,091		
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	1 NORTHEAST NE IMAGING CENTER LLC	IMAGING SERVICES	25 000 %	0 %	75 000 %
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? 2

	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	FAITH REGIONAL HEALTH SERVICES - WEST 2700 NORFOLK AVENUE NORFOLK,NE 68701	X	X					X		
2	FAITH REGIONAL HEALTH SERVICES - EAST 1500 KOENIGSTEIN AVE NORFOLK,NE 68701	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)

FAITH REGIONAL HEALTH SERVICES - WEST

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 400 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 400 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		No
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 B. Facility Policies and Practices.

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

FAITH REGIONAL HEALTH SERVICES - EAST

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		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 400 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 400 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		No
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? 3

	Name and address	Type of Facility (Describe)
1	ST JOSEPH REHABILITIATION & CARE CTR 401 N 18TH STREET NORFOLK, NE 68701	SKILLED NURSING FACILITY
2	NORTHEAST NE SURGERY CENTER LLC 301 NORTH 27TH ST STE 3 NORFOLK, NE 68701	SURGERY CENTER
3	NORTHEAST NE IMAGING CENTER LLC 301 NORTH 27TH ST STE 15 NORFOLK, NE 68701	IMAGING CENTER
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 FAITH REGIONAL USES THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY FOR DISCOUNTED CARE FINANCIALLY RESPONSIBLE PARTIES WHO SUBMIT A COMPLETE, VERIFIABLE APPLICATION FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED FOR FREE OR REDUCED "CHARITY CARE" FINANCIAL ASSISTANCE ON THE BASIS OF THE FEDERAL POVERTY GUIDELINES (400% FPG LIMIT) ELIGIBILITY FOR THIS PROGRAM WILL BE DETERMINED BY FAMILY SIZE, GROSS INCOME BASED ON THE FEDERAL POVERY GUIDELINES AND AN ASSET TEST THE GROSS INCOME LEVELS ARE UPDATED EACH YEAR AS THE FEDERAL POVERTY GUIDELINES ARE UPDATED CHARITY CARE MAY BE GRANTED WITH RESPECT TO ANY DOLLARS OWED BY A FINANCIALLY RESPONSIBLE PARTY, INCLUDING, BUT NOT LIMITED TO, DEDUCTIBLE, COINSURANCE AND COPAYMENT AMOUNTS, CHARGES FOR NON-COVERED SERVICES AND MEDICAID COST OF SHARE AMOUNTS CHARITY CARE MAY BE AUTHORIZED FOR FINANCIALLY RESPONSIBLE PARTIES WITH INCOME LEVELS EXCEEDING 400% FPG IN THE CASE OF UNUSUAL, SPECIAL AND/OR EXTENUATING CIRCUMSTANCES THESE INSTANCES ARE GENERALLY DUE TO MEDICAL CATASTROPHE SITUATIONS

Identifier	ReturnReference	Explanation
		PART I, LINE 7 FAITH REGIONAL USES A COST ACCOUNTING SYSTEM TO DETERMINE COSTS REPORTABLE ON PART I, LINE 7 (AND ELSEWHERE ON SCHEDULE H) THE FIRST STEP IN THE COST ACCOUNTING PROCESS IS TO ALLOCATE THE OVERHEAD EXPENSES (ADMINISTRATION AND GENERAL, PLANT, ETC) TO THE REVENUE PRODUCING DEPARTMENTS (OPERATING ROOM, IMAGING, ONCOLOGY, ETC) THIS IS DONE SIMILAR TO THE MEDICARE COST REPORT USING A SINGLE STEP DOWN METHOD TO ALLOCATE THE COSTS USING APPLICABLE STATISTICS FOR EXAMPLE PLANT EXPENSES ARE ALLOCATED DOWN TO THE OTHER DEPARTMENTS USING CURRENT SQUARE FOOTAGE SO DEPARTMENTS WITH MORE SQUARE FOOTAGE WILL BE ALLOCATED MORE PLANT EXPENSES, DIETARY EXPENSES ARE ALLOCATED BASED ON MEALS SERVED, EMPLOYEE BENEFITS ARE ALLOCATED BASED ON SALARIES, ADMINISTRATIVE AND GENERAL EXPENSES ARE ALLOCATED BASED ON ACCUMULATED COSTS, AND SO ON ONCE ALL THE OVERHEAD EXPENSES ARE ALLOCATED TO THE REVENUE PRODUCING DEPARTMENTS THE COSTS ARE FURTHER ALLOCATED DOWN TO THE CHARGE CODE LEVEL IN ORDER TO DO THIS WE USE TWO DIFFERENT METHODS DEPENDING ON THE DEPARTMENT FOR SPECIFIC DEPARTMENTS WE USE A RVU (RELATIVE VALUE UNIT) ALLOCATION WHERE EACH PROCEDURE IS WEIGHTED BY THE INTENSITY OF THE SERVICE AND IS THEN ALLOCATED COST BASED ON THAT LEVEL OF INTENSITY FOR EXAMPLE AN XRAY WITH SEDATION IS MORE COMPLICATED AND TIME INTENSIVE THAN A SIMPLE CHEST XRAY SO IT WOULD HAVE A HIGHER RVU VALUE AND, IN TURN, A HIGHER COST ALLOCATED TO IT THE DEPARTMENTS USING THIS ALLOCATION METHOD ARE IMAGING, CARDIAC CATH, CT, MRI, ULTRASOUND, NUCLEAR MEDICINE, RADIATION ONCOLOGY, AND REHAB (PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY) FOR THE OTHER DEPARTMENTS WE USE A RATIO OF COST TO CHARGE METHOD TO ALLOCATE THE COSTS DOWN TO THE CHARGE CODE LEVEL AFTER ALL THE COSTS HAVE BEEN ALLOCATED TO THE CHARGE CODES THE COSTING IS APPLIED TO ALL PATIENT ACCOUNTS BASED ON THEIR CHARGES TO DETERMINE THE COST OF THEIR ENCOUNTER AND THEN REPORTS CAN BE RUN TO DETERMINE THE PROFITABILITY OF CERTAIN PAYORS, SERVICE LINES OR DEPARTMENTS FOR SCHEDULE H PART III, LINE 2, BAD DEBT EXPENSE (AT COST) WAS DETERMINED BY TAKING THE 2011 BAD DEBT PROVISION AND MULTIPYING THIS BY THE COST TO CHARGE RATION FROM THE 2011 COST REPORT

Identifier	ReturnReference	Explanation
		PART I, LINE 7G MANY SERVICES PROVIDED BY FAITH REGIONAL ARE DONE SO TO MEET SPECIFIC NEEDS OF THE COMMUNITY BECAUSE NO OTHER SERVICES ARE AVAILABLE AS A RESULT, THESE SERVICES ARE PROVIDED KNOWING THAT THEY WILL NOT BE FINANCIALLY VIABLE OR SELF-SUPPORTING FAITH REGIONAL DID NOT INCLUDE COSTS ATTRIBUTABLE TO PHYSICIAN CLINICS AS SUBSIDIZED SERVICES A SUBSIDIZED HEALTH SERVICE BENEFIT WAS CALCULATED FOR THE ACUTE REHABILITIATION, BEHAVIORAL HEALTH INPATIENT SERVICES, CARDIOPULMONARY REHABILITATION, DIALYSIS, HOME HEALTH CARE, TRANSITIONAL CARE (LONG-TERM REHABILITATION) AND SKILLED NURSING CARE DEPARTMENTS TO RECOGNIZE THAT THESE AREAS OPERATE AT A NEGATIVE MARGIN WHEN THE INDIRECT COSTS ARE CONSIDERED THE REPORTED SUBSIDIZED LOSS REPRESENTS THE DIFFERENCE IN NET REVENUE RECEIVED FROM ALL PAYORS IN ADDITION TO ANY MISCELLANEOUS OPERATING REVENUE REPORTED BY THE DEPARTMENT LESS TOTAL OPERATING EXPENSES (DIRECT + INDIRECT COSTS INCLUDED) APPLICABLE TO EACH DEPARTMENT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) FAITH REGIONAL ACCOUNTS FOR DISCOUNTS OR PAYMENTS ON PATIENT ACCOUNTS PREVIOUSLY DETERMINED AS BAD DEBT BY CREDITING THE BAD DEBT EXPENSE ACCOUNT

Identifier	ReturnReference	Explanation
		PART I, LINE 6A FAITH REGIONAL'S COMMUNITY BENEFIT REPORT IS FILED WITH THE NEBRASKA HOSPITAL ASSOCIATION AND IS AVAILABLE TO THE PUBLIC ON OUR WEBSITE WWW FRHS ORG

Identifier	ReturnReference	Explanation
		PART II NONE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE AUDITED FINANCIAL STATEMENT FOOTNOTES FOR FAITH REGIONAL DO NOT CONTAIN A FOOTNOTE RELATED TO BAD DEBT EXPENSE BAD DEBT EXPENSE IS IDENTIFIED ON THE CONSOLIDATED STATEMENT OF OPERATIONS WHICH IS CONSISTENT WITH THE REPORTING PRACTICE OF OTHER HEALTH CARE ORGANIZATIONS DESCRIBE THE COSTING METHOD USED TO DETERMINE AMOUNTS REPORTED IN LINES 2 & 3 FAITH REGIONAL USES A COST ACCOUNTING SYSTEM TO DETERMINE COSTS REPORTABLE ON LINES 2 & 3 (AND ELSEWHERE ON SCHEDULE H) THE FIRST STEP IN THE COST ACCOUNTING PROCESS IS TO ALLOCATE THE OVERHEAD EXPENSES (ADMINISTRATION AND GENERAL, PLANT, ETC) TO THE REVENUE PRODUCING DEPARTMENTS (OPERATING ROOM, IMAGING, ONCOLOGY, ETC) THIS IS DONE SIMILAR TO THE MEDICARE COST REPORT USING A SINGLE STEP DOWN METHOD TO ALLOCATE THE COSTS USING APPLICABLE STATISTICS FOR EXAMPLE PLANT EXPENSES ARE ALLOCATED DOWN TO THE OTHER DEPARTMENTS USING CURRENT SQUARE FOOTAGE SO DEPARTMENTS WITH MORE SQUARE FOOTAGE WILL BE ALLOCATED MORE PLANT EXPENSES, DIETARY EXPENSES ARE ALLOCATED BASED ON MEALS SERVED, EMPLOYEE BENEFITS ARE ALLOCATED BASED ON SALARIES, ADMINISTRATIVE AND GENERAL EXPENSES ARE ALLOCATED BASED ON ACCUMULATED COSTS, AND SO ON ONCE ALL THE OVERHEAD EXPENSES ARE ALLOCATED TO THE REVENUE PRODUCING DEPARTMENTS THE COSTS ARE FURTHER ALLOCATED DOWN TO THE CHARGE CODE LEVEL IN ORDER TO DO THIS WE USE 2 DIFFERENT METHODS DEPENDING ON THE DEPARTMENT FOR SPECIFIC DEPARTMENTS WE USE A RVU (RELATIVE VALUE UNIT) ALLOCATION WHERE EACH PROCEDURE IS WEIGHTED BY THE INTENSITY OF THE SERVICE AND IS THEN ALLOCATED COST BASED ON THAT LEVEL OF INTENSITY FOR EXAMPLE, AN XRAY WITH SEDATION IS MORE COMPLICATED AND TIME INTENSIVE THAN A SIMPLE CHEST XRAY SO IT WOULD HAVE A HIGHER RVU VALUE AND IN-TURN A HIGHER COST ALLOCATED TO IT THE DEPARTMENTS USING THIS ALLOCATION METHOD ARE IMAGING, CARDIAC CATH, CT, MRI, ULTRASOUND, NUCLEAR MEDICINE, RADIATION ONCOLOGY, AND REHAB (PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY) FOR THE OTHER DEPARTMENTS WE USE A RATIO OF COST TO CHARGE METHOD TO ALLOCATE THE COSTS DOWN TO THE CHARGE CODE LEVEL AFTER ALL THE COSTS HAVE BEEN ALLOCATED TO THE CHARGE CODES, THE COSTING IS APPLIED TO ALL PATIENT ACCOUNTS BASED ON THEIR CHARGES TO DETERMINE THE COST OF THEIR ENCOUNTER AND THEN REPORTS CAN BE RUN TO DETERMINE THE PROFITABILITY OF CERTAIN PAYORS, SERVICE LINES OR DEPARTMENTS FOR SCHEDULE H PART III, LINE 2, BAD DEBT DURING 2011 WAS MULTIPLIED BY THE RATIO COST TO CHARGES TO DETERMINE THE AMOUNT TO REPORT ON LINE 3 (ESTIMATED BAD DEBTS THAT COULD BE ATTRIBUTED TO THE PATIENTS ELIGIBLE UNDER THE CHARITY CARE POLICY), WE DIVIDED TOTAL CHARITY CARE FOR 2011 BY TOTAL NET PATIENT REVENUE AND MULITPLIED THIS RESULTING PERCENTAGE (4 20%) BY BAD DEBT EXPENSE (AT COST) FAITH REGIONAL ACCOUNTS FOR DISCOUNTS OR PAYMENTS ON PATIENT ACCOUNTS PREVIOUSLY DETERMINED AS BAD DEBT BY CREDITING THE BAD DEBT EXPENSE ACCOUNT

Identifier	ReturnReference	Explanation
		PART III, LINE 8 FAITH REGIONAL USES A COST ACCOUNTING SYSTEM TO DETERMINE COSTS TO BE REPORTED IN SCHEDULE H THE MEDICARE COSTS WERE DETERMINED BY RUNNING A REPORT SHOWING ALL MEDICARE ACCOUNTS DURING 2011 AND REPORTING ALL PAYMENTS RECEVIED ON LINE 5 AND THE TOTAL COSTS (DIRECT AND INDIRECT) ASSOCIATED WITH THOSE ACCOUNTS ON LINE 6

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THROUGHOUT THE COLLECTION PROCESS EACH ACCOUNT IS ALSO CONSIDERED FOR FINANCIAL ASSISTANCE FOR THOSE GUARANTORS THAT ARE FINANCIALLY UNABLE TO PAY OR EXPRESS INABILITY TO PAY ALL CORRESPONDENCE, INCLUDING STATEMENTS AND COLLECTION LETTERS INCLUDE A STATEMENT THAT "FINANCIAL ASSISTANCE MAY BE AVAILABLE " ACCOUNTS THAT ARE NOT SUCCESSFULLY RESOLVED ARE CONSIDERED FOR REFERRAL TO OUTSIDE COLLECTION AGENCIES THE PATIENT ACCOUNTS' STAFF MEMBER WILL REVIEW THE ACCOUNT TO INSURE ALL PROCESSES ARE COMPLETE, AND THEN FLAG THE ACCOUNT TO BE SENT TO OUTSIDE COLLECTION AGENCIES THE COLLECTION AGENCIES WE UTILIZE ALSO HAVE COPIES OF OUR FINANCIAL ASSISTANCE POLICY AND APPLICATION IF THE NEED ARISES

Identifier	ReturnReference	Explanation
FAITH REGIONAL HEALTH SERVICES - WEST		PART V, SECTION B, LINE 11H OTHER BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS INCLUDE FEDERAL POVERTY GUIDELINES SCALE AND APPLICATION

Identifier	ReturnReference	Explanation
FAITH REGIONAL HEALTH SERVICES - EAST		PART V, SECTION B, LINE 11H OTHER BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS INCLUDE FEDERAL POVERTY GUIDELINES SCALE AND APPLICATION

Identifier	ReturnReference	Explanation
FAITH REGIONAL HEALTH SERVICES - WEST		PART V, SECTION B, LINE 19D USES FEDERAL POVERTY GUIDELINES TO DETERMINE MAXIMUM AMOUNTS

Identifier	ReturnReference	Explanation
FAITH REGIONAL HEALTH SERVICES - EAST		PART V, SECTION B, LINE 19D USES FEDERAL POVERTY GUIDELINES TO DETERMINE MAXIMUM AMOUNTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 FAITH REGIONAL DOES NOT COMPLETE A FORMAL NEEDS ASSESSMENT AT THIS TIME AS THE PUBLIC HEALTH DEPARTMENT HAS DONE SEVERAL IN THE PAST COUPLE OF YEARS AND FAITH HAS CHOSEN NOT TO DUPLICATE THE WORK AS THE HEALTH DEPARTMENT DOES A COMPLETE REPORT IN ADDITION TO THE PUBLIC HEALTH DEPARTMENT'S ASSESSMENT, FAITH REGIONAL IS INTIMATELY INVOLVED IN THE ELKHORN ECONOMIC DEVELOPMENT ASSOCIATION, BOTH ON THE BOARD AND THROUGH FINANCIAL SUPPORT THAT INVOLVMENT IS INTENDED TO FACILITATE COMMUNITY GROWTH, JOB DEVELOPMENT, INFRASTRUCTURE DEVELOPMENT AND BUSINESS EDUCATION/TRAINING FAITH REGIONAL IS ALSO A MEMBER OF THE NORFOLK CHAMBER OF COMMERCE WHICH IS INVOLVED IN BUSINESS RETAIL DEVELOPMENT AND SUPPORT AS WELL AS THE COMMUNITY IMPROVEMENT PROJECTS FAITH ALSO WORKS WITH ORGANIZATIONS LIKE THE ORPHAN GRAIN TRAIN IN PROVIDING MEDICINE AND MEDICAL EQUIPMENT/SUPPLIES TO OTHER NATIONS IN NEED

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENTS RECEIVING CARE ARE GIVEN INFORMATION REGARDING FAITH REGIONAL'S FINANCIAL ASSISTANCE PROGRAM THROUGH THE USE OF BROCHURES HANDED OUT BY REGISTRATION, HOSPITAL SOCIAL SERVICES, M A S H (MEDICAL ADVOCACY SERVICES FOR HEALTHCARE) PERSONNEL, AND BY PATIENT ACCOUNTS STAFF ANY PATIENT OR FAMILY MEMBER THAT EXPRESSES CONCERN REGARDING ABILITY TO PAY FOR SERVICES WILL BE DIRECTED TO A SOCIAL WORKER, REGISTRATION CLERK, CASHIER, OR FINANCIAL SERVICES REPRESENTATIVE WHO WILL THEN GIVE THEM AN APPLICATION FOR PATIENT FINANCIAL ASSISTANCE ALONG WITH A BROCHURE EXPLAINING HOW TO COMPLETE THE APPLICATION THE APPLICATION WILL NEED TO BE SUBMITTED ALONG WITH PROOF OF THEIR GROSS INCOME FOR THE PRECEDING THREE MONTHS THIS CAN BE ACCOMPLISHED BY PROVIDING CHECK STUBS FOR THE PRECEDING THREE MONTHS, PROVIDING THE MOST RECENTLY FILED TAX RETURN, PROVIDING A PROFIT AND LOSS STATEMENT IF SELF-EMPLOYED, OR BY PRESENTING A STATEMENT FROM THEIR EMPLOYER (ON COMPANY LETTERHEAD) INDICATING GROSS INCOME FOR EACH OF THE PREVIOUS THREE MONTHS MEDICARE PATIENTS MAY SHOW THEIR ORIGINAL DETERMINATION AMOUNT, A PHOTOCOPY OF A MONTHLY CHECK, OR A COPY OF THEIR BANK STATEMENT THE FINANCIAL SERVICES REPRESENTATIVE WILL THEN MULTIPLY THE GROSS INCOME FOR THE THREE MONTHS BY FOUR TO GET AN ANNUAL GROSS INCOME THE FINANCIAL SERVICE REPRESENTATIVE WILL ALSO REVIEW THE PATIENT'S ASSETS TO SEE IF THERE IS SUFFICIENT EQUITY TO HELP PAY FOR HEALTH SERVICES THE EQUITY OF ASSETS WILL BE DETERMINED AS FOLLOWS REAL ESTATE - WE WILL EXCLUDE THE PRIMARY RESIDENCE ALONG WITH UP TO 1 ACRE OF LAND THAT THE RESIDENCE IS ON, WE WILL INCLUDE RENTAL PROPERTIES, ALL HOMES OR REAL PROPERTY ABOVE AND BEYOND THE PRIMARY RESIDENCE, CABINS, RECREATIONAL PROPERTY, ETC , AS WELL AS REAL ESTATE OWNED FOR BUSINESS PURPOSES PERSONAL PROPERTY - WE WILL EXCLUDE ONE VEHICLE PER WAGE EARNER (OR SOCIAL SECURITY OR DISABILITY RECIPIENT), WE WILL CONSIDER THE EQUITY IN MOTOR VEHICLES (MOTORCYCLES, MOTOR HOMES, BOATS, BOAT TRAILERS, AND ATVS) OTHER PERSONAL PROPERTY WILL INCLUDE STOCKS, BONDS, CDS, FUTURES, ANTIQUE COLLECTIBLES, AND ANY OTHER COLLECTIONS OF VALUE THE HOUSEHOLD SIZE WILL BE DETERMINED USING THE FEDERAL HOUSEHOLD DEFINITIONS IF THERE IS AN OMISSION OF INFORMATION ON THE APPLICATIONS OR INFORMATION PROVIDED APPEARS TO BE INCORRECT, A LETTER WILL BE SENT TO THE PATIENT REQUESTING THE MISSING INFORMATION OR REQUESTING CLARIFICATION OF THE INFORMATION THE DATE THAT THE LETTER IS SENT WILL BE DOCUMENTED ON A LOG OF PENDING APPLICATIONS IF THE REQUESTED DOCUMENTATION IS NOT RETURNED IN NINE WORKING DAYS, THE APPLICATION WILL BE DENIED THE TEAM LEADER FOR THE PATIENT FINANCIAL SERVICES REPRESENTATIVES WILL REVIEW THE APPLICATION AND ASSETS AND MAKE A DETERMINIATION WITHIN 10 DAYS OF THE RECEIPT OF A COMPLETE APPLICATION THE TEAM LEADER WILL THEN NOTIFY (BY LETTER) THE PATIENT INDICATING THAT THE APPLCIATION HAS BEEN APPROVED OR DENIED IF THE APPLICATION IS DENIED THE PATIENT MAY APPLY AGAIN IF THEIR FINANCIAL CIRCUMSTANCES CHANGE FOR SERVICES NOT PREVIOUSLY IN COLLECTIONS AND NO FURTHER BACK THAN SIX MONTHS FROM THE DATE OF APPLICATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 FAITH REGIONAL'S PRIMARY SERVICE AREA CONSISTS OF ANTELOPE, HOLT, KNOX, MADISON, PIERCE, PLATTE, STANTON AND WAYNE COUNTIES IN NEBRASKA REPRESENTING A POPULATION OF APPROXIMATELY 116,000 PEOPLE THE HOSPITAL'S SECONDARY SERVICE AREA CONSISTS OF BOONE, CEDAR, COLFAX, CUMING AND DIXON COUNTIES IN NEBRASKA REPRESENTING APPROXIMATELY 40,000 PEOPLE FAITH REGIONAL ALSO HAS A TERTIARY SERVICE AREA OF CHERRY, BROWN, KEYA PAHA, ROCK, BOYD, GARFIELD, WHEELER, GREELEY, NANCE, DAKOTA, THURSTON AND BURT COUNTIES IN NEBRASKA WITH APPROXIMATELY A POPULATION OF 57,400 FOR THE YEAR ENDED DECEMBER 31, 2011, 91% OF FAITH REGIONAL'S DISCHARGES WERE FROM PATIENTS RESIDING IN THE PRIMARY SERVICE AREA, 5% FROM THE SECONDARY, AND 1% FROM THE TERTIARY SERVICE AREAS THE REMAINING 3% OF DISCHARGES WERE FROM PATIENTS RESIDING OUTSIDE OF THE DEFINED SERVICE AREA DEMOGRAPHIC SURVEY (SOURCE US CENSUS BUREAU 2010 CENSUS)MADISON COUNTY TOTAL POPULATION 34,876AVERAGE INCOME $42,911"PERCENT OF INDIVIDUALS BELOW POVERTY LEVEL" 12%BREAKOUT OF POPULATION BY AGE AGE POPULATION % OF TOTALLESS THAN 19 9,911 28 4%20 - 24 2,458 7 1%25 - 44 8,037 23 0%45 - 64 9,346 26 8% 65+ 5,124 14 7%TOTAL 34,876 100 0%BREAKOUT OF POPULATION BY RACE RACE POPULATION % OF TOTALWHITE 30,752 88 2%BLACK/AFRICAN AMERICAN 444 1 3%AMERICAN INDIAN 401 1 1%ASIAN/PACIFIC ISLANDER 183 0 5%OTHER 3,096 8 9%TOTAL 34,876 100 0%

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 FAITH REGIONAL, A NOT-FOR-PROFIT HEALTH CARE FACILITY, LOCATED IN NORTHEA ST NEBRASKA, OPERATES FOR THE BENEFIT OF THE INDIVIDUALS IN THE SERVICE AREA FAITH REGION AL SERVES ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AND DOES NOT LIMIT ITS SERVICES OR DISCRIMINATE AGAINST ANYONE ON THE BASIS OF RACE, COLOR, SEX, NATIONAL ORIGIN, SEXUAL O RIENTATION, RELIGION, AGE, DISABILITY, DISEASE, OR DIAGNOSIS FAITH REGIONAL ALSO PROVIDES COMMUNICATIONS SERVICES (E G BILINGUAL STAFF AND INTERPRETERS, SIGN LANGUAGE INTERPRETER S, TDD SERVICES, ETC) FOR SENSORY IMPAIRED INDIVIDUALS FAITH REGIONAL EVALUATES ITSELF ON ITS EFFECTIVENESS ANNUALLY BY EXAMINING ITS ABILITY TO FULFILL ITS MISSION, ACCOMPLISH IT S VISION, PROVIDE SERVICE, AND MAINTAIN ITS VALUES FAITH REGIONAL'S MISSION, VISION, SERV ICE, AND VALUES ARE THE MISSION THE MISSION IS TO SERVE CHRIST BY PROVIDING ALL PEOPLE W ITH EXEMPLARY MEDICAL SERVICES IN AN ENVIRONMENT OF LOVE AND CARE THE VISION THE VISION O F FAITH REGIONAL HEALTH SERVICES IS TO BECOME A REGIONAL REFERRAL CENTER BY PROVIDING THE MOST COMPREHENSIVE, HIGH QUALITY HEALTH SERVICES TO THE RESIDENTS OF NORTHEAST NEBRASKA T HE VALUES SPIRITUALITYEXCELLENCEINTEGRITYCOMPASSIONRESPECTSTEWARDSHIPFAITH REGIONAL'S PROG RAM SERVICE ACCOMPLISHMENTS ARE BASED ON THE COMMUNITY ACCOUNTABILITY STANDARDS DEVELOPED BY THE VOLUNTARY HOSPITALS OF AMERICA (VHA) THESE FOUR STANDARDS ARE 1) DEMONSTRATE LEADE RSHIP AS A CHARITABLE INSTITUTION "ORGANIZATIONS SHOULD ACTIVELY PURSUE AN UNDERSTANDING OF THEIR COMMUNITIES' NEEDS AND FULFILL THEM TO THE BEST OF THEIR ABILITY THIS INCLUDES REACHING OUT WITH PREVENTATIVE AND OTHER HEALTHCARE, PARTICIPATING IN MEDICARE, MEDICAID A ND OTHER REIMBURSEMENT PROGRAMS FOR THE NEEDY, AND SOLICITING AND DONATING FUNDS TO HELP T HOSE IN NEED "2) PROVIDING ESSENTIAL HEALTH CARE SERVICES - "ORGANIZATIONS SHOULD ASSESS T HEIR COMMUNITIES' HEALTH NEEDS AND WORK TO MEET THEM AS NECESSARY, INCLUDING COOPERATING W ITH OTHER COMMUNITY HEALTH CARE PROVIDERS TO PROVIDE THE BEST CARE POSSIBLE AND OFFERING 2 4-HOUR EMERGENCY SERVICES "3) BEING ACCOUNTABLE TO THE COMMUNITY "ORGANIZATIONS SHOULD WO RK WITH A VOLUNTEER GOVERNING BOARD THAT IS REPRESENTATIVE OF THE COMMUNITY ORGANIZATIONS ARE ALSO ENCOURAGED TO VOLUNTARILY DISCLOSE INFORMATION ABOUT FINANCIAL STATUS, COMMUNITI Y BENEFIT ACTIVITIES, SERVICES AND CHARITY CARE, AND TO ADVOCATE HEALTH CARE COST CONTAINM ENT AND OTHER ISSUES AS APPROPRIATE "4) MAINTAING EVIDENCE OF COMMITMENT TO COMMUNITY BENE FIT "ORGANIZATIONS SHOULD EMBRACE A MISSION STATEMENT AND BYLAWS REFLECTING A COMMITMENT TO THE GOOD OF THE COMMUNITY AND SHOULD ACT AS LEADERS IN ORGANIZING COMMUNITY BENEFIT ACT IVITIES, BASED ON COMMUNITY NEEDS, SHOULD BE PART OF A STRATEGIC PLAN, AND EMPLOYEES AND M EDICAL STAFF SHOULD BE EDUCATED AND INVOLVED IN THESE ACTIVITIES "FAITH REGIONAL REGOGNIZE S ITS OBLIGATION TO DEMONSTRATE LEADERSHIP AS A CHARITABLE ORGANIZATION BY PROVIDING A FUL L RANGE OF HEALTH CARE, HEALTH EDUCATION AND WELLNESS RELATED SERVICES TO THE COMMUNITY, A ND PARTICIPATING IN FEDERAL, STATE AND LOCAL PROGRAMS TO PROVIDE HEALTH BENEFITS TO THOSE IN NEED DURING 2011, FAITH REGIONAL PARTICIPATED IN A VARIETY OF PROGRAMS INTENDED TO BENE FIT THE ELDERLY AND NEEDY POPULATIONS WITHIN, AND THOSE INDIVIDUALS ENTERING, ITS SERVICE AREA THESE INCLUDE MEDICARE, MEDICAID, CHAMPUS, WORKERS COMPENSATION, AND OTHER DISCOUNTE D HEALTH INSURANCE PROGRAMS FAITH IS ALSO A PARTICIPATING PROVIDER WITH SEVERAL COMMERCIA L INSURANCE COMPANIES PROVIDING MANAGED CARE TO EMPLOYERS IN OUR COMMUNITIES THIS PARTICI PATION PROVIDES INDIVIDUALS WITH ACCESS TO A LOCAL HEALTH CARE PROVIDER IN ADDITION, FAIT H PROVIDES CHARITY CARE FOR THOSE INDIVIDUALS, WHEN IDENTIFIED, WHO ARE FOUND TO BE UNABLE TO PAY FOR SERVICES RENDERED BECAUSE OF ITS PARTICIPATATION IN VARIOUS HEALTH INSURANCE AND CHARITY PROGRAMS, FAITH REGIONAL ACCEPTS CONTRACTUALLY DISCOUNTED PAYMENTS AS PAYMENT IN FULL THIS DISCOUNTED PAYMENT VARIES WITH THE TYPE OF THIRD PARTY PAYOR THESE AMOUNTS, CONTRACTUAL ADJUSTMENTS, ARE DISCOUNTED FROM NORMAL CHARGES IN ADDITION TO PROVIDING UNC OMPENSATED MEDICAL CARE, DURING 2011, FAITH REGIONAL ALSO PROVIDED CASH AND IN-KIND CONTRI BUTIONS TO VARIOUS COMMUNITY ORGANIZATIONS TO FURTHER THE MISSION OF THOSE ORGANIZATIONS A ND IMPROVE OVERALL AWARENESS OF HEALTHCARE RELATED ISSUES IN OUR COMMUNITIES ORGANIZATION S RECEIVING CASH OR IN-KIND CONTRIBUTIONS FROM FAITH INCLUDE THE AMERICAN RED CROSS, AMERI CAN HEART ASSOCIATION, CITY OF NORFOLK, BIRTHRIGHT OF NORFOLK, PLANNED APPROACH TO COMMUNI TY HEALTH (PATCH), AND NORFOLK AREA CHAMBER OF COMMERCE ALSO DURING 2011, FAITH CONTRIBUT ED FINANCIAL SUPPORT FOR A NEW 4-YEAR NURSING SCHOOL IN NORFOLK, NE THROUGH COLLABORATION BETWEEN NORTHEAST COMMUNITY COLLEGE AND THE UNIVERSITY OF NEBRASKA FAITH REGIONAL ALSO FIN ANCIALLY SUPPORTS THE NORFOLK COMMUNITY "FREE CLINIC" THROUGH PHYSICIAN RECRUITMENT AND CL INIC SPACE DONATION FAITH REGIONAL PROVIDES TRANS

Identifier	ReturnReference	Explanation
		PORTATION SERVICES PRIMARILY TO RADIATION ONCOLOGY AND RENAL DIALYSIS PATIENTS AT NO CHARG E FAITH REGIONAL REMAINS ACCOUNTABLE TO THE COMMUNITY BY WORKING WITH A VOLUNTEER GOVERNIN G BOARD THAT IS REPRESENTATIVE OF THE COMMUNITY IT SERVES COOPERATION WITH COMMUNITY BASE D HEALTH ORGANIZATIONS IDENTIFY PERTINENT ISSUES RELATED TO ESSENTIAL SERVICES, CHARITY CA RE, HEALTH CARE COST CONTAINMENT, COMMUNITY BENEFIT ACTIVITIES AND OTHERS AS APPROPRIATE FAITH REGIONAL CONTINUES TO OPERATE UNDER A VOLUNTEER GOVERNING BOARD AND REMAINS ACTIVELY INVOLVED IN ADVOCATING PUBLIC AWARENESS OF HEALTH CARE AND HEALTH CARE POLICY ISSUES DIS CLOSURES OF FINANCIAL INFORMATION, COMMUNITY BENEFIT INFORMATION AND ADVOCACY ISSUES IS PR OVIDED THROUGH A VARIETY OF MEDIA INCLUDING AN ANNUAL REPORT TO THE COMMUNITY, MEDIA RELEA SES, AND ITS INTERNET WEBSITE WWW FRHS ORGFAITH REGIONAL'S CONTRIBUTION TO THE COMMUNITY NOT ONLY INCLUDES COMPENSATED AND DONATED TIME BUT ALSO EQUIPMENT, MATERIALS AND SPACE ME ETING ROOMS ARE PROVIDED AS NEEDED AND EQUIPMENT AND MATERIALS (E G COMPUTERS, COPIER,FAX ES, TELEPHONES, CHILDBIRTH PROPS, PROJECTORS, MANNEQUINS, HEARING BOOTH, AUDIOMETERS, BEDS , MONITORS, WARMING UNITS, MINOR INSTRUMENTS, ETC) ARE PROVIDED AT NO CHARGE A MAJOR CONC ERN IN HEALTH CARE THAT CAN SOMETIMES BE "HIDDEN" IS THAT OF SEXUAL ABUSE AND NEGLECT IN C HILDREN THE NORTHEAST NEBRASKA CHILD ADVOCACY PROGRAM AT FAITH REGIONAL PROVIDES A SAFE, NON THREATENING ENVIRONMENT WHERE CHILDREN (AGES INFANT TO 18) WHO ARE VICTIMS OF ABUSE RE CEIVE IMMEDIATE MEDICAL CARE AND FORENSIC INTERVIEWS FROM VARIOUS AGENCIES WORKING TOGETHE R ALL OF THESE SERVICES ARE AVAILABLE FREE TO FAMILIES WITHIN A 24-COUNTY AREA

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 N/A

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 N/A

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) THE AMERICAN RED CROSS3838 DEWEY AVENUE OMAHA,NE 68105	53-0196605	501(C)(3)		17,232	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(2) NORTHEAST NEBRASKA AREA HEALTH EDUCATION CENTER (AHEC)110 NORTH 16TH STREET SUITE 2 NORFOLK,NE 68701	22-3867376	501(C)(3)		25,908	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(3) NORFOLK COMMUNITY HEALTHCARE CLINIC INC 110 NORTH 16TH STREET SUITE 16 NORFOLK,NE 68701	47-0833378	501(C)(3)		38,856	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(4) UNIVERSITY OF NE - UNMC COLLEGE OF NURSING3838 HOLDREGE STREET LINCOLN,NE 68503	47-0049123	501(C)(3)	250,000				HELP FUND NEW NURSING COLLEGE LOCATION IN NORFOLK, NE
(5) AMERICAN HEART ASSOCIATION460 N LINDBERGH BLVD ST LOUIS,MO 63141	13-5613797	501(C)(3)	10,500				GO RED FOR WOMEN EVENT
(6) NORFOLK CHAMBER OF COMMERCE609 W NORFOLK AVE NORFOLK,NE 68701	27-1441871		5,000				CHAMBER BUIDLING FUND

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 5

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 1

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

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

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 IN-KIND DONATIONS OF RENT ARE MADE TO 501(C)(3) ORGANIZATIONS THESE DONATIONS HELP THE DONEE ORGANIZATIONS MINIMIZE CASH NEEDED FOR OPERATING COSTS AND ALLOW THE ORGANIZATIONS TO USE THEIR AVAILABLE FUNDS IN FURTHERANCE OF THEIR MISSIONS CASH DONATIONS ARE ALSO MADE TO 501(C)(3) ORGANIZATIONS, MANY OF WHICH HAVE HEALTH CARE OR SOCIAL SERVICES MISSIONS THESE DONATIONS ARE SOMETIME RESTRICTED FOR A SPECIFIC USE OR ACTIVITY 501 (C)(3) ORGANIZATIONS ARE BOUND BY THEIR ARTICLES OF ORGANIZATION AND STATED MISSIONS TO CONDUCTING ACTIVITIES STRICTLY FOR CHARITABLE PURPOSES FAITH REGIONAL DOES NOT REQUEST GRANT REPORTS FROM DONEE CHARITABLE ORGANIZATIONS

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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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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 J SINEK	(i)	457,978	0	18,522	7,350	19,890	503,740	0
	(ii)	0	0	0	0	0	0	0
(2) DOUGLAS WISMER	(i)	166,600	0	13,791	6,701	8,026	195,118	0
	(ii)	0	0	0	0	0	0	0
(3) H MICHAEL HAMMOND	(i)	131,451	0	18,020	6,893	17,301	173,665	0
	(ii)	0	0	0	0	0	0	0
(4) JANET PINKELMAN	(i)	143,382	0	8,517	7,285	3,560	162,744	0
	(ii)	0	0	0	0	0	0	0
(5) PATRICK ROCHE	(i)	166,648	0	20,357	8,577	16,680	212,262	0
	(ii)	0	0	0	0	0	0	0
(6) BARRY SPEAR	(i)	161,231	0	10,782	4,875	7,187	184,075	0
	(ii)	0	0	0	0	0	0	0
(7) JOSEPH MCCLAIN MD	(i)	712,002	0	40,159	7,350	15,888	775,399	0
	(ii)	0	0	0	0	0	0	0
(8) DOUGLAS WELSH MD	(i)	625,531	0	42,774	9,800	17,016	695,121	0
	(ii)	0	0	0	0	0	0	0
(9) MOHAMMAD IMRAN MD	(i)	556,265	0	39,319	7,350	17,332	620,266	0
	(ii)	0	0	0	0	0	0	0
(10) CHRISTOPHER PRICE MD	(i)	512,361	0	41,045	9,800	17,244	580,450	0
	(ii)	0	0	0	0	0	0	0
(11) HAKAM ASAAD MD	(i)	508,331	0	30,932	0	16,990	556,253	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 1A	JAMES J SINEK'S YMCA MEMBERSHIP AND COUNTRY CLUB DUES ARE PAID BY FAITH REGIONAL THE AMOUNTS PAID FOR THESE ITEMS ARE ADDED TO MR SINEK'S W-2 AS WAGES BARRY SPEAR'S YMCA MEMBERSHIP AND COUNTRY CLUB DUES ARE PAID BY FAITH REGIONAL HEALTH SERVICES THE AMOUNT PAID FOR THIS ITEM IS ADDED TO MR SPEAR'S W-2 AS WAGES KELLY DRISCOLL'S HOUSING ALLOWANCE IS PAID BY FAITH REGIONAL HEALTH SERVICES THE AMOUNT PAID FOR THIS ITEM IS ADDED TO MS DRISCOLL'S W-2 AS WAGES

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSPITAL AUTHORITY #1 OF MADISON COUNTY NEBRASKA	52-1357975	557463DR9	07-10-2008	65,501,382	FUND NEW BED TOWER AND REIMBURSE PRIOR CAPITAL, REFUND PRIOR ISSUES		X		X		X
B	HOSPITAL AUTHORITY #1 OF MADISON COUNTY NEBRASKA	52-1357975	557352EF4	11-20-2008	15,000,000	CONSTRUCTION OF TOWER		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	7,840,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	67,165,524	15,039,468		
4	Gross proceeds in reserve funds	5,752,316			
5	Capitalized interest from proceeds	113,793			
6	Proceeds in refunding escrow	9,935,269			
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds		22,833		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	38,580,806	15,016,635		
11	Other spent proceeds	12,783,340			
12	Other unspent proceeds				
13	Year of substantial completion	2010	2010		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLENTAL INFORMATION		SCHEDULE K, PART II, LINE 3 THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
		PART III, LINE 7 DURING THE APPLICABLE TAX YEAR, THE ORGANIZATION CONSIDERED ITS TAX-EXEMPT BOND TRANSCRIPTS AND RELATED DOCUMENTATION AS ITS PRACTICES AND PROCEDURES FOR POST-ISSUANCE COMPLIANCE AS OF THE DATE OF FILING, THE ORGANIZATION IS ACTIVELY PROCEEDING TOWARD THE ADOPTION OF A FORMAL POLICY AND PROCEDURES TO ADDRESS POST-ISSUANCE COMPLIANCE OF ITS TAX-EXEMPT BOND LIABILITIES PART V DURING THE APPLICABLE TAX YEAR, THE ORGANIZATION CONSIDERED ITS TAX-EXEMPT BOND TRANSCRIPTS AND RELATED DOCUMENTATION AS ITS PRACTICES AND PROCEDURES FOR POST-ISSUANCE COMPLIANCE, INCLUDING IDENTIFICATION AND CORRECTION OF OF VIOLATIONS AS OF THE DATE OF FILING, THE ORGANIZATION IS ACTIVELY PROCEEDING TOWARD THE ADOPTION OF A FORMAL POLICY AND PROCEDURES TO ADDRESS POST-ISSUANCE COMPLIANCE OF ITS TAX-EXEMPT BOND LIABILITIES AND THE TIMELY IDENTIFICATION AND CORRECTION OF VIOLATIONS

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) PAMELA PILE	PAMELA'S BROTHER IS JOHN DINKEL, BOARD MEMBER	43,959	PAMELA IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No
(2) LORI KNAPP	LORI'S BROTHER-IN-LAW IS SCOTT MILLER, A BOARD MEMBER	40,663	LORI IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No
(3) DANIELLE FREUDENBURG	DANIELLE'S BROTHER-IN-LAW IS SCOTT MILLER, A BOARD MEMBER	39,633	DANIELLE IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No
(4) PATHOLOGY MEDICAL SERVICES PC	DR LACY SERVES AS A DIRECTOR, AND HE IS A SHAREHOLDER OF THE COMPANY	119,308	PATHOLOGY MEDICAL SERVICES PC PROVIDES SERVICES TO FAITH REGIONAL HEALTH SERVICES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	JOHN DINKEL AND MARY KAY UHING HAVE A FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	FAITH REGIONAL HAS ONE NONPROFIT 501(C)(3) CORPORATE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	PURSUANT TO FAITH REGIONAL'S 2008 RESTATED BYLAWS, THE SOLE CORPORATE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION, APPOINTS 14 OF THE 15 VOTING MEMBERS OF THE BOARD OF DIRECTORS OF FAITH REGIONAL HEALTH SERVICES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	FAITH REGIONAL'S RESTATED BYLAWS RESERVE CERTAIN POWERS TO ITS SOLE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION THERE ARE 13 RESERVED POWERS, INCLUDING APPOINTMENT AND REMOVAL OF DIRECTORS, OTHER THAN CHIEF OF STAFF, AMENDMENT OF THE ARTICLES OF INCORPORATION AND BYLAWS, AMENDMENT OF THE MISSION, VISION AND VALUE STATEMENTS, AMONG OTHERS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 AND ALL APPLICABLE SCHEDULES ARE COMPLETED IN-HOUSE BY THE REIMBURSEMENT ACCOUNTANT AND REVIEWED BY THE CFO ONCE THE FORMS ARE COMPLETED THEY ARE REVIEWED AND SIGNED BY SEIM JOHNSON, LLP IN OMAHA, NE. POST-AUDIT REVIEW, FORM 990 AND SCHEDULES ARE MAILED TO EACH BOARD MEMBER FORM 990 IS REVIEWED AND DISCUSSED AT THE SCHEDULED BOARD MEETING PRIOR TO SUBMISSION TO IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	FAITH REGIONAL'S BOARD MEMBERS ARE REQUIRED TO SIGN A NEW CONFLICT OF INTEREST STATEMENT AND DISCLOSURE ANNUALLY ANY CONFLICTS ARE REVIEWED BY THE BOARD A MEMBER WITH A CONFLICT IS EXCUSED FROM THE BOARD DELIBERATIONS AND ACTION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	DETERMINATION OF COMPENSATION FOR THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES IS MADE BY GATHERING DATA FROM EXTERNAL SURVEYS AND THE FORM 990 DATA PROVIDED BY COMPARABLE FACILITIES FACILITIES USED ARE DETERMINED BY SIMILAR BED SIZE, NET REVENUES AND NUMBER OF FTES WAGES ARE GATHERED AND COMPARED BY TITLE, RESPONSIBILITIES, AND YEARS OF EXPERIENCE THE SALARY RECOMMENDATIONS ARE MADE BY THE HUMAN RESOURCE DEPARTMENT THE GOVERNING BOARD APPROVES THE SALARY RECOMMENDATIONS FOR THE CEO, THE CEO APPROVES THE RECOMMENDATIONS FOR THE OTHER OFFICERS AND VICE-PRESIDENTS, AND THE VICE-PRESIDENTS APPROVE THE RECOMMENDATIONS FOR THE "DIRECTORS" OF VARIOUS HOSPITAL DEPARTMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	FAITH REGIONAL DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A, LINE 1A	JAMES SINEK, CEO, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO FAITH REGIONAL HEALTH SERVICES FOUNDATION, A RELATED ORGANIZATION DOUGLAS WISMER, CFO, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO FAITH REGIONAL HEALTH SERVICES FOUNDATION, A RELATED ORGANIZATION BARRY SPEAR, VP GROWTH & DEVELOPMENT, DEVOTED AN AVERAGE OF 16 00 HOURS PER WEEK TO FAITH REGIONAL HEALTH SERVICES FOUNDATION, A RELATED ORGANIZATION DONNA HERRICK, FAITH REGIONAL BOARD REPRESENTATIVE, DEVOTES AN AVERAGE OF 1 00 HOUR PER WEEK TO FAITH REGIONAL HEALTH SERVICES FOUNDATION, A RELATED ORGANIZATION

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -41,581

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE FINANCE/AUDIT COMMITTEE MEETS MONTHLY TO REVIEW OUR UNAUDITED FINANCIAL STATEMENTS IN NOVEMBER OF EACH YEAR THEY MEET TO APPROVE OUR ANNUAL BUDGET AND FIVE-YEAR STRATEGIC FINANCIAL PLAN IN DECEMBER THEY WILL REVIEW AND APPROVE THE ENGAGEMENT LETTER PREPARED BY OUR EXTERNAL AUDITORS, SEIM JOHNSON, LLP, WHICH OUTLINES THE SCOPE OF THEIR AUDIT AND THEIR FEES AND EXPENSES AT THE CLOSE OF THE AUDIT THEY MEET WITH THE FAITH REGIONAL EXECUTIVE TEAM AND SEIM JOHNSON, LLP REPRESENTATIVES TO DISCUSS ANY AUDIT ISSUES IN MID TO LATE MARCH THEY THEN MEET AGAIN WITH SEIM JOHNSON, LLP REPRESENTATIVES TO DISCUSS THE DRAFT AND FINAL AUDITED FINANCIAL STATEMENTS INCLUDING THEIR OPINION REGARDING THE SELECTION OF AN EXTERNAL AUDITOR, THE COMMITTEE HAS IN THE PAST SELECTED UP TO THREE REGIONAL CPA FIRMS SPECIALIZING IN HEALTHCARE AUDITS TO SEND RFPS TO AND THEN REVIEW THE RFPS AT A LATER DATE. THE LAST TIME THIS WAS DONE THEY REAFFIRMED THE RETENTION OF SEIM JOHNSON, LLP AS THE EXTERNAL AUDITOR EACH FIVE YEARS, ALTHOUGH NOT REQUIRED BY THE SARBANES-OXLEY LEGISLATION, SEIM JOHNSON, LLP ROTATES ONE OF THEIR PARTNERS TO THE FAITH REGIONAL ENGAGEMENT THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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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
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) FAITH REGIONAL PHYSICIAN SERVICES LLC 2700 WEST NORFOLK AVENUE NORFOLK, NE 68701 42-1629846	PHYSICIAN SERVICES	NE	13,496,754	4,238,559	FAITH REGIONAL HEALTH SERVICES

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) LUTHERAN COMMUNITY HOSPITAL ASSOCIATION 2700 W NORFOLK AVE NORFOLK, NE 68701 47-0396139	SUPPORT FAITH REGIONAL HEALTH SERVICES	NE	501(C)(3)	3	N/A		No
(2) FAITH REGIONAL HEALTH SERVICES FOUNDATION 1500 KOENIGSTEIN AVE NORFOLK, NE 68701 91-1772474	SUPPORT FAITH REGIONAL HEALTH SERVICES	NE	501(C)(3)	11A	FAITH REGIONAL HEALTH SERVICES	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) NORTHEAST NEBRASKA SURGERY CENTER 301 N 27TH STREET NORFOLK, NE 68701 47-0819088	OUTPATIENT SURGERY	NE	FAITH REGIONAL HEALTH SERVICES	RELATED	79,271	1,902,576		No			No	94 200 %

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

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

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

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a	Yes	
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	Yes	
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
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	Yes	
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		No
p Reimbursement paid by related organization(s) for expenses	1p		No
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	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) FAITH REGIONAL HEALTH SERVICES FOUNDATION	C	1,089,050	FAIR MARKET VALUE
(2) NORTHEAST NEBRASKA SURGERY CENTER	N	974,185	FAIR MARKET VALUE
(3) NORTHEAST NEBRASKA SURGERY CENTER	A	265,069	FAIR MARKET VALUE
(4) NORTHEAST NEBRASKA SURGERY CENTER	R	147,253	FAIR MARKET VALUE
(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	

Faith Regional Health Services and Affiliates

Norfolk, Nebraska

Consolidated Financial Statements
December 31, 2011 and 2010

Together with Independent Auditor's Report

Faith Regional Health Services and Affiliates

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SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Faith Regional Health Services and Affiliates
Norfolk, Nebraska

We have audited the accompanying consolidated balance sheets of Faith Regional Health Services and Affiliates (Faith) as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended These consolidated financial statements are the responsibility of Faith's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Faith Regional Health Services and Affiliates 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 audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole The supplementary statements (Exhibits 1 through 3) are presented for purposes of additional analysis and are not a required part of the basic consolidated 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 consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole

Seim Johnson, LLP

Omaha, Nebraska,
April 23, 2012

[illegible]

Faith Regional Health Services and Affiliates

Consolidated Balance Sheets
December 31, 2011 and 2010

		2011	2010
ASSETS			
Current assets			
Cash and cash equivalents	$	16,745,311	16,451,960
Short-term investments		17,033,017	7,795,874
Current portion of assets limited as to use		4,256,497	4,175,918
Receivables -			
Patients, net of estimated uncollectibles of $6,235,270 in 2011 and $6,720,786 in 2010		17,107,418	18,245,967
Pledges		38,239	261,926
Other		1,461,014	699,279
Inventories		3,841,458	4,083,846
Prepaid expenses		1,178,593	1,139,734
Total current assets		61,661,547	52,854,504
Assets limited as to use, net of current portion		16,108,837	15,970,499
Pledges receivable, net of current portion		131,331	121,926
Property and equipment, net		115,164,159	122,146,086
Other assets, net		3,656,255	3,643,444
Total assets	$	196,722,129	194,736,459
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion of long -term debt	$	4,186,105	3,841,700
Accounts payable -			
Trade		4,023,186	3,446,194
Construction		95,850	309,131
Accrued salaries, vacation and benefits payable		8,220,341	8,140,739
Accrued interest payable		1,656,331	1,713,984
Estimated third-party payor settlements		968,463	500,564
Total current liabilities		19,150,276	17,952,312
Long-term debt, net of current portion		81,439,019	85,596,048
Other long-term liabilities		1,875,667	1,628,508
Total liabilities		102,464,962	105,176,868
Commitments and contingencies			
Net assets			
Unrestricted		87,014,930	81,722,728
Temporarily restricted		1,866,375	2,474,322
Permanently restricted		5,375,862	5,362,541
Total net assets		94,257,167	89,559,591
Total liabilities and net assets	$	196,722,129	194,736,459

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

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

	2011	2010
UNRESTRICTED REVENUE		
Net patient service revenue	$ 141,155,338	135,919,462
Other operating revenue	8,047,932	6,209,254
Gain (loss) on disposal of property and equipment	1,509,340	(116,642)
Total revenue	150,712,610	142,012,074
EXPENSES		
Salaries and wages	57,278,296	58,628,364
Employee benefits	14,485,500	15,210,698
Contract labor	2,535,373	1,287,706
Purchased services and professional fees	14,315,997	11,738,642
Supplies and other	28,543,476	27,576,843
Occupancy costs	7,481,119	7,126,540
Insurance	801,711	803,417
Provision for bad debts	6,371,281	3,717,836
Depreciation and amortization	11,094,288	9,220,404
Interest	4,215,830	3,893,343
Total expenses	147,122,871	139,203,793
OPERATING INCOME	3,589,739	2,808,281
NONOPERATING GAINS (LOSSES)		
Investment income	546,928	562,084
Joint venture gain, net	326,362	653,410
Unrestricted gifts, grants and bequests	325,061	250,447
Fundraising expenses	(521,126)	(642,559)
Nonoperating gains, net	677,225	823,382
EXCESS OF REVENUE OVER EXPENSES	4,266,964	3,631,663
GIFTS, GRANTS AND BEQUESTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	--	40,000
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	(41,581)	(156,847)
NET ASSETS RELEASED FROM RESTRICTIONS FOR THE PURCHASE OF PROPERY AND EQUIPMENT	1,066,819	774,353
RECOVERY OF VALUE OF PERMANENTLY RESTRICTED GIFTS	--	205,455
INCREASE IN UNRESTRICTED NET ASSETS	$ 5,292,202	4,494,624

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

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

	2011	2010
UNRESTRICTED NET ASSETS		
Operating income	$ 3,589,739	2,808,281
Nonoperating gains, net	677,225	823,382
Gifts, grants and bequests for purchase of property and equipment	--	40,000
Change in net unrealized gains and losses on other than trading securities	(41,581)	(156,847)
Net assets released from restrictions for the purchase of property and equipment	1,066,819	774,353
Recovery of value of permanently restricted gifts	--	205,455
Increase in unrestricted net assets	5,292,202	4,494,624
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted contributions	490,979	597,293
Investment income	105,944	88,757
Change in net unrealized gains and losses on other than trading securities	(138,051)	230,149
Net assets released from restrictions used for the purchase of property and equipment	(1,066,819)	(774,353)
Increase (decrease) in temporarily restricted net assets	(607,947)	141,846
PERMANENTLY RESTRICTED NET ASSETS,		
Permanently restricted contributions	13,321	2,727
INCREASE IN NET ASSETS	4,697,576	4,639,197
NET ASSETS, beginning of period	89,559,591	84,920,394
NET ASSETS, end of period	$ 94,257,167	89,559,591

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

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

		2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$	4,697,576	4,639,197
Adjustments to reconcile the change in net assets to net cash provided by operating activities -			
Temporarily and permanently restricted contributions		(504,300)	(600,020)
Depreciation and amortization expense		11,094,288	9,220,404
Change in net unrealized gains and losses on other than trading securities		179,632	(278,757)
(Gain) loss on disposal of property and equipment		(1,509,340)	116,642
Gain on investment in Northeast Nebraska Surgery Center, LLC		(20,892)	(374,994)
(Increase) decrease in current assets -			
Receivables -			
Patients		1,138,549	(953,683)
Other		(761,735)	307,774
Inventories		242,388	(532,266)
Prepaid expenses		(38,859)	(530,504)
Increase (decrease) in current liabilities -			
Accounts payable - trade		956,992	(1,232,288)
Accrued salaries, vacation and benefits payable		79,602	(37,717)
Accrued interest payable		(57,653)	(52,337)
Estimated third-party payor settlements		87,899	254,771
Net cash provided by operating activities		15,584,147	9,946,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment, net		(2,758,704)	(15,642,587)
(Deposits to) withdrawals from short-term investments		(9,237,143)	14,432,859
Deposits to assets limited as to use, net		(151,390)	(503,107)
(Increase) decrease in other assets, net		(49,517)	100,841
Net cash used in investing activities		(12,196,754)	(1,611,994)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term debt		(3,812,624)	(3,746,769)
Proceeds from temporarily and permanently restricted contributions		718,582	879,389
Net cash used in financing activities		(3,094,042)	(2,867,380)
NET INCREASE IN CASH AND CASH EQUIVALENTS		293,351	5,466,848
CASH AND CASH EQUIVALENTS - Beginning of year		16,451,960	10,985,112
CASH AND CASH EQUIVALENTS - End of year	$	16,745,311	16,451,960
SUPPLEMENTAL SCHEDULE OF CASH FLOWS INFORMATION			
Cash paid for interest	$	4,273,483	4,443,873

See notes to consolidated financial statements

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

The following is a description of the organization and summary of significant accounting policies of Faith Regional Health Services and Affiliates (Faith) These policies are in accordance with accounting principles generally accepted in the United States of America

A Organization and Basis of Presentation

The consolidated financial statements include the accounts of the following entities

- Faith Regional Health Services (FRHS)
- St Joseph's Rehabilitation and Care Center (Nursing Home), a division of Faith
- Faith Regional Physician Services, LLC (FRPS)
- Faith Regional Health Services Foundation (Foundation)

FRHS is a voluntary not-for-profit healthcare delivery system established to enhance the overall health status of Norfolk, Nebraska and surrounding communities through the provision of a broad range of high-value health care and health-related services

FRPS is a wholly owned limited liability company, established for the purpose of delivering primary care, specialty and sub-specialty health care services through employed physicians and mid-levels

The Foundation solicits and contributes funds to Faith to further the healthcare mission of Faith All funds raised, except funds required for the operation of the Foundation, will be distributed to or be held for the benefit of Faith as required to comply with the purposes specified by donors Faith has the ability to appoint or remove the Board of Directors of the Foundation

The accompanying consolidated financial statements include the accounts of these organizations All material related party balances and transactions have been eliminated in the consolidated financial statements

Lutheran Community Hospital Association (LCHA) is the sole corporate member of Faith LCHA is a voluntary not-for-profit organization that owns an acute care hospital in Norfolk, Nebraska LCHA's corporate membership consists of individuals affiliated with a Lutheran congregation

Faith has entered into 99-year lease agreements for all property and equipment owned by LCHA LCHA continues to own their property and equipment and remain liable for their long-term debt and capital lease obligations Faith has guaranteed the payment of these obligations The property and equipment, long-term debt and related other assets associated with the long-term debt have been recorded in Faith's consolidated financial statements at the book value recognized in the financial records of LCHA

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 Faith is in compliance with 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 Faith's consolidated 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 *Use of Estimates*

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

D *Cash and Cash Equivalents*

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

E *Short-Term Investments*

Short-term investments include certificates of deposits and federal agency securities, with original maturities of more than three months

F *Patient Receivables, Net*

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

Payment for services is expected within thirty days of receipt of the billing Accounts considered past due are sent to collection agencies when internal collection efforts have been unsuccessful Any amounts deemed uncollectible are written off on a monthly basis Faith does not charge interest on outstanding balances owed

Faith also maintains a patient financial assistance policy as described in paragraph N of Note 1

G *Investments*

All investments in debt and equity securities are measured at fair value in the consolidated balance sheets (See Note 6) Investments are classified as trading securities if they are bought and held principally for the purpose of selling them in the near term Faith's securities have been classified as other than trading securities in the accompanying consolidated financial statements Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenue over expenses unless donors or the law restricts the income or loss

Changes in net unrealized gains and losses on investments are excluded from the excess of revenue over expenses and are included as changes in unrestricted net assets unless the investments are trading securities During 2011 and 2010 there were no investment declines that were determined to be other-than-temporary

H Assets Limited as to Use

Assets limited as to use include the following

Under Trust Indenture - In connection with the issuance of Hospital Authority No 1 of Madison County, Nebraska, Hospital Revenue Bonds, Series 2008A and Series 2008B, Faith is required to maintain the following funds

Debt Service Fund - This fund consists of a "Principal Account" and an "Interest Account" which are designated to receive monies for payment of principal and interest

Debt Service Reserve Fund - This fund was established to maintain an amount equal to the maximum debt requirement for any future year on all bonds outstanding at that time

Under Deferred Compensation Agreement - Consists of fully vested employee funds See Note 14

By Board for Capital Improvements - Periodically, the Faith Board of Directors has set aside assets for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes

By Board for Future Projects – Unless otherwise determined by the Faith Board of Directors, certain unrestricted donor funds held by the Foundation which are not limited or restricted to use are classified as Board designated funds to be used for the accumulation of principal and interest and will be used for future projects approved by the Foundation Board

By Board for Group Health Insurance – Faith is self-insured under its group health program The cash and short-term investments set aside for this program are for payment of claims and premiums An estimate of claims payable and incurred but not reported claims at December 31, 2011 is included as a current liability in the consolidated balance sheets

By Donor - These funds have been restricted by donors for specific capital improvements and operating expenses

I Property and Equipment, Net

Property and equipment acquisitions are recorded at cost Depreciation is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated 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 assets

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of revenue, 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

Faith'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

J *Other Assets, Net*

Other assets includes Faith's interest in joint ventures and partnerships, physician recruitment advances and unamortized bond issuance costs relating to the Hospital Revenue and Refunding Bonds, which are being amortized over the life of the related bonds on a straight-line basis

K *Group Health Insurance Costs*

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

L *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by Faith 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 Faith in perpetuity

M *Net Patient Service Revenue*

Faith has agreements with third-party payors that provide for payments to Faith 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 *Patient Financial Assistance*

Faith provides financial assistance to patients who meet certain criteria under its patient financial assistance policy Because Faith does not pursue collection of amounts determined to qualify as patient financial assistance, they are not reported as revenue in the consolidated statements of operations

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

O *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated 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 consolidated financial statements

P *Estimated Malpractice Costs*

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

FRHS 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 Faith's own claims experience Faith'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

Q *Income Taxes*

FRHS and the Foundation are not-for-profit corporations as described in Section 501(c) (3) of the Internal Revenue Code and are exempt from federal and Nebraska state income taxes on related income pursuant to Section 501(a) of the Code FRPS is a limited liability company wholly owned by Faith The Internal Revenue Service has established standards to be met to maintain tax-exempt status In general, such standards require FRHS and the Foundation to meet a community benefit standard and comply with various laws and regulations

FRHS accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes* Faith recognizes the effect of income tax positions only if those positions are more likely than not of being sustained At December 31, 2011 and 2010, Faith had no uncertain tax positions accrued Open tax years for Faith include 2011, 2010 and 2009

R *Conditional Asset Retirement Obligations*

FASB ASC Topic 410 Subtopic 20 Section 25, *Asset Retirement and Environmental Obligations, Asset Retirement Obligations,* clarifies that the term "conditional" refers to a legal obligation to perform an asset retirement activity in which the timing or method of settlement, or both, are conditional on a future event that may or may not be within the control of the entity An entity must recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated Faith assessed the impact of the interpretation and determined that it did not have an obligation that required recognition at December 31, 2011 and 2010

S *Fair Value of Financial Statements*

Faith applies the provisions of ASC Topic 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 consolidated financial statements on a recurring basis 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 and 2010, there were no nonfinancial assets or liabilities measured at fair value on the consolidated financial statements on a nonrecurring basis

The carrying value of all financial instruments approximates estimated fair value Cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature Investments are stated at fair value as discussed above (See Note 6) The carrying value of long-term debt approximates fair value since the interest rates closely reflect current market rates

T *Excess of Revenue Over Expenses*

The consolidated statements of operations include excess of revenue over expenses as a performance indicator Changes in unrestricted net assets that are excluded from the performance indicator, consistent with industry practice, include change in net unrealized gains and losses on other than trading securities, grants, 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)

U *Reclassification*

Certain amounts in the 2010 consolidated financial statements have been reclassified to conform to the 2011 reporting format

V *Subsequent Events*

Faith considered events occurring through April 23, 2012 for recognition or disclosure in the consolidated financial statements as subsequent events That date is the date the consolidated financial statements were available to be issued

(2) Net Patient Service Revenue

Faith has agreements with third-party payors that provide for payments to Faith 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 are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Inpatient skilled nursing services are reimbursed at prospectively determined rates per day of care Inpatient acute rehabilitation services are reimbursed under prospective payment system and vary according to patient classification system Outpatient services are paid based on ambulatory payment classifications or fee schedule amounts Homecare services are paid at prospectively determined rates per episode of care Physician clinic services provided to Medicare beneficiaries are paid on fee schedule amounts Faith is reimbursed for some items at a tentative rate with final settlement determined after submission of annual cost reports by Faith and audits thereof by the Medicare Administrative Contractor

Faith's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2007

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge Certain outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges Outpatient lab and physician clinic services related to Medicaid beneficiaries are paid based on fee schedule amounts Long-term care services are reimbursed at prospectively determined rates per day of care

Faith has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for reimbursement under these agreements includes discounts from established charges, prospectively determined daily rates and fee schedule amounts

Net patient service revenue, as reflected in the accompanying consolidated statements of operations, consists of the following as of December 31, 2011 and 2010

		2011	2010
Gross patient charges			
Inpatient revenue	$	123,767,396	125,134,175
Outpatient revenue		131,691,690	113,968,738
Professional fee revenue (FRPS)		19,011,450	16,350,315
Long-term care revenue		6,616,923	6,128,096
Home health revenue		916,267	659,614
Total gross patient charges		282,003,726	262,240,938
Less deductions from patient charges			
Contractual allowances-			
Medicare		97,813,708	89,323,135
Medicaid		16,469,612	14,781,065
Other payors		20,632,078	16,439,683
Patient financial assistance services		5,932,990	5,777,593
		140,848,388	126,321,476
Net patient service revenue	$	141,155,338	135,919,462

Revenue from the Medicare and Medicaid programs accounted for approximately 29% and 5%, respectively, in 2011, and 32% and 6%, respectively, in 2010, of Faith's net patient revenue 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

(3) Patient Financial Assistance

Faith provides patient financial assistance to patients who are financially unable to pay for the health care services they receive It is the policy of Faith not to pursue collection of amounts determined to qualify as patient financial assistance Accordingly, Faith does not report these amounts in net operating revenue or in the allowance for doubtful accounts Faith determines the costs associated with providing patient financial assistance 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 patient financial assistance patients for the years ended December 31, 2011 and 2010 were $2,714,000 and $2,688,000, respectively

(4) Pledges Receivable

Contribution pledges outstanding which have been reflected in the financial statements as pledges receivable are due as follows

Year Ended December 31,		Temporarily Restricted Pledges
2012	$	38,239
2013		94,458
2014		35,412
2015		13,300
2016		146
		180,555
Fair value reserve		(2,722)
Allowance for doubtful pledges		(8,263)
Net pledges receivable		169,570
Less current portion		38,239
Pledges receivable, net of current portion	$	131,331

Management evaluates past collection history and the terms of current pledges to determine the need for an allowance for doubtful pledges and a fair value reserve

(5) Investments, Including Assets Limited as to Use

Assets limited as to use are recorded at fair value and the amounts as of December 31, 2011 and 2010 are as follows

		2011	2010
By Trustee under Indenture Agreements			
Debt service fund	$	3,252,481	3,158,220
Debt service reserve fund		5,769,258	5,844,804
Under Deferred Compensation Agreement		1,875,667	1,628,508
By Board			
For future capital improvements		161,840	48,667
For future projects		1,191,021	1,354,451
For group health insurance		922,129	920,553
By Donor		7,192,938	7,191,214
Total at fair value		20,365,334	20,146,417
Less current portion		4,256,497	4,175,918
Assets limited as to use, net of current portion	$	16,108,837	15,970,499

Investment return for the years ended December 31, 2011 and 2010 is summarized as follows

		2011	2010
Interest and dividends	$	651,660	650,386
Net realized gains		1,212	455
Net change in unrealized gains (losses)		(179,632)	278,757
Total investment return	$	473,240	929,598

Investment return recorded on the consolidated financial statements is as follows

		2011	2010
Included in unrestricted nonoperating gains	$	546,928	562,084
Included in temporarily restricted net assets as investment income		105,944	88,757
Reported separately as a change in unrestricted net assets		(41,581)	48,608
Reported separately as a change in temporarily restricted net assets		(138,051)	230,149
Total investment return	$	473,240	929,598

Management reviewed the securities with unrealized losses on investments at December 31, 2011 and determined that the securities were not other than temporarily impaired Management reached this conclusion through consultation with its investment consultant and portfolio manager, who relied on industry analyst reports, credit ratings, current market conditions and other information they deemed relevant to their assessment

(6) Fair Value

Fair Value Hierarchy

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

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

Level 2 inputs 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 that are unobservable for the asset or liability Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

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

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

Cash and cash equivalents 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 from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of U S government agency obligations, municipal bonds, and corporate bonds and notes U S government agency obligations are classified as Level 1 if they trade with sufficient frequency and volume to enable to the Organization to obtain pricing information on an ongoing basis The remaining fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – The fair value of mutual funds is 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
By Trustee under indenture agreements				
Cash and cash equivalents	$ 9,004,797	9,004,797	--	--
Accrued interest receivable	16,942	16,942	--	--
Subtotal	9,021,739	9,021,739	--	--
Under deferred compensation agreement				
Cash and cash equivalents	348,735	348,735	--	--
Mutual Funds -				
Intermediate-Term Bonds	80,004	80,004	--	--
High Yield Bonds	92,313	92,313	--	--
World Bond	21,507	21,507	--	--
Balanced	50,626	50,626	--	--
Large-Cap	585,815	585,815	--	--
Mid-Cap	72,360	72,360	--	--
Small-Cap	189,870	189,870	--	--
Foreign	120,691	120,691	--	--
World	184,348	184,348	--	--
Specialty	72,423	72,423	--	--
Managed Asset Allocation	56,975	56,975	--	--
Subtotal	1,875,667	1,875,667	--	--
By Board				
Cash and cash equivalents	2,274,990	2,274,990	--	--
By Donor				
Cash and cash equivalents	3,501,037	3,501,037	--	--
Corporate bonds -				
AA+	40,760	--	40,760	--
A	41,472	--	41,472	--
A-	38,534	--	38,534	--
Accrued interest receivable	55,198	55,198	--	--
US Treasury Obligations	86,072	86,072	--	--
US Government Agency Obligations	162,304	--	162,304	--
Mutual Funds -				
Domestic	2,751,769	2,751,769	--	--
International	515,792	515,792	--	--
Subtotal	7,192,938	6,909,868	283,070	--
Total assets limited as to use	20,365,334	20,082,264	283,070	--
Short-term investments				
Certificates of deposit	1,505,322	--	1,505,322	--
Money market funds	1,387,229	1,387,229	--	--
Corporate bonds -				
AA+	1,329,805	--	1,329,805	--
AA	468,070	--	468,070	--
AA-	132,249	--	132,249	--
A+	488,158	--	488,158	--
A	1,834,699	--	1,834,699	--
A-	2,091,229	--	2,091,229	--
BBB+	132,008	--	132,008	--
BBB	152,250	--	152,250	--
US Treasury Obligations	1,139,845	1,139,845	--	--
US Government Agency Obligations	538,131	--	538,131	--
Municipal bonds	410,360	--	410,360	--
Government securities	5,423,663	--	5,423,663	--
Total short-term investments	17,033,017	2,527,074	14,505,943	--
Total	$ 37,398,351	22,609,338	14,789,013	--

	December 31, 2010			
	Total	Level 1	Level 2	Level 3
By Trustee under indenture agreements				
Cash and cash equivalents	$ 8,981,066	8,981,066	--	--
Accrued interest receivable	21,958	21,958	--	--
Subtotal	9,003,024	9,003,024	--	--
Under deferred compensation agreement				
Cash and cash equivalents	337,163	337,163	--	--
Mutual funds -				
Intermediate-Term Bonds	74,199	74,199	--	--
High Yield Bonds	46,265	46,265	--	--
Balanced	100,586	100,586	--	--
Large-Cap	660,676	660,676	--	--
Mid-Cap	31,609	31,609	--	--
Small-Cap	126,123	126,123	--	--
Foreign	70,125	70,125	--	--
World	131,250	131,250	--	--
Specialty	23,595	23,595	--	--
Managed asset allocation	26,917	26,917	--	--
Subtotal	1,628,508	1,628,508	--	--
By Board				
Cash and cash equivalents	2,323,671	2,323,671	--	--
By Donor				
Cash and cash equivalents	2,985,290	2,985,290	--	--
Corporate bonds -				
AA+	40,892	--	40,892	--
A+	41,396	--	41,396	--
A	41,651	--	41,651	--
Accrued interest receivable	30,843	30,843	--	--
Certificates of deposit	240,000	--	240,000	--
US treasury obligations	81,560	81,560	--	--
US government agency obligations	321,505	--	321,505	--
Mutual funds -				
Domestic	2,791,032	2,791,032	--	--
International	617,045	617,045	--	--
Subtotal	7,191,214	6,505,770	685,444	--
Total assets limited as to use	20,146,417	19,460,973	685,444	--
Short-term investments				
Cash and cash equivalents	2,010,018	2,010,018	--	--
Certificates of deposit	1,605,322	--	1,605,322	--
US government agency obligations	4,180,534	--	4,180,534	--
Total short-term investments	7,795,874	2,010,018	5,785,856	--
Total	$ 27,942,291	21,470,991	6,471,300	--

(7) Property and Equipment

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

		2011	2010
Land and land improvements	$	4,471,601	4,443,669
Buildings and building service equipment		122,918,879	122,700,700
Equipment and furnishings		64,791,714	59,401,232
Total property and equipment at cost		191,882,194	186,545,601
Accumulated depreciation		(77,204,440)	(68,849,448)
Construction in process		186,405	4,449,933
Property and equipment, net	$	115,164,159	122,146,086

Faith and the Nursing Home maintain capitalization policies of $5,000 and $2,500, respectively

Depreciation expense of $11,036,690 and $9,162,740 in 2011 and 2010, respectively, is included in the consolidated statements of operations

(8) Other Assets, Net

Other assets as of December 31, 2011 and 2010 are summarized as follows

		2011	2010
Deferred bond issuance costs, net	$	1,132,081	1,197,179
Investment in Northeast Nebraska Surgery Center, LLC (NNSC)		1,902,408	2,028,769
Investments in joint ventures and other		308,581	303,444
Physician recruitment advances, net		313,185	114,052
Total other assets, net	$	3,656,255	3,643,444

Deferred bond issuance costs are being amortized over the life of the related bonds on a straight-line basis Amortization expense of $57,598 in 2011 and $57,664 in 2010 is included in the accompanying consolidated statements of operations

Faith is accounting for its investments in NNSC and other joint ventures by the equity method of accounting, under which, Faith's share of the net gain (loss) is recognized on Faith's consolidated statements of operations Dividends received are treated as reductions of the investment account

A summary of joint venture gain in 2011 and 2010 is as follows

		2011	2010
NNSC, LLC	$	20,892	374,994
All other joint ventures		305,470	278,416
Total joint venture gain	$	326,362	653,410

See footnote 19 regarding related party transactions for further information regarding NNSC

Faith has entered into several agreements to recruit and relocate needed physicians to Faith's service area All monies advanced under these agreements will be forgiven over a one to three year period in which the physician practices in the community Advances must be repaid with interest if the physician fails to fulfill their contract responsibilities The maximum potential amount of future advances Faith could be required to make under its physician contracts at December 31, 2011 and 2010 is $37,500 and $100,700, respectively

Faith has also entered into several agreements to assist needed physicians with qualified expenses incurred during their healthcare professional education All monies paid under agreements will be paid on the anniversary date of the physician's contract and only paid after the physician maintains a satisfactory medical practice within the community The maximum potential amount of future payments Faith could be required to make under these five or ten year physician contracts at December 31, 2011 and 2010 are $592,000 and $462,000, respectively

The following illustrates amounts advanced under these agreements and applicable amortization expense (included in supplies and other in the accompanying consolidated statements of operations) for 2011 and 2010

		2011	2010
Physician recruitment advances –			
Beginning of year	$	114,052	146,443
Advances		426,373	133,559
Amortization		(227,240)	(125,287)
Payments		--	(40,663)
End of year	$	313,185	114,052

(9) Long-Term Debt

A summary of long-term debt obligations at December 31, 2011 and 2010 is as follows

	2011	2010
Hospital Authority No 1 of Madison County, Nebraska, Hospital Revenue and Refunding Bonds (Faith Regional Health Services Project), Series 2008A due serially on July 1 of each year to 2033, with principal payments ranging from $1,640,000 to $3,600,000 and interest rates ranging from 4 00% to 6 00%, due on July 1, and January 1, secured by a first mortgage lien upon the facilities owned by LCHA and Faith	$ 57,855,943	60,508,998
Hospital Authority No 1 of Madison County, Nebraska, Hospital Variable Rate Demand Revenue Bonds (Faith Regional Health Services Project), Series 2008B due serially on January 1 each year beginning in 2019 to 2025, with principal payments ranging from $1,335,000 to $3,170,000 and interest due monthly as determined daily by the remarketing agent (0 3% at December 31, 2011), secured by a direct-pay letter of credit with a national bank	15,000,000	15,000,000
5 97% note, payable in quarterly installments of $216,397, including interest, through March 2013 with a balloon payment of $6,672,793 due June 2013, secured by a medical office building owned by Faith	7,131,899	7,550,859
5 88% note, payable in quarterly installment of $250,040, including interest, through March 2013 with a balloon payment of $4,546,153 due June 2013, secured by a medical office building owned by Faith	5,356,413	6,012,738
4 00% unsecured note, payable in monthly installments of $5,356 including interest, through March 2011	--	9,283
0% note payable in quarterly installments through rebates received from purchase commitments, due June 2013, secured by the equipment purchased (This note was paid off in full subsequent to year-end)	280,869	355,870
Total long-term debt	85,625,124	89,437,748
Less current installments of long-term debt	4,186,105	3,841,700
Long-term debt, net of current portion	$ 81,439,019	85,596,048

In connection with the debt offerings, Faith executed a Master Trust Indenture ("Indenture") for the Series 2008A Bonds in July 2008 and the Series 2008B Bonds in November 2008

The Series 2008B Variable Rate Demand Revenue Bonds bear interest at a variable rate, determined pursuant to the Series 2008B Indenture, and pursuant to the related remarketing agreement with Wells Fargo Brokerage Services, LLC Payments to bondholders of principal and interest on the Series 2008B Bonds, together with payment of the purchase price of bonds put by bondholders, is made pursuant to draws on a direct-pay letter of credit issued by U S Bank National Association (the Bank) for the Series 2008B Bonds, pursuant to a separate letter of Credit Agreement (the LOC Agreement) between the Bank and Faith

Under the Terms of the LOC Agreement, if any Series 2008B bonds are not remarketed and the Bank is not immediately reimbursed for the payment of the purchase price of such bonds, the obligation of Faith to reimburse the Bank for the draw on the LOC to purchase the Series 2008B Bonds will be a term loan from the Bank to Faith At December 31, 2011, all bonds had been successfully remarketed The fees of the Bank and the Remarketing Agent were $271,837 and $278,621 in 2011 and 2010, respectively, $271,837 and $212,182 was expensed as purchased services and professional fees in 2011 and 2010, respectively and $66,439 was included with construction in progress in 2010

The 2008 Bond Indenture requires a mandatory purchase of the Series 2008B Bonds upon the expiration of the LOC If the LOC is not extended, or if a substitute liquidity facility or LOC is not obtained, the bonds will be purchased using monies drawn from the LOC prior to their expiration and held pursuant to the terms of the 2008B Bond Indentures and the LOC Agreement until any subsequent remarketing If this would occur, then the first payment is due the first day of the quarter that is 366 days after the LOC draw The current LOC expires November 19, 2014

Under the terms of the Series Indentures, Faith is required to maintain certain deposits with a trustee Such deposits are included with assets limited as to use The revenue bond indentures also place limits on the incurrence of additional borrowings and requires that Faith satisfy certain measures of financial performance as long as the bonds are outstanding

The aggregate maturities of all long-term debt during each of the next five years are as follows

Year	Amount
2012	$ 4,186,105
2013	14,249,186
2014	3,028,055
2015	3,213,055
2016	3,363,055
Thereafter	57,585,668
Total long-term debt	$ 85,625,124

The following is a summary of interest costs during the years ended December 31, 2011 and 2010

	2011	2010
Interest costs		
Capitalized	$ --	498,193
Expensed	4,215,830	3,893,343
Total interest cost	$ 4,215,830	4,391,536

(10) Temporarily and Permanently Restricted Net Assets

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

	2011	2010
Bed Addition	$ 760,418	701,027
Carson Cancer Center	463,506	1,394,108
Time restricted general gift	248,408	--
Other	122,014	118,321
Children's Advocacy Center	85,625	57,160
Cardio/Pulmonary Rehabilitation	39,657	35,951
Pediatrics	39,218	11,307
Hospice	33,838	33,047
Volunteers Equipment/Internship	30,490	--
Cardiac Services	25,290	21,819
Education	17,911	101,582
Total temporarily restricted net assets	$ 1,866,375	2,474,322

Permanently restricted net assets as of December 31, 2011 and 2010 were as follows

	2011	2010
Carson Cancer Center	$ 5,094,417	5,092,933
Forever Caring General Endowment	231,316	230,300
Hospice	20,613	20,323
Other	29,516	18,985
Total permanently restricted net assets	$ 5,375,862	5,362,541

(11) Endowment

Faith has adopted the provisions of FASB ASC Topic 958 Subtopic 205 Section 05, *Endowments of Not-for-Profit Organizations Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for all Endowment Funds* The ASC provides guidance on classifying net assets associated with donor restricted endowment funds held by organizations that are subject to an enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) A key component of the ASC is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure Another key component of the ASC is a requirement for expanded disclosures about all endowment funds The State of Nebraska adopted a version of UPMIFA effective September 1, 2007

Faith's endowment consists of approximately six individual funds established for a variety of purposes Its endowment includes donor restricted endowment funds As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions

Interpretation of Relevant Law – Faith's governing board has interpreted the UPMIFA enacted in the State of Nebraska as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, Faith classifies as permanently restricted net asset (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund

The remaining portion of the donor restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted or board designated net assets until those amounts are appropriated for expenditure by Faith in a manner consistent with the standard of prudence prescribed by UPMIFA In accordance with UPMIFA, Faith considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds

1 The duration and preservation of the fund
2 The purpose of Faith and the donor restricted endowment fund
3 General economic conditions
4 The possible effect of inflation and deflation
5 The expected total return from income and the appreciation of investments
6 Other resources of Faith
7 The investment policies of Faith

Endowment net asset composition consists of the following as of December 31, 2011 and 2010

	December 31, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 38,823	163,576	5,375,862	5,578,261

	December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 36,980	270,728	5,362,541	5,670,249

Changes in endowment net assets for the years ended December 31, 2011 and 2010 are as follows

	December 31, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets December 31, 2010	$ 36,980	270,728	5,362,541	5,670,249
Investment return				
Investment income	6,879	105,944	--	112,823
Change in unrealized gains and losses on other than trading securities	--	(138,051)	--	(138,051)
Total investment return	6,879	(32,107)	--	(25,228)
Contributions	--	--	13,321	13,321
Appropriation of endowment assets for expenditure	(5,036)	(75,045)	--	(80,081)
Endowment net assets, December 31, 2011	$ 38,823	163,576	5,375,862	5,578,261

	December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets December 31, 2009	$ (171,977)	671	5,359,814	5,188,508
Investment return				
Investment income	5,473	88,757	--	94,230
Change in unrealized gains and losses on other than trading securities	--	230,149	--	230,149
Recovery of value of permanently restricted gifts	205,455	--	--	205,455
Total investment return	210,928	318,906	--	529,834
Contributions	--	--	2,727	2,727
Appropriation of endowment assets for expenditure	(1,971)	(48,849)	--	(50,820)
Endowment net assets, December 31, 2010	$ 36,980	270,728	5,362,541	5,670,249

Return Objectives and Risk Parameters – Faith has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor restricted funds that Faith must hold in perpetuity or for a donor specified period(s) as well as board designated funds Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed anticipated spending while assuming a moderate level of investment risk Faith expects its endowment funds, over time, to provide an average annual rate of approximately 8% annually Actual returns in any year may vary from this amount

Strategies Employed for Achieving Objectives – To satisfy its long-term rate of return objectives, Faith relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) Faith targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

Spending Policy and How the Investment Objectives Relate to Spending Policy – Faith has a policy of appropriating for distribution each year of up to 4% of its endowment fund's average fair value over the prior 12 months through the calendar year-end preceding the fiscal year in which the distribution is planned In establishing this policy, Faith considered the long-term expected return on its endowment Accordingly, over the long-term, Faith expects the current spending policy to allow its endowment to grow at an average of 4% annually This is consistent with Faith's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return

(12) Professional Liability Insurance

Faith carries a general and professional liability policy (including malpractice), which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage In addition, Faith carries an umbrella policy that also provides $10,000,000 per occurrence and aggregate coverage These policies provide coverage on a claims-made basis covering only those claims that have occurred and are reported to the insurance company while the coverage is in force In the event Faith should elect not to purchase insurance from the present carrier or the carrier should elect not to renew the policy, any unreported claims that occurred during the policy year may not be recoverable from the carrier

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize 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 Faith does evaluate all incidents and claims along with prior claim experienced to determine if a liability is to be recognized For the years ending December 31, 2011 and 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 financial statements

(13) Commitments and Contingencies

Operating Leases

Faith leases various facilities under operating leases expiring at various dates through October 2014 Total rental expense in 2011 and 2010 for operating leases was approximately $1,554,015 and $1,261,300, respectively

The following is a schedule by year of future minimum lease payments under operating leases as of December 31, 2011, that have initial lease terms in excess of one year

Year Ending	Amount
2012	$ 1,371,972
2013	1,124,356
2014	947,057
2015	721,123
2016	505,586
Thereafter	106,040

Software Maintenance Agreement

Faith extended a long-term agreement with Siemens Corporation (Siemens) in September 2009 to provide software maintenance until December 31, 2020 Total software maintenance expense under this agreement for 2011 and 2010 was $960,146 and $805,411 In 2011, Faith completed its implementation of the Siemans Soarian Electronic Medical Record Project The total annual software maintenance expense under this agreement will be $1,304,900, plus a cost of living increase each year that management is estimating to be no more than 3%

Litigation

Faith is involved in litigation and regulatory investigations arising in the course of business Nearly all of these claims are covered under policies of their current insurance carrier After consultation with legal counsel, management estimates these matters will be resolved without material adverse affect on Faith's future financial position or results from operations

Funding Commitment

On March 17, 2008, an agreement was signed by Faith conditionally pledging up to $1,165,000 to the University of Nebraska Medical Center's Bachelor of Science in Nursing Program at Northeast Nebraska Community College subject to Faith maintaining certain financial thresholds This pledge is expected to be paid over the next five years Faith paid $250,000 during 2011 and 2010

(14) Rental Income

Faith is the lessor of certain space under various noncancelable-operating leases with terms from one to ten years Rental income is recorded monthly in other revenue as earned

The following is a schedule by year of future minimum receipts under operating leases as of December 31, 2011, that have initial lease terms in excess of one year

Year	Amount
2012	$ 881,753
2013	752,195
2014	610,878
2015	357,388
2016	144,308
Thereafter	--

See footnote 19 regarding rental income received from related parties

(15) Employee Benefits

Faith has a defined contribution pension plan The plan is available to all Faith employees over 21 years of age who have completed six months of service and work 1,000 hours or more each year and permits Faith to contribute dollars on behalf of the employee for withdrawal in future years The participants are fully vested after three years of employment All years of service with either Our Lady of Lourdes Hospital or LCHA counts towards the employee's vesting The deferred compensation is not available to employees until termination, retirement or death

The following schedule shows the percentage of contribution for the participants and employers depending on their years of service

Years of Service	Participants Contribution	Faith Contribution
1 but less than 5	3 0%	3 0%
5 but less than 10	4 0%	4 0%
10 but less than 15	5 0%	5 0%
15 or more	5 0%	5 0%

Total pension expense for the period ended December 31, 2011 and 2010 was $2,664,801 and $2,670,331, respectively

Faith has a deferred compensation plan for a select group of management and highly compensated employees Eligible employees may defer a portion of their salaries up to the maximum amount allowed by Section 457(b) of the Code into a separate investment account in which the employee has the right to direct the investment of the funds in accordance with investment guidelines established by Faith The deferred compensation is not available to the employees until retirement, separation from employment, death, or attaining age 70½ The employer is the beneficial owner of all assets the employee placed in the plan The employee is fully vested in all amounts credited to his or her account Faith did not make any contributions to the plan on behalf of any participant for the year ended December 31, 2011

The deferred compensation assets related to the plan in the amount of $1,875,667 and $1,628,508 as of December 31, 2011 and 2010, respectively, are included within the accompanying consolidated balance sheet as assets limited as to use A liability of $1,875,667 and $1,628,508 as of December 31, 2011 and 2010, respectively, based on the fair value of the assets, has also been included within the accompanying consolidated balance sheet as other long term liabilities

(16) Other Operating Revenue

Other operating revenue for the years ended December 31, 2011 and 2010 consists of the following

		2011	2010
CMS electronic health records incentive payments	$	1,627,883	--
Rental of space		1,372,926	1,489,219
NNSC leased employees		975,237	989,054
Regional hospital affiliation management		676,375	--
Physician practice management		630,100	685,532
Pharmacy sales to nonpatients		447,740	421,575
Cafeteria and vending		379,160	437,289
Contract services		325,666	416,002
Child Advocacy grants		236,279	354,518
Volunteer receipts / clothing sales		142,580	95,891
Laboratory		130,333	186,312
Transcription		107,711	71,806
Pharmacy		54,196	113,735
Other		597,149	622,946
Total other operating revenue	$	8,047,932	6,209,254

The Health Information Technology for Economic and Clinical Health Act contains specific financial incentives designed to accelerate the adoption of electronic health record (EHR) systems among health care providers During 2011 Faith qualified for the financial incentives payments by attesting it met specific criteria set by the Center for Medicare and Medicaid services (CMS) Management's attestation is subject to audit by the federal government or its designee The EHR incentive payment will be earned and received through various payments through 2014 An incentive receivable of $257,034 has been recognized in the balance sheet as of December 31, 2011 as part of other receivables The amounts recognized are based on management's best estimates and are subject to change, which would be recognized in the period in which the change occurred

(17) Concentrations of Credit Risk

Faith grants credits without collateral to its patients, most of who are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors was as follows

	2011	2010
Medicare	36 5%	37 6%
Medicare HMO	3 2	5 0
Medicaid	7 2	5 3
PPO contracts	19 5	19 5
Other third-party payors	11 0	8 0
Private pay	22 6	24 6
	100 0%	100 0%

Faith routinely invests its funds in U S Treasury Notes and federal agency securities Investments in these funds are not entirely insured or guaranteed, however, management believes that credit risk related to these investments is minimal due to the full faith and credit of the U S government

(18) Behavioral Health Services

During 2010, Faith entered into a contract with Region IV Mental Health and Substance Abuse Services District for reimbursement of providing behavioral health services The current contract is effective through June 30, 2012 Payments received for fiscal year 2011 behavioral health services were as follows

January 1, 2011 through June 30, 2011	$ 1,526,141
July 1, 2011 through December 31, 2011	996,935

(19) Related Party Transactions

Northeast Nebraska Surgery Center, LLC

Faith holds a majority interest in NNSC and has a 50% voting interest on the Management Board of NNSC The carrying amount of the investment included in other assets (see Note 8) in the consolidated balance sheets is as follows

	2011	2010
Beginning balance	$ 2,028,769	1,741,235
Share of operating gains	20,892	374,994
Dividends received	(147,253)	(87,460)
Investment in NNSC	$ 1,902,408	2,028,769

At December 31, 2011 and 2010, NNSC was indebted to Faith in the amount of $113,404 and $109,126, respectively, for various services provided on behalf of NNSC This amount is included with other receivables in the consolidated balance sheets Rent paid to Faith in 2011 and 2010 was $265,416 and $266,110, respectively, and is included in the consolidated statements of operations Faith's share of NNSC's 2011 and 2010 operating income is included with joint venture gain, net in the consolidated statements of operations

Faith hires the employees of NNSC and leases them back to NNSC Salary and benefit expense paid by Faith in 2011 and 2010 was $975,237 and $978,395, respectively, and is included in the consolidated statements of operations

The future minimum lease receipts under the lease agreements are as follows

2012	265,069
2013	265,069
2014	265,069
2015	265,069
2016	88,356

(20) Functional Expenses

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

(21) Subsequent Events

In January 2012, the 0%, $280,869 note payable, as described in Note 9, was paid in full

Faith Regional Health Services and Affiliates **Exhibit 1**

Consolidating Balance Sheet
December 31, 2011

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 15,686,142	1,059,169	--	--	16,745,311
Short-term investments	17,033,017	--	--	--	17,033,017
Current portion of assets limited as to use	4,201,299	--	55,198	--	4,256,497
Receivables -					
Patients, net of estimated uncollectibles of $6,235,270	15,730,002	1,377,416	--	--	17,107,418
Pledges	--	--	38,239	--	38,239
Other	3,012,808	198,107	--	(1,749,901)	1,461,014
Inventories	3,841,458	--	--	--	3,841,458
Prepaid expenses	1,153,485	25,108	--	--	1,178,593
Total current assets	60,658,211	2,659,800	93,437	(1,749,901)	61,661,547
Assets limited as to use, net of current portion	6,351,478	1,291,413	8,465,946	--	16,108,837
Pledges receivable, net of current portion	--	--	131,331	--	131,331
Property and equipment, net	114,878,680	285,479	--	--	115,164,159
Other assets, net	3,882,746	1,867	--	(228,358)	3,656,255
Total assets	$ 185,771,115	4,238,559	8,690,714	(1,978,259)	196,722,129
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long-term debt	$ 4,186,105	--	--	--	4,186,105
Accounts payable -					
Trade	4,257,966	1,687,819	124,080	(1,666,679)	4,403,186
Construction	95,850	--	--	--	95,850
Accrued salaries, vacation and benefits payable	7,272,594	1,030,969	--	(83,222)	8,220,341
Accrued interest payable	1,656,331	--	--	--	1,656,331
Estimated third-party payor settlements	588,463	--	--	--	588,463
Total current liabilities	18,057,309	2,718,788	124,080	(1,749,901)	19,150,276
Long-term debt, net of current portion	81,439,019	--	--	--	81,439,019
Other long-term liabilities	584,254	1,291,413	--	--	1,875,667
Total liabilities	100,080,582	4,010,201	124,080	(1,749,901)	102,464,962
Net assets					
Unrestricted	85,662,070	228,358	1,352,860	(228,358)	87,014,930
Temporarily restricted	28,463	--	1,837,912	--	1,866,375
Permanently restricted	--	--	5,375,862	--	5,375,862
Total net assets	85,690,533	228,358	8,566,634	(228,358)	94,257,167
Total liabilities and net assets	$ 185,771,115	4,238,559	8,690,714	(1,978,259)	196,722,129

Consolidating Balance Sheet (continued)
December 31, 2010

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 15,936,216	515,744	-	--	16,451,960
Short-term investments	7,795,874	--	--	--	7,795,874
Current portion of assets limited as to use	4,145,075	--	30,843	--	4,175,918
Receivables -					
Patients, net of estimated uncollectibles of $6,720,786	16,756,750	1,489,217	--	--	18,245,967
Pledges	-	--	261,926	--	261,926
Other	1,964,195	144,180	--	(1,409,096)	699,279
Inventories	4,083,846	--	--	--	4,083,846
Prepaid expenses	1,110,936	28,798	--	--	1,139,734
Total current assets	51,792,892	2,177,939	292,769	(1,409,096)	52,854,504
Assets limited as to use, net of current portion	6,226,280	1,205,385	8,538,834	--	15,970,499
Pledges receivable, net of current portion	--	--	121,926	--	121,926
Property and equipment, net	121,908,451	237,635	--	--	122,146,086
Other assets, net	4,282,327	10,452	--	(649,335)	3,643,444
Total assets	$ 184,209,950	3,631,411	8,953,529	(2,058,431)	194,736,459
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long term debt	$ 3,841,700	--	--	--	3,841,700
Accounts payable					
Trade	3,332,500	1,306,507	10,671	(1,203,484)	3,446,194
Construction	309,131	--	--	--	309,131
Accrued salaries, vacation and benefits payable	7,876,167	470,184	--	(205,612)	8,140,739
Accrued interest payable	1,713,984	--	--	--	1,713,984
Estimated third-party payor settlements	500,564	--	--	--	500,564
Total current liabilities	17,574,046	1,776,691	10,671	(1,409,096)	17,952,312
Long-term debt, net of current portion	85,596,048	--	--	--	85,596,048
Other long-term liabilities	423,123	1,205,385	--	--	1,628,508
Total liabilities	103,593,217	2,982,076	10,671	(1,409,096)	105,176,868
Net assets					
Unrestricted	80,588,488	649,335	1,134,240	(649,335)	81,722,728
Temporarily restricted	28,245	--	2,446,077	--	2,474,322
Permanently restricted	--	--	5,362,541	--	5,362,541
Total net assets	80,616,733	649,335	8,942,858	(649,335)	89,559,591
Total liabilities and net assets	$ 184,209,950	3,631,411	8,953,529	(2,058,431)	194,736,459

Faith Regional Health Services and Affiliates **Exhibit 2**

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

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED REVENUE					
Net patient service revenue	$ 130,039,740	11,115,598	--	--	141,155,338
Other operating revenue	14,542,610	2,381,156	--	(8,875,834)	8,047,932
Loss on disposal of property and equipment	1,509,340	--	--	--	1,509,340
Total revenue	146,091,690	13,496,754	--	(8,875,834)	150,712,610
EXPENSES					
Salaries and wages	49,185,729	8,092,567	--	--	57,278,296
Employee benefits	12,859,333	1,626,167	--	--	14,485,500
Contract labor	2,535,373	--	--	--	2,535,373
Purchased services and professional fees	13,128,645	9,111,260	--	(7,923,908)	14,315,997
Supplies and other	27,996,726	623,628	--	(76,878)	28,543,476
Occupancy costs	7,131,076	1,099,627	--	(749,584)	7,481,119
Insurance	637,451	164,260	--	--	801,711
Provision for bad debts	5,894,243	477,038	--	--	6,371,281
Depreciation and amortization	11,034,142	60,146	--	--	11,094,288
Interest	4,215,830	--	--	--	4,215,830
Total expenses	134,618,548	21,254,693	--	(8,750,370)	147,122,871
OPERATING INCOME (LOSS)	11,473,142	(7,757,939)	--	(125,464)	3,589,739
NONOPERATING GAINS (LOSSES)					
Investment income	492,984	--	53,944	--	546,928
Joint venture gain (loss), net	(7,431,577)	--	--	7,757,939	326,362
Unrestricted gifts, grants and bequests	--	--	325,061	--	325,061
Fundraising expenses	(382,972)	--	(138,154)	--	(521,126)
Nonoperating gains (losses), net	(7,321,565)	--	240,851	7,757,939	677,225
EXCESS OF REVENUE OVER (UNDER) EXPENSES	4,151,577	(7,757,939)	240,851	7,632,475	4,266,964
GIFTS, GRANTS AND BEQUESTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	963,586	--	--	(963,586)	--
GRANTS TO AFFILIATES	--	--	(1,089,050)	1,089,050	--
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	(41,581)	--	--	--	(41,581)
NET ASSETS RELEASED FROM RESTRICTIONS FOR THE PURCHASE OF PROPERTY AND EQUIPMENT	--	--	1,066,819	--	1,066,819
CONTRIBUTION OF CAPITAL	--	7,336,962	--	(7,336,962)	--
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$ 5,073,582	(420,977)	218,620	420,977	5,292,202

Consolidating Statement of Operations (continued)
For the Year Ended December 31, 2010

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED REVENUE					
Net patient service revenue	$ 126,309,482	9,609,980	--	--	135,919,462
Other operating revenue	11,259,981	1,740,703	--	(6,791,430)	6,209,254
Gain on disposal of property and equipment	(116,642)	--	--	--	(116,642)
Total revenue	137,452,821	11,350,683	--	(6,791,430)	142,012,074
EXPENSES					
Salaries and wages	51,202,588	7,425,776	--	--	58,628,364
Employee benefits	13,509,040	1,701,658	--	--	15,210,698
Contract labor	1,287,706	--	--	--	1,287,706
Purchased services and professional fees	9,831,284	7,701,100	--	(5,793,742)	11,738,642
Supplies and other	27,264,438	583,566	--	(271,161)	27,576,843
Occupancy costs	6,699,517	1,018,651	--	(591,628)	7,126,540
Insurance	649,841	153,576	--	--	803,417
Provision for bad debts	3,440,704	277,132	--	--	3,717,836
Depreciation and amortization	9,150,099	70,305	--	--	9,220,404
Interest	3,893,343	--	--	--	3,893,343
Total expenses	126,928,560	18,931,764	--	(6,656,531)	139,203,793
OPERATING INCOME (LOSS)	10,524,261	(7,581,081)	--	(134,899)	2,808,281
NONOPERATING GAINS (LOSSES)					
Investment income	504,241	--	57,843	--	562,084
Joint venture gain (loss), net	(6,927,671)	--	--	7,581,081	653,410
Unrestricted gifts, grants and bequests	--	--	250,447	--	250,447
Fundraising expenses	(456,606)	--	(185,953)	--	(642,559)
Nonoperating gains (losses), net	(6,880,036)	--	122,337	7,581,081	823,382
EXCESS OF REVENUE OVER (UNDER) EXPENSES	3,644,225	(7,581,081)	122,337	7,446,182	3,631,663
GIFTS, GRANTS AND BEQUESTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	783,373	--	--	(743,373)	40,000
GRANTS TO AFFILIATES	--	--	(878,272)	878,272	--
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	(156,847)	--	--	--	(156,847)
NET ASSETS RELEASED FROM RESTRICTIONS FOR THE PURCHASE OF PROPERTY AND EQUIPMENT	--	--	774,353	--	774,353
RECOVERY OF VALUE OF PERMANENTLY RESTRICTED GIFTS	--	--	205,455	--	205,455
CONTRIBUTION OF CAPITAL	--	7,378,840	--	(7,378,840)	--
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$ 4,270,751	(202,241)	223,873	202,241	4,494,624

Faith Regional Health Services and Affiliates

Exhibit 3

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

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED NET ASSETS					
Operating income (loss)	$ 11,473,142	(7,757,939)	--	(125,464)	3,589,739
Nonoperating gains (losses), net	(7,321,565)	--	240,851	7,757,939	677,225
Gifts, grants and bequests for purchase of property and equipment	963,586	--	--	(963,586)	--
Grants to affiliates	--	--	(1,089,050)	1,089,050	--
Change in net unrealized gains and losses on other than trading securities	(41,581)	--	--	--	(41,581)
Net assets released from restrictions for the purchase of property and equipment	--	--	1,066,819	--	1,066,819
Contribution of capital	--	7,336,962	--	(7,336,962)	--
Increase (decrease) in unrestricted net assets	5,073,582	(420,977)	218,620	420,977	5,292,202
TEMPORARILY RESTRICTED NET ASSETS					
Temporarily restricted contributions	218	--	490,761	--	490,979
Investment income	--	--	105,944	--	105,944
Change in net unrealized gains and losses on other than trading securities	--	--	(138,051)	--	(138,051)
Net assets released from restrictions used for the purchase of property and equipment	--	--	(1,066,819)	--	(1,066,819)
Increase (decrease) in temporarily restricted net assets	218	--	(608,165)	--	(607,947)
PERMANENTLY RESTRICTED NET ASSETS,					
Permanently restricted contributions	--	--	13,321	--	13,321
INCREASE (DECREASE) IN NET ASSETS	5,073,800	(420,977)	(376,224)	420,977	4,697,576
NET ASSETS, beginning of period	80,616,733	649,335	8,942,858	(649,335)	89,559,591
NET ASSETS, end of period	$ 85,690,533	228,358	8,566,634	(228,358)	94,257,167

Consolidating Statement of Changes in Net Assets (continued)
For the Year Ended December 31, 2010

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED NET ASSETS					
Operating income (loss)	$ 10,524,261	(7,581,081)	-	(134,899)	2,808,281
Nonoperating gains, net	(6,880,036)	--	122,337	7,581,081	823,382
Gifts, grants and bequests for purchase of property and equipment	783,373	--	--	(743,373)	40,000
Grants to affiliates	--	--	(878,272)	878,272	--
Change in net unrealized gains and losses on other than trading securities	(156,847)	--	--	--	(156,847)
Net assets release from restrictions for the purchase of property and equipment	--	--	774,353	--	774,353
Recovery of value of permanently restricted gifts	--	--	205,455	--	205,455
Contribution of capital	--	7,378,840	--	(7,378,840)	--
Increase (decrease) in unrestricted net assets	4,270,751	(202,241)	223,873	202,241	4,494,624
TEMPORARILY RESTRICTED NET ASSETS					
Temporarily restricted contributions	168	--	597,125	--	597,293
Investment income	--	--	88,757	--	88,757
Change in net unrealized gains and losses on other than trading securities	--	--	230,149	--	230,149
Net assets released from restrictions used for the purchase of property and equipment	--	--	(774,353)	--	(774,353)
Increase in temporarily restricted net assets	168	--	141,678	--	141,846
PERMANENTLY RESTRICTED NET ASSETS,					
Permanently restricted contributions	--	--	2,727	--	2,727
INCREASE (DECREASE) IN NET ASSETS	4,270,919	(202,241)	368,278	202,241	4,639,197
NET ASSETS, beginning of period	76,345,814	851,576	8,574,580	(851,576)	84,920,394
NET ASSETS, end of period	$ 80,616,733	649,335	8,942,858	(649,335)	89,559,591

Additional Data

Software ID:
Software Version:
EIN: 47-0796875
Name: FAITH REGIONAL HEALTH SERVICES

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 $ 39,009,564 including grants of $ 449,695) (Revenue $ 94,194,560)

FAITH REGIONAL IS COMMITTED TO MAINTAINING AND ENHANCING THE QUALITY OF CARE THROUGH THE PROVISION OF EDUCATION TO EMPLOYEES AND MEDICAL STAFF AND THROUGH THE OFFERING OF BENEFITS THAT SUPPORT THIS BENEFITS TO OUR EMPLOYEES INCLUDE EDUCATIONAL LOANS, TUITION REIMBURSEMENT AND WORKSHOP EXPENSE REIMBURSEMENT IN 2011, A TOTAL OF 17,000 HOURS OF EDUCATION HOURS WERE PROVIDED TO OUR 1,300 EMPLOYEES AND MEDICAL STAFF MEMBERS THIS INCLUDED 465 PROGRAMS AND 3,200 HOURS OF CONTINUING EDUCATION FOR HEALTHCARE PROFESSIONALS AND PHYSICIANS FAITH REGIONAL ALSO HAS E-LEARNING EMPLOYEES COMPLETED A TOTAL OF 13,000 HOURS OF ONLINE EDUCATION WHICH WAS 330 DIFFERENT COURSES FAITH REGIONAL ALSO PROMOTES HEALTHCARE CAREERS BY PARTICIPATING AT HIGH SCHOOL CAREER FAIRS, OFFERING STUDENT SHADOWING AND HOSTING MEDICAL EXPLORERS

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JIM MILLER PRESIDENT	1 00	X		X				0	0	0
BERT LAMMLI VICE PRESIDENT	1 00	X		X				0	0	0
BERNIE AUTEN TREASURER	1 00	X		X				0	0	0
PAUL SANDALL SECRETARY	1 00	X		X				0	0	0
ANITA BRENNEMAN MEMBER	1 00	X						0	0	0
JOHN DINKEL MEMBER	1 00	X						0	0	0
PHIL ECKSTROM MD MEMBER	1 00	X						0	0	0
JEFF EISENMENGER MEMBER	1 00	X						0	0	0
DONNA HERRICK MEMBER	1 00	X						0	0	0
DAN KARMAZIN DDS MEMBER	1 00	X						0	0	0
STEFFAN LACEY MD MEMBER	1 00	X						0	0	0
SCOTT MILLER MEMBER	1 00	X						0	0	0
JEFF PAPE OD MEMBER	1 00	X						0	0	0
MARY KAY UHING MEMBER	1 00	X						0	0	0
TOD VOSS MD MEMBER	1 00	X						0	0	0
JAMES J SINEK CEO	39 00			X				476,500	0	27,240
DOUGLAS WISMER CFO	39 00			X				180,391	0	14,727
LINDA MILLER VP/CHIEF NURSING OFFICER	40 00			X				133,095	0	13,231
DEAN FRENCH MD VP MEDICAL AFFAIRS	40 00			X				78,850	0	6,498
H MICHAEL HAMMOND ACCESS HOSPITAL	40 00			X				149,471	0	24,194
JANET PINKELMAN VP HUMAN RESOURCES	40 00			X				151,899	0	10,845
PATRICK ROCHE COO - FRPS	40 00			X				187,005	0	25,257
BARRY SPEAR VP GROWTH AND DEVELOPMENT	24 00			X				172,013	0	12,062
TIMOTHY DAVY MD VP MEDICAL AFFAIRS	40 00			X				46,132	0	2,102
KELLY DRISCOLL VP/CHIEF NURSING OFFICER	40 00			X				58,381	0	7,800

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH MCCLAIN MD CARDIOVASCULAR SURGEON	40 00					X		752,161	0	23,238
DOUGLAS WELSH MD CARDIOLOGIST	40 00					X		668,305	0	26,816
MOHAMMAD IMRAN MD CARDIOLOGIST	40 00					X		595,584	0	24,682
CHRISTOPHER PRICE MD ANESTHESIOLOGIST	40 00					X		553,406	0	27,044
HAKAM ASAAD MD NEUROLOGIST	40 00					X		539,263	0	16,990