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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
UNIVERSITY HEALTH SERVICES INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1350 WALTON WAY

City or town, state or country, and ZIP + 4
AUGUSTA, GA 30901

D Employer identification number
58-1581103

E Telephone number
(706)828-2406

G Gross receipts $ 489,168,155

F Name and address of principal officer
James R Davis
1350 Walton Way
Augusta, GA 30901

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 universityhealth org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1984 | **M** State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
The mission of University Health Care Services is to operate an acute and subacute care hospital providing health care services which help the citizens of our communities achieve and maintain optimal health

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**	14
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,448
6	Total number of volunteers (estimate if necessary)	**6**	343
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	3,988,944
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	835,066

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	2,340,067	482,697
9	Program service revenue (Part VIII, line 2g)	362,721,760	366,575,614
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-3,844,762	11,370,512
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,183,238	8,549,487
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	366,400,303	386,978,310
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,308,770	1,491,840
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	174,256,345	164,000,475
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	183,792,894	207,315,173
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	359,358,009	372,807,488
19	Revenue less expenses Subtract line 18 from line 12	7,042,294	14,170,822

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	690,079,783	680,520,097
21	Total liabilities (Part X, line 26)	292,827,610	321,768,380
22	Net assets or fund balances Subtract line 21 from line 20	397,252,173	358,751,717

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

****** | 2012-11-13
Signature of officer | Date

David Belkoski CFO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

The mission of University Health Care Services is to operate an acute and subacute care hospital providing health care services which help the citizens of our communities achieve and maintain optimal health

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 $ 339,861,853 including grants of $) (Revenue $ 366,575,614)

Operation of a general acute care and subacute care hospital with 551 licensed beds total (551 acute and 0 subacute) Patient days for adults and pediatrics for 2011 were 109,065, newborn days were 12,583 (for both term & ICU nursery), and outpatient visits were 261,821 Emergency room registrations were 72,807, observation stays were 5,390, Cardiovascular interventional procedures were 15,217, and Radiology procedures were 140,922, Occupational Medicine visits were 21,918 and Home Health visits for 2011 were 53,600 Within all these indicators are the efforts of University Health Services to service the needs of the community, which include the indigent In 2011 the cost of indigent and charity care provided, with no local funding, was $28,813,764, however the Hospital did receive Disproportionate Share (DSH) payments to help with this service of $4,663,022 and Upper Payment Limit (UPL) funds of $1,630,337 The $28,813,764 includes the cost for providing inpatient and outpatient services for indigent and charity patients of $19,322,359 Also $1,794,505 to help support community based clinics, $7,488,260 for uncompensated physician services for indigent and charity patients, and $208,640 for disease management Also provided are programs for congestive heart failure and asthma/COPD, which helped indigent patients manage their condition and improve the quality of their lives Other community outreach services for 2011 included diabetes testing and education, Prostate Specific Antigen (PSA) testing, Skin Cancer Screenings, free counseling and education for women and their family members through all stages of breast cancer, free mammograms, heart health education, and support groups for cancer, heart attack, and stroke In 2011, University Hospital reached more than 200,000 people and invested more than $2 million in free screenings, community education, publications, and more Additionally, in 2011, over $750,000 was provided for health professional education for cardiovascular and radiology schools, and dietetic internships, in support of tomorrow's care givers

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 339,861,853

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	Yes	
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	Yes	
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	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**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	221		
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**	3,448		
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** Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ 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**	No
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**	No
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**	No
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**	0		
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**	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**	No
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**	No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			**9a**	No
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**	No
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**	No
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**	No
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**	No

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

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	Yes	
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	Yes	
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 ▶ GA

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 ▶

David Belkoski
1350 Walton Way
Augusta, GA 30901
(706) 828-2406

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								4,943,227		695,461

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 ▶ 17

			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
Morrisons Management Specialists PO Box 102289 Atlanta, GA 30368	Food Services	5,429,837
IN COMPASS HEALTH 318 Maxwell Road Suite 500 Alpharetta, GA 30004	Physician Services	1,562,362
EPIC Systems Corporation PO BOX 88314 Milwaukee, WI 53288	EPIC Support	1,319,095
Crothall Laundry Services 901 RA Dent Blvd Augusta, GA 30901	Linen Services	2,488,599
Crothall Healthcare 955 Chesterbrooks Blvd Wayne, PA 19087	Plant & Houskeeping	7,814,195

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 ▶ 56

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	293,537				
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)	53,070				
	f	All other contributions, gifts, grants, and similar amounts not included above	136,090				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		482,697			
Program Service Revenue			Business Code				
	2a	Physician Answering SVC	541900	407,151	407,151		
	b	Patient Service Revenue	900099	356,799,001	356,799,001		
	c	Other Program Services	900099	336,083	336,083		
	d	Home Health Services	621610	7,043,382	7,043,382		
	e	Admin Support Services	900099	1,653,155	1,653,155		
	f	All other program service revenue		336,842	336,842		
	g	**Total.** Add lines 2a–2f		366,575,614			
	3	Investment income (including dividends, interest and other similar amounts)		9,742,768	9,742,768		
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	3,095,447 / 35,746				
	b	Less rental expenses	2,084,260				
	c	Rental income or (loss)	1,011,187 / 35,746				
	d	Net rental income or (loss)		1,046,933		72,129	974,804
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	101,703,093 / 30,236				
	b	Less cost or other basis and sales expenses	99,916,737 / 188,848				
	c	Gain or (loss)	1,786,356 / -158,612				
	d	Net gain or (loss)		1,627,744			1,627,744
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		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	Outreach Lab		3,916,815		3,916,815	
	b	Miscellaneous	900099	273,003	273,003		
	c	Employee Pharmacy	446110	2,654,002			2,654,002
	d	All other revenue		658,734	359,401		299,333
	e	**Total.** Add lines 11a–11d		7,502,554			
	12	**Total revenue.** See Instructions		386,978,310	376,950,786	3,988,944	5,555,883

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	1,491,840	1,491,840		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	4,707,833	1,134,307	3,573,526	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	112,888,352	106,679,493	6,208,859	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,686,022	7,263,291	422,731	
9	Other employee benefits	28,852,226	27,265,354	1,586,872	
10	Payroll taxes	9,866,042	9,323,410	542,632	
11	Fees for services (non-employees)				
a	Management	14,644,576	13,839,124	805,452	
b	Legal	282,866		282,866	
c	Accounting	216,613		216,613	
d	Lobbying	228,234		228,234	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	1,227,540		1,227,540	
g	Other	19,154,193	18,100,712	1,053,481	
12	Advertising and promotion	1,612,432	1,523,748	88,684	
13	Office expenses	1,394,389	1,317,698	76,691	
14	Information technology	6,668,208	6,301,457	366,751	
15	Royalties . .	0			
16	Occupancy	15,387,910	14,541,575	846,335	
17	Travel	862,868	812,845	50,023	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	8,305,339		8,305,339	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	26,612,332	25,148,654	1,463,678	
23	Insurance	2,993,752	2,829,096	164,656	
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	Med Surg supplies	74,613,453	74,613,453		
b	General Supplies	3,933,048	3,716,730	216,318	
c	GA DCH Hospital Tax	5,059,666		5,059,666	
d	Dues,Memberships, Misc Fees	1,456,427	1,376,324	80,103	
e	Bad Debt Expense	22,582,742	22,582,742		
f	All other expenses	78,585		78,585	
25	**Total functional expenses.** Add lines 1 through 24f	372,807,488	339,861,853	32,945,635	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	39,893,732	1	31,019,669
	2	Savings and temporary cash investments	21,337,929	2	22,152,854
	3	Pledges and grants receivable, net		3	0
	4	Accounts receivable, net	63,422,064	4	55,796,887
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	0
	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	0
	7	Notes and loans receivable, net	11,853,506	7	9,643,330
	8	Inventories for sale or use	6,734,447	8	6,700,122
	9	Prepaid expenses and deferred charges	8,780,030	9	7,019,777
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 476,853,776			
	b	Less accumulated depreciation — 10b: 256,865,146	217,398,855	10c	219,988,630
	11	Investments—publicly traded securities	305,534,935	11	294,373,453
	12	Investments—other securities See Part IV, line 11		12	0
	13	Investments—program-related See Part IV, line 11		13	0
	14	Intangible assets		14	0
	15	Other assets See Part IV, line 11	15,124,285	15	33,825,375
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	690,079,783	16	680,520,097
Liabilities	17	Accounts payable and accrued expenses	15,667,534	17	17,176,913
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	150,965,982	20	148,650,743
	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	4,540,194	23	4,738,710
	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	121,653,900	25	151,202,014
	26	**Total liabilities.** Add lines 17 through 25	292,827,610	26	321,768,380
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	397,217,173	27	358,716,717
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets	35,000	29	35,000
		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	397,252,173	33	358,751,717
	34	Total liabilities and net assets/fund balances	690,079,783	34	680,520,097

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	386,978,310
2	Total expenses (must equal Part IX, column (A), line 25)	2	372,807,488
3	Revenue less expenses Subtract line 2 from line 1	3	14,170,822
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	397,252,173
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-52,671,278
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	358,751,717

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		No

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

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

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

Explanation

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required attachment	☐	☑
2	During the tax year, did the foreign corporation own an interest in any trust?	☐	☑
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301 7701-2 and 301 7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions)	☐	☑
4	During the tax year, was the foreign corporation a participant in a cost sharing arrangement?	☐	☑
5	During the tax year, did the foreign corporation become a participant in a cost sharing arrangement?	☐	☑

Schedule H Current Earnings and Profits (see instructions.)

Important: *Enter the amounts on lines 1 through 5c in **functional** currency.*

1	Current year net income or (loss) per foreign books of account			1	573,651
2	Net adjustments made to line 1 to determine current earnings and profits according to U S financial and tax accounting standards (see instructions)	**Net Additions**	**Net Subtractions**		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach schedule)				
3	Total net additions				
4	Total net subtractions				
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	573,651
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	573,651
d	Current earnings and profits in U S dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) Enter exchange rate used for line 5d ▶ 1 0000			5d	573,651

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U S property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5 Enter here and on your income tax return See instructions	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?	☐	☑
• Did any such income become unblocked during the tax year (see section 964(b))?	☐	☑

If the answer to either question is "Yes," attach an explanation

Additional Data

Software ID: 11000144
Software Version: 2011v1.2
EIN: 58-1581103
Name: UNIVERSITY HEALTH SERVICES INC

Form 990, Special Condition Description:

Special Condition Description

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			
John P Rhodes Board Member	2 00	X						0	0	0
Richard K Fairey Board Member	2 00	X						0	0	0
Thomas A Parfenchuck MD Board Member	2 00	X						0	0	0
Thomas E Sizemore Board Member	2 00	X						0	0	0
Wyck A Knox Jr Board Member	2 00	X						0	0	0
Hugh L Hamilton Board Member	2 00	X						0	0	0
Jerry W Howington MD Board Member	2 00	X						0	0	0
Terry D Elam Board Member	2 00	X						0	0	0
Natalie D Schweers Board Member	2 00	X						0	0	0
Eugene F McManus Board Member	2 00	X						0	0	0
Reverend Clyde Hill Sr Board Member	2 00	X						0	0	0
Steven B Vaughn MD Board Member	50 00	X						131,515	0	0
Gerald E Matheis Board Member	2 00	X						0	0	0
Brian J Marks Board Secretary	2 00	X		X				0	0	0
R Lee Smith Jr Board Chairman	2 00	X		X				0	0	0
William L Farr Jr CMO	50 00			X				457,288	0	37,652
Marilyn A Bowcutt COO	50 00			X				342,970	0	62,521
Dave A Belkoski Exec VP/CFO	50 00			X				528,031	0	42,471
James R Davis President & CEO	50 00			X				607,722	0	239,093
Stephen M Gooden VP-Physician Practices	45 00				X			259,342	0	9,463
Shannon M Stinson MD VP-Chief Medical Informatics	45 00				X			305,360	0	16,327
Leslie A Clonch VP-Information Systems	45 00				X			189,493	0	8,866
Kyle E Howell VP-Support & Facilities	45 00				X			423,768	0	34,757
Brent J Mallek VP-Human Resources	40 00				X			293,570	0	28,759
Joan F Wessman VP-Patient Care Services	45 00				X			294,610	0	21,690

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			
Edward L Burr VP-Legal Affairs-Compliance	50 00				X			291,997	0	80,567
Teresa Waters Director	45 00					X		164,890	0	25,217
Richard W Severson Director	45 00					X		154,915	0	31,463
Lynda Jones Watts Director	45 00					X		148,048	0	21,510
Christine A Martin Epic -Surgical SVC	45 00					X		137,172	0	20,346
Tara A Kattine PHYSICIAN	40 00					X		212,536	0	14,759

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
UNIVERSITY HEALTH SERVICES INC	58-1581103

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		228,234
j	Total lines 1c through 1i			228,234
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?		No	

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
Part II-B, Line 1i	Part II-B, Line 1i - Other Activities Description	A part of the various association dues include a percentage allocation for expenditures on Lobbying activities Dues paid to the Georgia Hospital Association, The American Hospital Association, the Georgia Alliance of Community Hospitals and The Georgia Initiative, all have a lobby component For 2011 these fees amounted to $140,234 Additionally, Oglethorpe Consulting Group was contracted during 2011 to review and advise the Hospital on legislative issues During 2011 $88,000 was paid to Oglethorpe Consulting Group

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		14,518,882		14,518,882
b Buildings		245,154,270	105,246,695	139,907,575
c Leasehold improvements				
d Equipment		213,046,714	151,618,451	61,428,263
e Other		4,133,910		4,133,910
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				219,988,630

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	
Reserve for Self Insured Losses	22,451,472
Other Current Liabilities	2,903,969
Est Third Party Payor Settlements	15,504,238
Asset Retirement Obligation	2,699,600
Accrued postretirement benefit cost	32,323,673
Accrued Pension Cost	56,430,647
Accrued Compensation, Benefits, & PR Tax	18,888,415
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	151,202,014

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	386,978,310
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	372,807,488
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	14,170,822
4	Net unrealized gains (losses) on investments	4	-18,700,252
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-33,971,026
9	Total adjustments (net) Add lines 4 - 8	9	-52,671,278
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-38,500,456

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	370,931,926
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-18,700,252		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	3,881,408		
e	Add lines **2a** through **2d**			2e	-14,818,844
3	Subtract line **2e** from line **1**			3	385,750,770
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	1,227,540		
c	Add lines **4a** and **4b**			4c	1,227,540
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	386,978,310

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

1	Total expenses and losses per audited financial statements			1	376,030,515
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	4,017,981		
e	Add lines **2a** through **2d**			2e	4,017,981
3	Subtract line **2e** from line **1**			3	372,012,534
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	794,954		
c	Add lines **4a** and **4b**			4c	794,954
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	372,807,488

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
Part X	Part X FIN48 Footnote	Accounting for Income Taxes - University Health Services is exempt from federal income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes University Health Services has evaluated their tax positions and determined that they do not have any material unrecognized tax benefits or obligations as of December 31, 2011 Fiscal years ended no or after December 31, 2008 remain subject to examination by federal and state authorities There is presently no taxation imposed by the government of the Cayman Islands on income or premiums of WWI As a result, no tax liability or expense has been recorded
Part XIII, Line 4b	Part XIII, Line 4b Other revenue amounts included on 990 but not included in F/S	Bad Debt Expense $0 Investment manager fees $1227540 Steam/Elect reimb, netted to exp $-432586
Part XIII, Line 2d	Part XIII, Line 2d Other expenses and losses per audited F/S	Expenses netted to rental income $2084260 UHCF Exp on Consolidated AFS $2040473 UHCF Elimination entries on AFS $-106752
Part XII, Line 4b	Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	Bad Debt expense, in revenue on Audit $0 Investment mgr fees, in revenue on audit $1227540
Part XII, Line 2d	Part XII, Line 2d Other revenue amounts included in F/S but not included on form 990	Steam/Electric Reimb-netted against exp $432586 Rental Expenses shown net on 990 $2084260 UHCF Unrest Revenue on Consolidated AFS $1471314 UHCF Revenue eliminations on AFS $-106752
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	Other Cumulative effect on Assets Retirement Obligation $157323 Tranfer to affiliate $ -710949 Cumulative effects on assets retirement obligations $ -0 Changes in Unfunded Pension/Postretirement Loses $ -32624618 Loss on Discontinued Operations $ -792782

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Caribbean	1	2	Insurance Captive		2,422,916
3a Sub-total	1	2			2,422,916
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	1	2			2,422,916

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☑
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☐ Yes	☑ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☐ Yes	☑ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	ReturnReference	Explanation
Additional Supplemental Information		Please see form 5471 filing for details related to Offshore Captive Insurance

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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 _____ %	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)			18,022,757	2,479,023	15,543,734	4 170 %
b Medicaid (from Worksheet 3, column a)			38,853,223	34,072,068	4,781,155	1 280 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			56,875,980	36,551,091	20,324,889	5 450 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			10,441,489	582,233	9,859,256	2 640 %
f Health professions education (from Worksheet 5)			817,764	137,824	679,940	0 180 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,510,149		1,510,149	0 410 %
j **Total** Other Benefits			12,769,402	720,057	12,049,345	3 230 %
k **Total.** Add lines 7d and 7j			69,645,382	37,271,148	32,374,234	8 680 %

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			183,324		183,324	0 050 %
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**			183,324		183,324	0 050 %

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	22,582,741		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	3,161,584		
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	107,776,647
6	Enter Medicare allowable costs of care relating to payments on line 5	6	130,677,996
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-22,901,349
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
0	UHS University Hospital 1350 Walton Way Augusta, GA 30901	X	X		X			X		3 Hospital Based Home Health Agencies

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)

Name of Hospital Facility: UHS University Hospital

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**		No
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 200 0000%			
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 0000% If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☑ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☑ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☐ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the 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 VI - Additional Information	Part III, Section C-Collection Practices-Question 9aThe Catastrophic Policy allows for the Collection Department to apply the Indigent criteria and write-off the account And at any point during the collection process if patient is believed that he/she can not afford to pay then an indigent/Charity Care application is begun by the Collection Department

Identifier	ReturnReference	Explanation
	Part V - Explanation of Number of Facility Type	UH owns and operates three (3) Home Health Agencies as hospital-based agencies

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	UH governing Board members are comprised of citizens who reside in the UH's primary service area and are not employees of UH UH Board members are active in the community and are eager to improve the health and welfare of the community Several of UH Board Members worked with the local State Medical School to get interns & residents at the hospital since UH is among several counties that have been deemed as a Health Professional Shortage Area (HPSA) UH extends medical staff privileges to all qualified physicians in our community for all of the UH Departments UH works with the Greater Augusta Healthcare Network (GAHN) which is made up of area hospitals and the local Medical Colleges School of Nursing and area primary care clinics This group addresses the primary and specialty care needs in the community Also UH supports the Project Access Program in Richmond and Columbia County UH provides all of the Inpatient hospitalization for the Indigent population that is approved for Project Access UH is the only hospital in the area that is responsive to the needs of these organizations who also support the needs of the Indigent UH provides many screenings in the community One such screening is the PSA screening that is performed at Lowes Home Building stores Many received the screening, some with positive results, indicating cancer However these were caught at an early stage, thanks to these free screenings UH's Mobile Mammography unit travels to area plants and is available for screenings at the job site during lunch These are only a few examples of the Screenings UH provides in the community but they have tremendous impact when just one screening identifies problems that can be treated at an early stage 1 cancer verses at the later stages of cancer

Identifier	ReturnReference	Explanation
	Part VI - Community Building Activities	The Community Building Activities reported are support for the various Chambers of Commerces for the communities that we serve In supporting these organizations we can support the development of our community by bringing in new industries and jobs, increasing the average household income, improving living conditions, and impacting overall general health

Identifier	ReturnReference	Explanation
	Part VI - Community Information	UH resides in Richmond County, Georgia In 2008 The Department of Community Health (state Medicaid division) issued a Georgia Health Disparities Report which listed Richmond County as having 53% Black, 44% White & the remaining 3% mostly Hispanic with some Asian, American Indian and other 19 6% of the population is below the Federal Poverty Guidelines (FPG) 7 5% of the Adult population completing less than the 9th Grade 9 2% of the Adult population is unemployed and 18 1 are uninsured Surrounding Counties include Burke County with 51% African American and 2% Latino, 28% below FPG, 21 3% with no insurance coverage and 9% unemployed Jefferson County with 56% African American and 2% Latino, 32% below FPG, 21% with no insurance coverage and 12% unemployed Lincoln County with 33% African American and 1% Latino, 15% below FPG, 16% with no insurance coverage and 6 % unemployed McDuffy County with 60% African American and 4% Latino, 18% below FPG, 21% with no insurance coverage and 8% unemployed

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	UH has the following information available to patients and visitors on the eligibility for assistance Information is available on the University Hospital web site, patient/visitor information booklet, and UH has signage at registration and billing areas that ask " help with your Hospital bill?" In addition, when a registering patient indicates that he/she can not afford to pay, UH will offer the Indigent and Charity Care Application (ICCP) and set up patient to speak with the Financial Assistance Office (FAO) FAO will direct patients to a Department of Family and Children (DFCS) case manager located at the hospital to see if patient qualifies for state Medicaid or the UH ICCP program The patient may be deemed to qualify for other State/Federal assistance in which the FAO staff will help direct the patient to another group operated out of of the hospital, Resource Corporation of America (RCA), to assist with getting the patient qualified for SSI, etc

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	UH continues to use the Health needs Assessment that was completed historically which showed a need for primary health care homes for patients in the the 30901, 30906 and 30904 zip code areas (Richmond County) University established three clinics in these areas after the assessment and continues to fund and expand the support of the Primary Care Health clinics in this area UH works with the Greater Augusta Health Care Network (GAHN) which is made up of area hospitals and primary care clinics along with the Medical College of Georgia's School of Nursing GAHN has been collecting data showing the continued need for Primary Health Care homes for the uninsured and under insured even with the support that UH has provided In addition to this data UH continues to rely on the national data for other opportunities to support the community, such as, Cancer screening, Mammograms, diabetes, cardiovascular clinics, obesity, etc In addition UH works with ER personnel to identify needs based on patients seeking help through the Emergency Room This process still shows that patients need a medical home, asthma, diabetes assistance The programs that UH has initiated and continue to support The Health Resources and Services Administration has designated Richmond County as a Health Professional Shortage Area (HPSA) In 2008, the State of Georgia issued a Georgia Health Disparities Report In this report Richmond County showed above -average outcomes but some racial inequality for Access to primary care providers, even though, UH has sponsored 4 to 5 area clinics with one being designated as a Federally-Qualified Community Health Center (FQHC) Counties surrounding UH show Lincoln County, McDuffy County, Burke County, and Jefferson county as a HPSA with no FQHC having poor outcomes made worse by extremely severe racial inequalities

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 0	Part V, Line 13g - Other Means Hospital Facility Publicized the Policy	Financial Counselors & Access Coordinators explain to Patient and offer Financial Assistance form to patient

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	As outstanding balances age, statement messages, collection letters and/or telephone calls may be used at appropriate intervals determined by the Patient Accounting/Collection Department The Patient Accounting /Collection Department recognizes that there are occasions when a patient is not financially able to pay their medical bill in full and/or the patient is experiencing financial hardship The Hospital has established a Catastrophic Policy which allows for the Collection Department to apply the Indigent criteria and write-off as Medically Indigent And at any point during the collection process if patient states or Patient Accounting/Collections believes that the patient can not afford to pay then an indigent/Charity Care application is begun by the Collection Department where discounts may be given

Identifier	ReturnReference	Explanation
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	The services provided to the Medicare Beneficiaries are to promote the well-being of the community which is part of the Hospital charitable tax-exempt purpose The Medicare difference between cost and Medicare reimbursment should be allowed as CB since providers can not negotiate rates with Centers for Medicare/Medicaid Services (CMS) CMS regulates that the reimbursement be federal budget neutral thus placing the cost of the caring for medicare beneficiaries as a cost to the Hospitals

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	Page 8 of Audited Financial Statement Accounts Receivable--Current Operations are charged with provisions for uncollectible accounts based upon experience and any unusual circumstances which affect the collectability of receivables Amounts deemed uncollectible are charged against this allowance In the opinion of managment, adequate provision has been made for uncollectible accounts Bad Debt should be included as a Community Benefit since the services that incur bad debt are provided by the hospital to promote the well-being of the community These services are rendered in conjunction with the Hospital's charitable tax-exempt purposes There is no local support for uninsured patients, therefore, the services provided by the hospital relief the health care burdens of the local governments

Identifier	ReturnReference	Explanation
	Part I, Line 7 - Explanation of Costing Methodology	Used Cost to Charge Ratio calculated using Worksheet 2 --the optional worksheets provided to assist in preparation of Schedule H

Identifier	ReturnReference	Explanation
	Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)	Also uses Asset Test, regardless of income, to determine eligibility for free and discounted care In addition the hospital takes into consideration Bankruptcy and financial standing when offering discounts on patient liability

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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) United Way of Greater AugustaPO Box 1166 Fishersville,VA 22939	54-0955100	501(c)(3)	15,240	0			Support Programs
(2) Rape Crisis806 13th Street Augusta,GA 30901	58-1581102	501(c)(3)	0	81,264	Medicare Cost Report	Donated Facilities	Support Programs
(3) Neighborhood Improvement Project2467 Golden Camp Road Augusta,GA 30906	31-1491242	501(c)(3)	300,000	0			Clinic Financial Support
(4) Miracle Making Ministries1127 Druid Park Ave Augusta,GA 30904	58-2358627	501(c)(3)	40,000	0			Clinic Financial Support
(5) Harrisburg Family Heal 423 Crawford Ave Augusta,GA 30904	26-4366421	501(c)(3)	120,000	0			Clinic Financial Support
(6) Coordinated Health Services Inc2110 Broad Street Augusta,GA 30904	58-2060572	501(c)(3)	160,000	11,716	Cost of Tests	Lab Testing	Clinic Financial Support
(7) Christ Community Health Services519 Scotts Way Augusta,GA 30909	20-5404353	501(c)(3)	480,000	174,442	Medicare Cost Report	Donated Facilities	Clinic Financial Support
(8) Beulah Grove Community Resource1446 Lee Beard Way Augusta,GA 30901	58-2159621	501(c)(3)	60,000	31,878	Cost of Tests & Drugs	Lab Testing	Clinic Finanical Support
(9) American Cancer Society 250 Williams Street NW Atlanta,GA 30303	13-1788491	501(c)(3)	13,000	0			Support Research

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 9

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
Grantmaker's Description of How Grants are Used		University Health Care System does not provide "grants" to assist other organizations, but does donate funds based on the following policy and procedures POLICY University Health Care System is committed to the overall health and well-being of the communities it serves and recognizes the need to support other non-profit organizations who share this commitment Corporate contributions and sponsorships are sometimes an appropriate vehicle for building partnerships with these non-profit organizations and maximizing our overall positive impact on the community PROCEDURE1 All contribution/sponsorship requests should be submitted in writing to the Corporate Communications Department for consideration Every effort should be made to process these requests and notify the requester within two weeks of receiving the written information required to evaluate the opportunity 2 In consultation with the CEO, the Director of Corporate Communications will prepare the annual budget for Corporate Contributions/Sponsorships and process/manage actual disbursements throughout the year 3 Requests will be evaluated based on the following criteria a Does the organization, event or publication promote the overall health and well-being of the communities we serve? Special consideration will be given to requests that directly impact health and wellness even though support may be available for organizations, events and/or publications that have a positive impact on the CSRA by "assisting in attracting and retaining a viable work-force"assisting in attracting and retaining viable businesses and employers in the CSRA"promoting the continued growth and economic well-being of the community"enhancing the quality of life in the CSRAb Does the proposed contribution/sponsorship primarily assist people locally rather than a national effort/initiative?c Does the requesting organization have an approved tax-exempt status?d Will the proposed contribution/sponsorship enhance the overall image/reputation of University Health Care System?e Will the proposed contribution/sponsorship heighten awareness of a significant health issue or disease that has a negative impact on the citizens in the communities we serve?4 Under no circumstances will contributions be made to political campaigns 5 Because of the large number of public and private schools in the CSRA, University will limit financial support/contributions to the various Boards of Education rather than individual schools (elementary, middle and high schools) 6 Because of the large number of churches in the CSRA, University will limit financial support/contributions to programs that include health-related services for underserved residents such as community clinics 7 Exception Financial support and partnerships with area colleges and technical schools do not fall under this policy

Additional Data

Return to Form

Software ID: 11000144
Software Version: 2011v1.2
EIN: 58-1581103
Name: UNIVERSITY HEALTH SERVICES INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
United Way of Greater AugustaPO Box 1166 Fishersville, VA 22939	54-0955100	501(c)(3)	15,240	0			Support Programs
Rape Crisis806 13th Street Augusta, GA 30901	58-1581102	501(c)(3)	0	81,264	Medicare Cost Report	Donated Facilities	Support Programs

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Neighborhood Improvement Project 2467 Golden Camp Road Augusta,GA 30906	31-1491242	501(c)(3)	300,000	0			Clinic Financial Support
Miracle Making Ministries1127 Druid Park Ave Augusta,GA 30904	58-2358627	501(c)(3)	40,000	0			Clinic Financial Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Harrisburg Family Heal423 Crawford Ave Augusta, GA 30904	26-4366421	501(c)(3)	120,000	0			Clinic Financial Support
Coordinated Health Services Inc2110 Broad Street Augusta, GA 30904	58-2060572	501(c)(3)	160,000	11,716	Cost of Tests	Lab Testing	Clinic Financial Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
Christ Community Health Services 519 Scotts Way Augusta, GA 30909	20-5404353	501(c)(3)	480,000	174,442	Medicare Cost Report	Donated Facilities	Clinic Financial Support
Beulah Grove Community Resource1446 Lee Beard Way Augusta, GA 30901	58-2159621	501(c)(3)	60,000	31,878	Cost of Tests & Drugs	Lab Testing	Clinic Finanical Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
American Cancer Society250 Williams Street NW Atlanta, GA 30303	13-1788491	501(c)(3)	13,000	0			Support Research

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**	Yes	
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**		No

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) William L Farr Jr	(i) (ii)	312,007	65,763	79,518	20,825	16,827	494,940	
(2) Teresa Waters	(i) (ii)	148,572	15,448	870	16,122	9,095	190,107	
(3) Tara A Kattine	(i) (ii)	212,174		362	6,854	7,905	227,295	
(4) Stephen M Gooden	(i) (ii)	256,779		2,563	2,450	7,013	268,805	
(5) Shannon M Stinson MD	(i) (ii)	269,540		35,820	10,224	6,103	321,687	
(6) Richard W Severson	(i) (ii)	132,396	2,900	19,619	15,795	15,668	186,378	
(7) Marilyn A Bowcutt	(i) (ii)	234,880	52,920	55,170	53,549	8,972	405,491	
(8) Lynda Jones Watts	(i) (ii)	127,381	18,159	2,508	14,145	7,365	169,558	
(9) Leslie A Clonch	(i) (ii)	99,738	31,836	57,919	1,010	7,856	198,359	
(10) Kyle E Howell	(i) (ii)	164,504	37,075	222,189	22,380	12,377	458,525	
(11) Joan F Wessman	(i) (ii)	169,184		125,426	7,068	14,622	316,300	
(12) James R Davis	(i) (ii)	520,195	84,252	3,275	223,697	15,396	846,815	
(13) Edward L Burr	(i) (ii)	239,614	50,492	1,891	59,925	20,642	372,564	
(14) Dave A Belkoski	(i) (ii)	373,170	83,500	71,361	20,825	21,646	570,502	
(15) Christine A Martin	(i) (ii)	127,676	5,044	4,452	11,529	8,817	157,518	
(16) Brent J Mallek	(i) (ii)	150,362	46,315	96,893	6,832	21,927	322,329	

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
Sch J, Part III, Additional Information	Part III, Additional Information	Social Club Dues- The organization pays membership fees for the CEO (James Davis) and CFO (David Belkoski) to the Augusta Country Club and the West Lake Country Club These membership fees are paid so the organization can have access to the meeting facilities and catering services these organizations provide for meetings that are held off campus Any personal use related to these memberships are included in the wages of the CEO and CFO
Sch J, Part I, Line 1a	Part I, Line 1a Relevant information in regards to selections on 1a	

Additional Data

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Software ID: 11000144
Software Version: 2011v1.2
EIN: 58-1581103
Name: UNIVERSITY HEALTH SERVICES INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
William L Farr Jr	(I) (II)	312,007	65,763	79,518	20,825	16,827	494,940	
Teresa Waters	(I) (II)	148,572	15,448	870	16,122	9,095	190,107	
Tara A Kattine	(I) (II)	212,174		362	6,854	7,905	227,295	
Stephen M Gooden	(I) (II)	256,779		2,563	2,450	7,013	268,805	
Shannon M Stinson MD	(I) (II)	269,540		35,820	10,224	6,103	321,687	
Richard W Severson	(I) (II)	132,396	2,900	19,619	15,795	15,668	186,378	
Marilyn A Bowcutt	(I) (II)	234,880	52,920	55,170	53,549	8,972	405,491	
Lynda Jones Watts	(I) (II)	127,381	18,159	2,508	14,145	7,365	169,558	
Leslie A Clonch	(I) (II)	99,738	31,836	57,919	1,010	7,856	198,359	
Kyle E Howell	(I) (II)	164,504	37,075	222,189	22,380	12,377	458,525	
Joan F Wessman	(I) (II)	169,184		125,426	7,068	14,622	316,300	
James R Davis	(I) (II)	520,195	84,252	3,275	223,697	15,396	846,815	
Edward L Burr	(I) (II)	239,614	50,492	1,891	59,925	20,642	372,564	
Dave A Belkoski	(I) (II)	373,170	83,500	71,361	20,825	21,646	570,502	
Christine A Martin	(I) (II)	127,676	5,044	4,452	11,529	8,817	157,518	
Brent J Mallek	(I) (II)	150,362	46,315	96,893	6,832	21,927	322,329	

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	The Richmond County Hospital Authority	58-6001901	764603AV8	12-03-2009	150,901,243	Refund Bond Certificates (Bond Series 99,03,08)		X		X		

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,375,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	150,901,243			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	1,243			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	150,901,243			
12	Other unspent proceeds				
13	Year of substantial completion	2008			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	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						
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?								
c	Are there any research agreements that may result in private business use of bond-financed property?		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?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	3 000 %							
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 ▶	0 200 %							
6	Total of lines 4 and 5	3 200 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		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

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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) Rhonda U Belkoski	Spouse of CFO	19,092	Employee Compensation RN		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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	All governing documents, policies, financial statements, and informational returns are available upon request at the Administrative offices The 990 is also available on www Guidestar org
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	The Organization follows the process described in Treasury Regulation 4958(6)(c) for establishing the rebuttable presumption of reasonableness in the review, approval, and documentation of officer, key management, and director compensation Annually a compensation committee of the University Health Services Board, comprised of three independent board members, reviews the compensation of the CEO and other senior management members The review is conducted in the context of a Board approved executive compensation philosophy Both the development of the compensation philosophy and the review involve the advice and assistance of an independent compensation consulting firm Minutes of the compensation committee are recorded The compensation committee reports to the University Health Services Board Executive Committee
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	The steps in the conflict of interest policy are outlined below 1 Senior management (vice presidents and above) shall complete a Potential Conflict of Interest Questionnaire periodically Each System organization's CEO, COO, CFO and within their divisions' vice presidents may require any employee to complete a Potential Conflict of Interest Questionnaire 2 Each employee is expected to report a potential conflict of interest when it arises 3 A An employee will report a potential conflict by initiating a Potential Conflict of Interest Disclosure Form and delivering it to his/her vice president All employee potential conflicts will be screened by two levels of senior management to identify conflict or duality of interest situations (A duality of interest exists when an individual has personal or outside interests that can be affected by decisions of the System Such a duality or even multiplicity of interest can be beneficial to and consistent with the primary goals of the institutions Duality of interest can raise the potential for conflict of interest when the personal interests of individuals come into conflict with the interests of the System) B When a division vice president is notified of a potential conflict/duality of interest, the vice president shall investigate the situation and make a report of his or her findings along with a recommendation to the Executive Vice President (COO) or CEO of the involved System organization C The Executive Vice President or CEO who received the 3 B report shall make a decision concerning a potential conflict of interest and any resolution measures to be taken In the event the potential conflict involves a vice president, the President of University Health shall investigate the situation and make a decision concerning a potential conflict of interest and any resolution measures to be taken This information shall be communicated directly to the concerned employee D The employee may appeal the conflict of interest determination to the President of University Health The President's decision about a potential conflict of interest and any resolution measures is final and not cognizable under the Employee Grievance Policy A-30 E In the event the potential conflict involves the CEO of any System organization, the matter shall be reported to the Chairman of the involved System organization board, who shall determine if a conflict exists and what, if any, resolution measures are necessary in accordance with that corporation's conflict of interest policy 4 Filing of FormsA Conflict of Interest Questionnaires of those who are required by this policy to complete one periodically shall be filed in the applicable corporation's CEO's office and retained for no less than seven years Optional Conflict of Interest Questionnaires shall be filed in the office of the vice president who requested completion of the form B Completed Potential Conflict of Interest Disclosure Forms shall be filed in the applicable corporation's CEO's office for the CEO, COO, and vice presidents and for all others in the appropriate vice president's office The forms should be retained for no less than seven years 5 The Vice President for Legal Affairs will be available to advise on potential conflict of interest matters BOARD MEMBERS Board Members are also required to complete a Potential Conflict of Interest Questionnaire annually This questionnaire asks for disclosures related to any family relationships or business relationships with other board members, or business relationships with the Organization
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	A copy of the 990 form and all related schedules was provided to the governing board before filing

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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
UNIVERSITY HEALTH SERVICES INC

Employer identification number
58-1581103

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) Walton Way Indemnity SPC 2nd Fl Governors Sq 23 Lime Tree Grand Cayman CJ	Insurance Captive	CJ	2,996,567	33,997,497	University Health Services Inc

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) University Hospice Inc 1350 Walton Way Augusta, GA 30901 27-5008428	End of Life Support	GA	501(c)(3)	9	University Health Inc		No
(2) University Health Inc 1350 Walton Way Augusta, GA 30901 58-1581102	Consolidating Parent	GA	501(c)(3)	9	N/A		No
(3) University Health Care Foundation Inc 2100 Central Avenue Suite D-1 Augusta, GA 30904 58-1343550	Philantrophy	GA	501(c)(3)	7	University Health Inc		No
(4) Augusta Resource Center on Aging Inc 4275 Owens Road Evans, GA 30809 58-1728812	Non Profit Life Care Community	GA	501(c)(3)	9	University Health Inc		No
(5) University Extended Care Inc 1350 Walton Way Augusta, GA 30901 58-1581105	Skilled Nursing Homes	GA	501(c)(3)	3	University Health Inc		No
(6) Richmond County Hospital Authority 1350 Walton Way Augusta, GA 30901 58-6001901	Leased facilities	GA	501(c)(3)	3	N/A		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) University Health Resources Inc 1350 Walton Way Augusta, GA 30901 58-1601372	Services to Physicians	GA	University Health In	C Corp			

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j	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		No
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		No

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID: 11000144
Software Version: 2011v1.2
EIN: 58-1581103
Name: UNIVERSITY HEALTH SERVICES INC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
University Hospice Inc 1350 Walton Way Augusta, GA 30901 27-5008428	End of Life Support	GA	501(c)(3)	9	University Health Inc		No
University Health Inc 1350 Walton Way Augusta, GA 30901 58-1581102	Consolidating Parent	GA	501(c)(3)	9	N/A		No
University Health Care Foundation Inc 2100 Central Avenue Suite D-1 Augusta, GA 30904 58-1343550	Philantrophy	GA	501(c)(3)	7	University Health Inc		No
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Richmond County Hospital Authority 1350 Walton Way Augusta, GA 30901 58-6001901	Leased facilities	GA	501(c)(3)	3	N/A		No

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TY 2011 Itemized Other Current Liabilities Schedule

Name: UNIVERSITY HEALTH SERVICES INC
EIN: 58-1581103
Software ID: 11000144
Software Version: 2011v1.2

Corporation Name	Corporation EIN	Description	Beginning Amount	Ending Amount
		Claims Payable	45,647	79,952

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TY 2011 Itemized Other Current Assets Schedule

Name: UNIVERSITY HEALTH SERVICES INC

EIN: 58-1581103

Software ID: 11000144

Software Version: 2011v1.2

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		Reserve for Outstanding Losses Recov	6,592,549	4,291,240
		Prepaid	89,428	79,083
		Deferred Reinsurance Premiums Ceded	313,333	303,333

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TY 2011 Other Deductions Schedule

Name: UNIVERSITY HEALTH SERVICES INC
EIN: 58-1581103
Software ID: 11000144
Software Version: 2011v1.2

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
Underwriting expense	1,911,811	
Total in Dollars		2,422,916
General & Administrative	511,105	
Foreign Currency Total	2,422,916	

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TY 2011 Itemized Other Liabilities Schedule

Name: UNIVERSITY HEALTH SERVICES INC

EIN: 58-1581103

Software ID: 11000144

Software Version: 2011v1.2

TY 2011 Itemized Other Liabilities Schedule

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		Unearned Premiums	94,763	30,261
		Provision for Oustanding Claims	22,563,321	20,873,554

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TY 2011 Paid-In or Capital Surplus Reconciliation Statement

Name: UNIVERSITY HEALTH SERVICES INC
EIN: 58-1581103
Software ID: 11000144
Software Version: 2011v1.2

Description	Beginning Amount	Ending Amount
Paid in Capital	9,999,000	9,999,000

UNIVERSITY HEALTH SERVICES, INC.

Consolidated Financial Statements

and Other Financial Information

For the Years Ended
December 31, 2011 and 2010

(with Independent Auditors' Report thereon)

UNIVERSITY HEALTH SERVICES, INC.

Table of Contents

Years Ended December 31, 2011 and 2010

Independent Auditors' Report

The Board of Trustees
University Health Services, Inc

We have audited the accompanying consolidated balance sheets of University Health Services, Inc (UHS) 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 UHS' management Our responsibility is to express an opinion on these consolidated financial statements based on our audits We did not audit the financial statements of Walton Way Indemnity, SPC (WWI), a wholly owned subsidiary, with total assets of approximately $33,997,000 and $35,028,000 constituting approximately 5% of consolidated total assets as of December 31, 2011 and 2010, respectively Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to data included for WWI, is based solely on the report of the other auditor

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

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of University Health Services, Inc at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Dixon Hughes Goodman LLP

Atlanta, Georgia
April 26, 2012

University Health Services, Inc.

Consolidated Balance Sheets

	December 31	
	2011	2010
Assets		
Current assets		
Cash and cash equivalents	**$ 31,127,114**	$ 40,237,012
Short-term investments	**22,152,854**	21,337,929
Patient accounts receivable, less allowances for uncollectible accounts of $21,911,370 in 2011 and $28,252,454 in 2010	**55,796,887**	63,422,064
Other receivables	**10,626,083**	12,621,427
Inventories	**6,700,122**	6,734,447
Prepaid expenses	**7,024,902**	8,785,006
Total current assets	**133,427,962**	153,137,885
Property and equipment, net	**220,389,554**	217,813,211
Other assets		
Amounts due from affiliates	**25,844,902**	9,434,404
Assets limited as to use	**30,357,114**	28,139,870
Investments	**296,189,157**	307,442,086
Other	**3,839,624**	3,898,181
Total assets	**$ 710,048,313**	$ 719,865,637

The accompanying notes are an integral part of these consolidated financial statements

University Health Services, Inc.

Consolidated Balance Sheets

	December 31	
	2011	2010
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 17,255,724**	$ 16,020,066
Accrued compensation, benefits, and withholdings	**18,888,415**	18,826,018
Other current liabilities	**2,903,969**	1,805,782
Estimated third-party payor settlements	**15,504,238**	13,343,289
Current maturities of long-term debt	**2,445,000**	2,375,000
Current portion of capital lease obligations	**1,648,180**	1,835,618
Short-term accrued postretirement cost	**2,504,540**	3,490,465
Total current liabilities	**61,150,066**	57,696,238
Long-term debt, less current maturities	**146,205,743**	148,590,982
Long-term capital lease obligations, less current portion	**3,090,530**	2,704,576
Other long-term obligations	**2,699,600**	2,856,233
Reserve for contingent losses	**22,847,297**	24,730,638
Accrued pension cost	**56,430,647**	21,826,611
Accrued postretirement benefit cost, less short-term obligation	**29,819,133**	35,342,867
Total liabilities	**322,243,016**	293,748,145
Net assets		
Unrestricted	**358,986,150**	397,263,646
Temporarily restricted	**10,018,723**	10,422,210
Permanently restricted	**18,800,424**	18,431,636
Total net assets	**387,805,297**	426,117,492
Total liabilities and net assets	**$ 710,048,313**	$ 719,865,637

The accompanying notes are an integral part of these consolidated financial statements

University Health Services, Inc.

Consolidated Statements of Operations

	Year Ended December 31	
	2011	**2010**
Unrestricted revenues and other support		
Net patient service revenues	**$ 367,759,198**	$ 395,894,502
Other operating revenues	**10,162,675**	11,501,508
Net assets released from restriction	**1,409,016**	2,437,578
Total unrestricted revenues and other support	**379,330,889**	409,833,588
Operating expenses		
Salaries and benefits	**163,315,635**	174,209,626
Other operating expenses	**154,210,109**	153,205,192
Depreciation	**27,616,690**	27,109,384
Provision for bad debts	**22,582,742**	36,199,674
Interest	**8,305,339**	8,385,957
Total operating expenses	**376,030,515**	399,109,833
Income from operations	**3,300,374**	10,723,755
Nonoperating (losses) gains		
Investment (loss) income	**(8,398,963)**	40,787,228
Change in fair value of interest rate swaps	**–**	93,754
Total nonoperating gains (losses)	**(8,398,963)**	40,880,982
(Deficiency) excess of revenues, other support, and gains over expenses and losses	**(5,098,589)**	51,604,737
Change in unfunded pension and postretirement gains	**(32,624,618)**	(12,709,488)
Other	**(635,459)**	(131,902)
Transfer from temporarily restricted net assets	**81,170**	441,876
(Decrease) increase in unrestricted net assets	**$ (38,277,496)**	$ 39,205,223

The accompanying notes are an integral part of these consolidated financial statements

University Health Services, Inc.

Consolidated Statements of Changes in Net Assets

	Year Ended December 31	
	2011	2010
Unrestricted net assets		
(Deficiency) excess of revenues, other support, and gains over expenses and losses	**$ (5,098,589)**	$ 51,604,737
Change in unfunded pension and postretirement gains	**(32,624,618)**	(12,709,488)
Other	**(635,459)**	(131,902)
Transfer from temporarily restricted net assets	**81,170**	441,876
(Decrease) increase in unrestricted net assets	**(38,277,496)**	39,205,223
Temporarily restricted net assets		
Contributions and other	**2,241,787**	1,854,696
Investment (loss) income	**(991,287)**	3,470,516
Net assets released from restriction	**(1,409,016)**	(2,437,578)
Transfer to unrestricted/permanently restricted net assets	**(244,971)**	(804,556)
(Decrease) increase in temporarily restricted net assets	**(403,487)**	2,083,078
Permanently restricted net assets		
Contributions and other	**204,987**	239,165
Transfer from unrestricted/temporarily restricted net assets	**163,801**	362,680
Increase in permanently restricted net assets	**368,788**	601,845
(Decrease) increase in net assets	**(38,312,195)**	41,890,146
Net assets at beginning of year	**426,117,492**	384,227,346
Net assets at end of year	**$ 387,805,297**	$ 426,117,492

The accompanying notes are an integral part of these consolidated financial statements

University Health Services, Inc.

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2011	2010
Operating activities		
Change in net assets	**$ (38,312,195)**	$ 41,890,146
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in unfunded pension and postretirement losses	**32,624,618**	12,709,488
Depreciation	**27,616,690**	27,109,384
Provision for bad debts	**22,582,742**	36,199,674
Change in fair value of interest rate swaps	**–**	(93,754)
Other	**(814,738)**	268,994
Changes in operating assets and liabilities		
Patient accounts receivable	**(14,957,565)**	(31,739,126)
Other receivables	**1,995,344**	899,382
Inventories	**34,325**	(274,500)
Prepaid expenses	**1,760,104**	(323,961)
Investments and assets limited as to use classified as trading	**10,665,760**	(47,803,114)
Other assets	**(17,049)**	(53,645)
Accounts payable and accrued expenses	**1,235,658**	4,275,007
Accrued compensation, benefits, and withholdings	**62,397**	2,459,016
Other current liabilities	**1,098,187**	1,927
Other long-term obligations	**690**	(23,484)
Estimated third-party payor settlements	**2,160,949**	3,621,651
Reserve for contingent losses	**(1,883,341)**	2,580,615
Accrued pension and postretirement benefit cost	**(4,530,241)**	(15,004,528)
Net cash provided by operating activities	**41,322,335**	36,699,172
Investing activities		
Purchases of property and equipment	**(27,547,241)**	(12,135,640)
Deposit in assets limited escrow account	**(2,445,000)**	–
Net cash used in investing activities	**(29,992,241)**	(12,135,640)
Financing activities		
Refinancing costs	**–**	(152,494)
Principal payments on long-term debt	**(2,375,000)**	–
Principal payments on capital lease obligations	**(1,654,494)**	(1,850,222)
Change in amounts due from affiliates	**(16,410,498)**	(3,479,072)
Net cash used in financing activities	**(20,439,992)**	(5,481,788)
Net increase (decrease) in cash and cash equivalents	**(9,109,898)**	19,081,744
Cash and cash equivalents at beginning of year	**40,237,012**	21,155,268
Cash and cash equivalents at end of year	**$ 31,127,114**	$ 40,237,012
Supplemental schedule of cash flow information		
Cash paid for interest	**$ 11,995,050**	$ 4,743,046
Noncash investing and financing activities		
Property leased under capital lease obligations	**$ 1,853,010**	$ 1,211,338

The accompanying notes are an integral part of these consolidated financial statements

1 Significant Accounting Policies

The significant accounting policies adopted by University Health Services, Inc are set forth below

Organization and Reporting Entity - The accompanying consolidated financial statements include the accounts of University Health Services, Inc (UHS), University Health Care Foundation, Inc (the Foundation), and Walton Way Indemnity, SPC (WWI), collectively known as University Hospital or UHS All significant intercompany accounts and transactions have been eliminated

UHS, which is located in Augusta, Georgia, is a not-for-profit acute care hospital UHS provides inpatient, outpatient, and emergency care services primarily for residents of the Augusta metropolitan area Admitting physicians are primarily practitioners in the local area The Foundation was established for the specific purpose of obtaining donations for UHS It is a separate legal entity whose accounts are consolidated with UHS for purposes of these consolidated financial statements WWI was established to provide professional liability insurance for UHS It is a separate legal entity whose accounts are consolidated with UHS for purposes of these consolidated financial statements

University Health, Inc (the Corporation), a not-for-profit corporation, was formed to conduct long-range health planning, public health education, and resource allocation for University Health Services, Inc and other affiliated corporations including University Extended Care, Inc (UEC), University Health Resources, Inc (UHR), University Healthcare Physicians (UHCP) and Augusta Resource Center on Aging, Inc (ARCOA) Effective December 31, 1984, Richmond County Hospital Authority (the Authority) approved the restructuring of the Hospital, whereby it was leased to University Health Services, Inc , an affiliate of University Health, Inc , for two lease terms of 30 years each expiring on February 1, 2045

Use of Estimates - The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash Equivalents - UHS considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents Deposits with banks are generally federally insured in limited amounts

Accounts Receivable - Current operations are charged with provisions for uncollectible accounts based upon experience and any unusual circumstances which affect the collectability of receivables Amounts deemed uncollectible are charged against this allowance In the opinion of management, adequate provision has been made for uncollectible accounts

Investments - Investments in other enterprises whereby UHS does not have control but does exert significant influence are accounted for under the equity method of accounting UHS has equity investments in the following enterprises

- Medical Resource Network, L L C
- Phoenix Health Care Management Services, Inc

Investments in marketable securities are measured at fair market value UHS's investment portfolio is classified as trading As such, all investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues, other support, and gains over expenses and losses

Inventories - Inventories (primarily pharmaceuticals and medical supplies) are stated at the lower of cost (first-in, first-out and average cost methods) or market

Assets Limited as to Use - Assets limited as to use consist of Foundation investments limited as to use by donors and are measured at fair value

Property and Equipment - Property and equipment are stated at cost Major renewals and betterments are charged to the property accounts while maintenance and repairs which do not improve or extend the life of the respective assets are charged to operations Upon disposal of properties, the related costs and accumulated depreciation are removed from the respective accounts Any resulting gains or losses are reflected as other operating revenue or expenses

UHS follows the policy of providing for depreciation by charging against operations amounts sufficient to amortize the cost of properties over their estimated useful lives principally using the straight-line method Principal lives used are 20 to 50 years for buildings and improvements, 5 to 20 years for fixed equipment, and 3 to 10 years for major moveable equipment Amortization of assets recorded under capital lease obligations is included in depreciation expense

Asset Retirement Obligation - A conditional asset retirement obligation is an unconditional legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity UHS recognizes a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated UHS has determined that conditional legal obligations exist for its facilities related primarily to asbestos materials UHS has recorded a liability of approximately $2,700,000 and $2,856,000 for the estimated present value for the conditional asset retirement obligation at December 31, 2011 and 2010, respectively A related amount is recorded in property and equipment of approximately $2,100 and $1,400, representing the remaining un-depreciated cost of the asset retirement obligation at December 31, 2011 and 2010, respectively

Vacation and Sick Pay - UHS accrues vacation and sick pay as earned by employees

Net Patient Service Revenue - Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as cost report years are no longer subject to such audits, reviews, and investigations The Medicare program pays prospectively determined rates for inpatient and outpatient operating and capital related services These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Revenue for services rendered under Medicare and Medicaid third-party payor programs has been recorded at estimated settlement amounts Final determination of the settlement amounts is subject to review by appropriate authorities or their agents and to the extent that ultimate settlement amounts differ from amounts previously estimated, related adjustments are reflected in the financial statements in the period of final settlement Final settlement has been reached through the fiscal year ended December 31, 2006, for Medicare services

The Medicaid program pays prospectively determined rates for inpatient operations and capital related services These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are paid on a cost reimbursement basis Final settlement has been reached through the fiscal year ended December 31, 2006, for Medicaid services

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created the Recovery Audit Contractors ("RAC") program to detect and correct improper payments in the Medicare program The RAC reviews began in late 2009 and continued in 2011 Although management believes its billing policies do not result in overpayments, the RAC reviews could materially affect the operations of UHS

Gross patient service charges under the Medicare and Medicaid programs amounted to approximately $644,000,000 and $659,000,000 for the fiscal years ended December 31, 2011 and 2010, respectively, representing approximately 60% of total gross patient service charges in both years

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation UHS believes that it is in compliance with all applicable laws and regulations UHS is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the consolidated financial statements Compliance with such laws and regulations can be subject to future government review and interpretation Non-compliance can result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs

UHS also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to UHS under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates Revenue is recognized as services are provided for these payors

(Deficiency) Excess of Revenues, Other Support, and Gains Over Expenses and Losses - The consolidated statements of operations include (deficiency) excess of revenues, other support, and gains over expenses and losses Changes in unrestricted net assets which are excluded from (deficiency) excess of revenues, other support, and gains over expenses and losses, consistent with industry practice, include changes in unfunded pension and postretirement liability, permanent transfers of assets for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Charity Care - UHS provides care to patients who meet certain criteria under its charity care policy without charge or for payments less than its established rates Payments from public assistance programs on behalf of patients who meet UHS' charity care criteria are reported as net patient service revenue Because UHS does not expect collection of amounts determined as charity care, they are not reported as revenue Gross charges forgone based on established rates for charity care services rendered were approximately $60,076,000 and $41,596,000 for the years ended December 31, 2011 and 2010, respectively The costs to provide charity services were approximately $19,224,000 and $12,333,000 for the years ended December 31, 2011 and 2010 These costs are estimated based on UHS` cost to charge ratio for each respective fiscal year

Accounting for Income Taxes - UHS and the Foundation are exempt from federal income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended Accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes UHS and the Foundation have evaluated their tax positions and determined that they do not have any material unrecognized tax benefits or obligations as of December 31, 2011 Fiscal years ended on or after December 31, 2008 remain subject to examination by federal and state tax authorities

There is presently no taxation imposed by the government of the Cayman Islands on income or premiums of WWI As a result, no tax liability or expense has been recorded

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

Pension Plan and Post-Retirement Health Care Benefits – UHS sponsors a defined benefit pension plan and a post-retirement health care plan UHS recognizes the overfunded and underfunded status of the defined benefit pension and postretirement plans in its balance sheets Changes in the funded status are recorded in the year in which the changes occurred through changes in unrestricted net assets Plan assets and benefit obligations are measured as of the date of the fiscal year-end balance sheet

Fair Value of Financial Instruments - Fair value as defined under GAAP is an exit price, representing 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 GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value These tiers include

- Level 1 Observable inputs such as quoted prices in active markets
- Level 2 Inputs other than quoted prices in active markets that are either directly or indirectly observable
- Level 3 Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions

Subsequent Events - UHS evaluated the effect subsequent events would have on the consolidated financial statements from January 1, 2012 through April 26, 2012, which is the date the consolidated financial statements were available to be issued During that period, UHS did not have any material recognizable subsequent events that would require recognition or disclosure

2 Amounts Due from Affiliates

The amounts due from affiliates of University Health Services, Inc consist of the following

	2011	2010
Due from University Extended Care, Inc	$ 128,353	$ 202,953
Due from University Health Resources, Inc	6,669,728	7,340,253
Due from University Health Care Physicians, LLC	18,128,439	1,630,996
Due from University Hospice, Inc	658,180	-
Due from University Health, Inc	260,202	260,202
	$ 25,844,902	$ 9,434,404

3 Investments

Short-term investments

The composition of short-term investments at December 31, 2011 and 2010 is set forth in the following table

	2011	2010
U S government backed securities	$ 22,152,854	$ 21,337,929

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2011 and 2010 is set forth in the following table

	2011	2010
Cash and cash equivalents	$ 5,338,321	$ 1,908,092
Common stocks	4,448,091	4,915,458
Equity mutual funds	16,520,840	17,359,981
Corporate bonds	1,772,071	1,708,833
U S government backed securities	2,277,791	2,247,506
	$ 30,357,114	$ 28,139,870

Long-Term Investments

The composition of long-term investments at December 31, 2011 and 2010 is set forth in the following table

	2011	2010
Cash and cash equivalents	$ 3,699,170	$ 4,053,146
Common stocks	41,409,922	44,613,016
Equity mutual funds	199,540,294	208,055,182
Corporate obligations	19,945,002	19,847,621
U S government backed and other securities	28,945,063	28,252,160
Other	2,649,706	2,620,961
	$ 296,189,157	$ 307,442,086

Investment income, gains, and losses for short-term investments, assets limited as to use, long-term investments, and cash and cash equivalents are comprised of the following for the years ended December 31, 2011 and 2010

	2011	2010
Interest and dividend income	$ 9,294,927	$ 9,603,109
Net realized gains (losses) on investments	1,529,649	(15,374,156)
Change in net unrealized gains (losses) on investments, trading securities	(20,214,826)	50,028,791
	$ (9,390,250)	$ 44,257,744

4 Property and Equipment

Property and equipment consist of the following

	2011	2010
Land	$ 10,580,693	$ 10,721,603
Land improvements	4,054,489	4,011,012
Buildings and improvements	245,754,076	248,286,815
Major moveable equipment	190,661,858	169,269,404
Fixed equipment	18,738,916	18,822,099
	469,790,032	451,110,933
Less accumulated depreciation	257,296,948	236,094,467
	212,493,084	215,016,466
Construction in progress	7,896,470	2,796,745
	$ 220,389,554	$ 217,813,211

Equipment under capital lease obligations is included in major movable equipment and accumulated depreciation The carrying value and related accumulated depreciation at December 31, 2011 are approximately $8,589,000 and $4,029,000 and at December 31, 2010 are approximately $8,875,000 and $4,481,000, respectively UHS has a remaining commitment of approximate $19,000,000 on software and hardware costs associated with the EPIC project

5 Long-Term Debt

Long-term debt is summarized as follows

	2011	2010
Revenue Anticipation Certificates, Series 2009	$ 150,085,000	$ 152,460,000
Less current maturities	2,445,000	2,375,000
Less Series 2009 original issue discount	1,434,257	1,494,018
Total	$ 146,205,743	$ 148,590,982

On November 24, 2009, the Authority issued $152,460,000 of tax-exempt Series 2009 revenue anticipation certificates (the 2009 Certificates) for the purpose of refunding the Series 1999, 2003, and 2008 revenue anticipation certificates, in order to refinance the costs of acquiring, constructing, and installing certain additions, improvements, and renovations to UHS The 2009 Certificates consist of both Serial and Term Certificates The 2009 Serial Certificates totaling $23,725,000 are payable annually in varying principal amounts ranging from $925,000 to $2,935,000 through 2019 and bear interest at fixed rates ranging from 3 00% to 5 00%, payable annually The 2009 Term Certificates totaling $23,280,000, $35,840,000, and $69,615,000 are due 2024, 2029, and 2036, respectively, at interest rates ranging from 5 00% to 5 50%, payable annually

The gross revenue and property of the Obligated Group are pledged as security for the outstanding 2009 Certificates The Obligated Group consists of UHS, UHI, and UEC and affiliates of these corporations The related loan agreements and master trust indenture contain certain covenants on the part of the Obligated Group, including limitations on the incurrence of additional indebtedness, transfers of assets, maintenance of certain amounts of insurance, and certain other financial covenants

Scheduled principal payments on long-term debt and mortgage obligations are as follows

	Series 2009 Certificates
2012	$ 2,445,000
2013	2,505,000
2014	2,605,000
2015	2,610,000
2016	2,715,000
Thereafter	137,205,000
	$ 150,085,000

6 Reserve for Contingent Losses

WWI, a wholly owned subsidiary of UHS, was incorporated as an exempted segregated portfolio company on August 23, 2002, under the laws of the Cayman Islands, B W I , to provide professional and general liability coverage for UHS and its sister corporations effective July 1, 2002 WWI provides prior acts professional liability coverage for UHI, UHS, UEC, UHR, and the employed physicians for claims incurred but not reported from January 1, 1992 through July 1, 2002, and for claims incurred and reported from July 1, 2002 to the end of the current policy period, September 1, 2012

For claims identified and reported through July 1, 2002, UHS is covered under claims made policies through a $10 million excess policy and a $20 million umbrella policy, both above a retention of $1,000,000 per claim and a $3,000,000 aggregate per policy year, retroactive to July 1, 1986 WWI currently insures the Corporation, UHS, and UHR for professional and general liabilities under a $25 million policy on a claims made basis WWI is directly responsible for up to $5 million per claim with a policy aggregate of $14 million The $20 million excess coverage is ceded in two tiers of $10 million each to "A" rated outside insurance providers with WWI remaining liable for $150,000 each and every claim, in the excess layer WWI provides professional and general liability coverage to UEC through a claims made policy of $2 million per claim with a $4 million annual aggregate, retroactive to January 1, 1992

The liability and expenses related to the professional and general liability risks of both UHS and UEC are based on incurred losses and expenses and expected future losses and expenses

These include the individual case reserves for identified and reported claims as well as aggregate liability for incurred but not reported losses, which are actuarially determined each year During 2011, WWI assumed responsibility for self-insured retentions (SIR's) and deductibles of the employed

physicians of owned subsidiaries whose principal liability coverage is through licensed commercial insurers The exposure of the employed physicians is included in the annual actuarial analysis prepared for the captive It is the opinion of management that adequate provision has been made for these losses and that such losses would not materially affect the consolidated financial position of UHS

UHS has in the past self-insured through SIR`s for initial workers` compensation claims ($400,000/claim in 2011) and has accrued an estimate of this liability amounting to approximately $1,478,000 at December 31, 2011 and 2010 Effective January 1, 2012 this risk was transferred to the captive in what was constructively a loss portfolio transfer of existing claims in the SIR and assumption for claims made during the policy year January 1, 2012 to January 1, 2013

7 Concentrations of Credit Risk

UHS grants credit without collateral to its patients, most of who are local residents of Augusta, Georgia, and the surrounding region and are insured under various third-party payor agreements The mix of receivables from patients and third-party payors at December 31, 2011 and 2010 was as follows

	2011	2010
Medicare	37%	34%
Medicaid	10	7
Other third-party payors	31	28
Patients	22	31
	100%	100%

8 Retirement Benefits

UHS sponsors a defined benefit pension plan and a defined benefit health care plan providing medical and dental benefits to retirees

University Health Services, Inc is the sponsor of a defined benefit pension plan covering substantially all of UHS' eligible employees hired prior to January 1, 2005 The benefits are based on years of service and the employee's average compensation for the five consecutive calendar years during the last ten years of service which produces the highest average Benefits were frozen as of December 31, 2006 UHS' funding policy is to contribute an amount at least equal to the minimum required ERISA contribution, but no less than the net periodic benefit cost

Net periodic benefit cost includes the following components

	2011	2010
Interest cost	$ 9,393,210	$ 9,408,286
Expected return on plan assets	(12,041,739)	(10,295,690)
Amortization of prior service cost	567,754	567,754
Amortization of net loss	2,650,699	2,158,548
	$ 569,924	$ 1,838,898

The actuarial assumptions used to determine net periodic benefit cost for the plan for the years ended December 31, 2011 and 2010 were as follows

	2011	2010
Discount rate	5 50%	6 00%
Expected long-term rate of return on plan assets	8 00%	8 00%

The actuarial assumptions used to determine benefit obligations for the plan as of December 31, 2011 and 2010 were as follows

	2011	2010
Discount rate	4 50%	5 50%

The following table presents a reconciliation of the beginning and ending balances of the plan's projected benefit obligation, the fair value of plan assets, and the funded status of the plan

	2011	2010
Change in benefit obligation		
Projected benefit obligation, beginning of year	$ 174,261,400	$ 159,905,440
Interest cost	9,393,210	9,408,286
Actuarial loss	29,491,618	11,203,347
Benefits paid	(7,480,640)	(6,255,673)
Projected benefit obligation, end of year	$ 205,665,588	$ 174,261,400
Change in plan assets		
Fair value of plan assets, beginning of year	$ 152,434,789	$ 127,969,688
Actual return on plan assets	780,792	15,720,774
Contributions of plan sponsor	3,500,000	15,000,000
Benefits paid	(7,480,640)	(6,255,673)
Fair value of plan assets, end of year	$ 149,234,941	$ 152,434,789
Funded status of the plan recognized in the balance sheets	$ (56,430,647)	$ (21,826,611)

The accumulated benefit obligation was $205,665,588 and $174,261,400 as of December 31, 2011 and 2010, respectively

Amounts recognized in the consolidated balance sheets at December 31 consist of

	2011	2010
Noncurrent assets	$ -	$ -
Current liabilities	-	-
Noncurrent liabilities	(56,430,647)	(21,826,611)
Net amount recognized	$ (56,430,647)	$ (21,826,611)

Amounts recognized in unrestricted net assets at December 31 consist of

	2011	2010
Net actuarial loss	$ 78,801,140	$ 40,699,274
Prior service cost	15,897,122	16,464,876
	$ 94,698,262	$ 57,164,150

The change in unrestricted net assets during the year is attributable to

	2011	2010
Amortization of prior service cost	$ (567,754)	$ (567,754)
Net (gain) loss during the year	38,101,866	3,619,715
	$ 37,534,112	$ 3,051,961

The net actuarial loss and prior service cost included in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ending December 31, 2012, are approximately $6,603,000 and $568,000, respectively

The plan's asset allocations at December 31, 2011 and 2010 as a percentage of plan assets by asset category are as follows

	2011	2010
Cash and cash equivalents	9%	6%
Fixed income securities	37	37
Equity securities	54	57
	100%	100%

The following table summarizes the plan's financial assets and liabilities accounted for at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2011

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 13,193,587	$ -	$ 13,193,587
Common stocks				
Domestic by industry				
Utilities	2,212,228	-	-	2,212,228
Materials	4,211,667	-	-	4,211,667
Information technology	8,140,108	-	-	8,140,108
Industrials	4,026,895	-	-	4,026,895
Healthcare	4,799,911	-	-	4,799,911
Financials	3,839,484	-	-	3,839,484
Consumer goods	6,514,577	-	-	6,514,577
Services	8,275,144	-	-	8,275,144
Other	397,664	-	-	397,664
Foreign	-	3,568,931	-	3,568,931
	42,417,678	3,568,931	-	45,986,609
Equity mutual funds				
Domestic				
High yield	9,526,286	-	-	9,526,286
Growth	14,128,042	-	-	14,128,042
Foreign				
Large value	10,109,306	-	-	10,109,306
Large blend	9,850,446	-	-	9,850,446
Bond	6,377,251	-	-	6,377,251
	49,991,331	-	-	49,991,331
Fixed income				
Corporate bonds – foreign	-	9,621,635	-	9,621,635
U S government backed securities				
Mortgage backed securities				
Residential	-	8,083,439	-	8,083,439
Commercial	-	1,648,107	-	1,648,107
Federal agency	1,968,322	-	-	1,968,322
U S treasury notes	11,808,373	-	-	11,808,373
Other	-	6,969,398	-	6,969,398
	13,776,695	26,322,579	-	40,099,274
Total assets at fair value	$ 106,185,704	$ 43,085,097	$ -	$ 149,270,801
Liabilities at fair value	$ -	$ 35,860	$ -	$ 35,860

The following table summarizes the plan's financial assets and liabilities accounted for at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2010

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 10,122,768	$ -	$ 10,122,768
Common stocks				
Domestic by industry				
Utilities	2,232,650	-	-	2,232,650
Materials	4,529,115	-	-	4,529,115
Information technology	7,730,712	-	-	7,730,712
Industrials	3,584,648	-	-	3,584,648
Healthcare	5,312,691	-	-	5,312,691
Financials	4,660,381	-	-	4,660,381
Consumer goods	7,017,440	-	-	7,017,440
Services	7,290,582	-	-	7,290,582
Other	440,504	-	-	440,504
Foreign	-	4,212,247	-	4,212,247
	42,798,723	4,212,247	-	47,010,970
Equity mutual funds				
Domestic				
High yield	-	10,169,747	-	10,169,747
Growth	-	16,414,466	-	16,414,466
Foreign				
Large value	-	11,066,181	-	11,066,181
Large blend	-	11,697,687	-	11,697,687
Bond	-	7,057,296	-	7,057,296
	-	56,405,377	-	56,405,377
Fixed income				
Corporate bonds – foreign	-	7,352,661	-	7,352,661
U S government backed securities				
Mortgage backed securities				
Residential	-	12,774,811	-	12,774,811
Commercial	-	2,168,039	-	2,168,039
Federal agency	2,543,660	-	-	2,543,660
U S treasury notes	10,119,200	-	-	10,119,200
Other	-	2,525,474	1,535,268	4,060,742
	12,662,860	24,820,985	1,535,268	39,019,113
Total assets at fair value	$ 55,461,583	$ 95,561,377	$ 1,535,268	$ 152,558,228
Liabilities at fair value	$ -	$ 123,439	$ -	$ 123,439

The investment policy, as established by the Pension Committee, is to provide for growth of capital by investing in a balanced portfolio The equity allocation target is a maximum of 55% The actual asset allocation of total plan assets, as well as the performance of individual managers, is reviewed by the Pension Committee on a quarterly basis

The plan's long-term rate of return assumption of 7 5% is based on expectations regarding each asset category and average long-term rate of returns for a portfolio allocated across these categories

Expected employer contributions for the year ending December 31, 2012, are approximately $10,000,000

Based on current data and assumptions, the following benefit payments are expected to be paid over the next ten years

Year ending:	
2012	$ 8,275,042
2013	8,670,528
2014	9,031,170
2015	9,435,450
2016	9,920,327
2017-2021	57,508,774

The measurement dates used are December 31, 2011 and 2010

In addition to UHS' defined benefit pension plan, UHS sponsors a defined benefit health care plan that provides postretirement medical and dental benefits to full-time employees hired prior to January 1, 2005, who have worked ten years and attained age 55 while in service with UHS Effective January 1, 2011, the plan requires the employee to work twenty years and attain the age of 60 Effective January 1, 2010, the plan no longer provides a dental supplement to the participants The plan is contributory with retiree contributions adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance The accounting for the plan anticipates future cost-sharing changes to the plan that are consistent with UHS' expressed intent to increase the retiree contribution rate annually for the expected increases in the health trend rates UHS' policy is to fund benefits as they are actually submitted for payment by plan participants, rather than build a segregated reserve to finance future benefit payments

Net periodic postretirement benefit cost includes the following components

	2011	2010
Service cost	$ 619,795	$ 614,900
Interest cost	2,039,845	1,775,171
Amortization of prior service cost	(2,990,790)	(2,990,790)
Amortization of actuarial loss	2,221,450	1,665,768
	$ 1,890,300	$ 1,065,049

The following table presents a reconciliation of the beginning and ending balances of the plan's accumulated postretirement benefit obligation, and the funded status of the plan

	2011	2010
Change in benefit obligation		
Accumulated postretirement benefit obligation, beginning of year	$ 38,833,332	$ 31,019,231
Service cost	619,795	614,900
Interest cost	2,039,845	1,775,171
Actuarial (gain) loss	(5,678,834)	8,332,505
Net claims paid	(3,490,465)	(2,908,475)
Accumulated postretirement benefit obligation, end of year	$ 32,323,673	$ 38,833,332
Plan assets, end of year	$ -	$ -
Funded status of the plan recognized in the balance sheets	$ (32,323,673)	$ (38,833,332)

Amounts recognized in the consolidated balance sheets at December 31 consist of

	2011	2010
Noncurrent assets	$ -	$ -
Current liabilities	(2,504,540)	(3,490,465)
Noncurrent liabilities	(29,819,133)	(35,342,867)
Net amount recognized	$ (32,323,673)	$ (38,833,332)

Amounts recognized in unrestricted net assets at December 31 consist of

	2011	2010
Net actuarial loss	$ (22,907,020)	$ (30,807,304)
Prior service cost	14,451,344	17,442,134
Accumulated contributions in excess of net periodic benefit cost	(23,867,997)	(25,468,162)
	$ (32,323,673)	$ (38,833,332)

The change in unrestricted net assets during the year is attributable to

	2011	2010
Amortization of prior service credit (cost)	$ 2,990,790	$ 2,990,790
Amortization of gain (loss)	(2,221,450)	(1,665,768)
Net loss during the year	(5,678,834)	8,332,505
	$ (4,909,494)	$ 9,657,527

The net actuarial loss, prior service cost and transition obligation included in unrestricted net assets and expected to be recognized in net periodic postretirement benefit cost during the fiscal year ending December 31, 2012, are ($1,744,207), $2,990,790, and $0, respectively

The discount rates used to determine net periodic postretirement benefit cost for the plan for the years ended December 31, 2011 and 2010 were as follows

	2011	2010
Discount rate	5 50%	6 00%

The discount rate used to determine benefit obligations for the plan as of December 31, 2011 and 2010 were as follows

	2011	2010
Discount rate	4 50%	5 50%

The initial and health care trend rates for determining benefit obligations at year-end are shown below The initial rate decreases gradually to the ultimate trend rate

	2011	2010
Medical benefits		
Initial trend rate	8 00%	8 30%
Ultimate trend rate	4 50%	4 50%
Year ultimate rate reached	2029	2029

The health care cost trend rate assumption has a significant effect on the amounts reported For example, increasing the assumed health care cost trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 2011 by approximately $4,201,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost by approximately $357,000 for 2011 A one percentage point decrease in each year would decrease the accumulated postretirement benefit obligation as of December 31, 2011, by approximately $3,434,000 and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost by approximately $292,000 for 2011

Based on current data and assumptions, the following benefit payments are expected to be paid over the next ten years

Year ending:

2012	$ 2,504,540
2013	2,321,195
2014	2,211,478
2015	2,069,629
2016	2,027,826
2017-2021	9,186,544

The measurement dates used are December 31, 2011 and 2010

9 **Endowment Funds**

UHS has 125 donor restricted endowment funds and 70 other donor restricted funds established for a variety of purposes As required by GAAP, net assets associated with endowment funds, and other donor restricted funds, are classified and reported based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law – The State Prudent Management of Institutional Funds Act (SPMIFA) requires 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 such, UHS classifies donor restricted endowment funds as permanently restricted net assets (a) at the original value of gifts donated to the permanent endowment, (b) at the original value of subsequent gifts to the permanent endowment, and (c) through 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 in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA

In accordance with SPMIFA, UHS 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 UHS 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 the organization
7) The investment policies of the organization

The composition of donor restricted endowment funds and other donor restricted funds by type and restriction as of December 31, 2011 is summarized as follows

	Temporarily Restricted	Permanently Restricted	Total Funds
Donor restricted endowment funds	$ 4,770,867	$ 18,800,424	$ 23,571,291
Other donor restricted funds	5,247,856	-	5,247,856
Total donor restricted funds	$ 10,018,723	$ 18,800,424	$ 28,819,147

The composition of donor restricted endowment funds and other donor restricted funds by type and restriction as of December 31, 2010 is summarized as follows

	Temporarily Restricted	Permanently Restricted	Total Funds
Donor restricted endowment funds	$ 6,184,723	$ 18,431,636	$ 24,616,359
Other donor restricted funds	4,237,487	-	4,237,487
Total donor restricted funds	$ 10,422,210	$ 18,431,636	$ 28,853,846

The changes in donor restricted funds for the year ended December 31, 2011 is summarized as follows

	Temporarily Restricted	Permanently Restricted	Total Funds
Donor restricted funds, beginning of year	$ 10,422,210	$ 18,431,636	$ 28,853,846
Investment return			
Investment income	779,995	-	779,995
Net (depreciation) appreciation (realized and unrealized)	(1,771,281)	-	(1,771,281)
Total investment return	(991,286)	-	(991,286)
New gifts	2,241,786	204,987	2,446,773
Appropriation of endowment assets for expenditure	(1,409,016)	-	(1,409,016)
Transfers	(244,971)	163,801	(81,170)
Donor restricted funds, end of year	$ 10,018,723	$ 18,800,424	$ 28,819,147

The changes in donor restricted funds for the year ended December 31, 2010 is summarized as follows

	Temporarily Restricted	Permanently Restricted	Total Funds
Donor restricted funds, beginning of year	$ 8,339,132	$ 17,829,791	$ 26,168,923
Investment return			
Investment income	767,852	-	767,852
Net appreciation (realized and unrealized)	2,702,664	-	2,702,664
Total investment return	3,470,516	-	3,470,516
New gifts	1,854,696	239,165	2,093,861
Appropriation of endowment assets for expenditure	(2,437,578)	-	(2,437,578)
Transfers	(804,556)	362,680	(441,876)
Donor restricted funds, end of year	$ 10,422,210	$ 18,431,636	$ 28,853,846

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires UHS to retain as a fund of perpetual duration There were no significant deficiencies as of December 31, 2011 and 2010

Return Objectives and Risk Parameters – UHS 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 the organization must hold in perpetuity or for a donor-specified period(s) UHS expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually Actual returns in any given year may vary from this amount

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, UHS 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) UHS 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 – During 2009, UHS adopted a policy of appropriating for distribution each year 4 percent of its endowment fund's three year moving average as of September 30 preceding the fiscal year in which the distribution is planned In establishing this policy, UHS considered the long-term expected return on its endowment Accordingly, over the long term, UHS expects the current spending policy to allow its endowment to grow at an average of 4 percent annually This is consistent with UHS' 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

10 Leases

UHS leases office space and equipment from various parties Future minimum payments, by year and in the aggregate, at December 31, 2011, are as follows

	Capital Leases	Operating Leases
2012	$ 1,846,775	$ 2,091,523
2013	1,459,223	1,803,323
2014	1,005,178	1,422,502
2015	808,504	1,137,726
2016	25,002	997,430
Thereafter	-	706,612
Total minimum lease payments	5,144,682	$ 8,159,116
Amounts representing interest	405,972	
Present value of net minimum lease payments (including current portion of $1,648,180)	$ 4,738,710	

Rental expense incurred for 2011 and 2010 amounted to approximately $2,844,000 and $2,929,000, respectively

11 Functional Expenses

UHS provides inpatient, outpatient, and emergency care services primarily for residents of the Augusta, Georgia, area Expenses related to providing these services for the years ended December 31, 2011 and 2010, are

	2011	2010
Patient care services	$ 354,990,367	$ 366,004,177
General and administrative	21,040,148	33,105,656
Total operating expenses	$ 376,030,515	$ 399,109,833

12 Fair Values of Financial Instruments

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement UHS' assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy Level 1 investments include common stocks and certain equity mutual funds

Level 2 investment securities include money market funds, corporate bonds, U S government backed securities, mortgage-backed securities, certain equity mutual funds, non-publicly traded common stocks, and interest rate swap agreements for which quoted prices are not available in active markets for identical instruments UHS utilizes a third party pricing service to determine the fair value of each of these investment securities Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics

The following table summarizes UHS' assets accounted for at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2011

Short-term investments

	Level 1	Level 2	Level 3	Total
Fixed income				
U S government backed securities				
Mortgage backed securities	$ -	$ 2,819,562	$ -	$ 2,819,562
Municipal bonds	-	-	-	-
Government agency	-	5,000,120	-	5,000,120
Federal farm credit bank	-	-	-	-
U S treasury notes	-	14,333,172	-	14,333,172
Other asset backed securities	-	-	-	-
Total short-term investments	$ -	$ 22,152,854	$ -	$ 22,152,854

Assets limited as to use

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 2,893,321	$ -	$ 2,893,321
Common stocks	2,002,898	2,445,192	-	4,448,091
Equity mutual funds	10,165,388	6,355,451	-	16,520,840
Fixed income				
Corporate bonds	-	1,772,071	-	1,772,071
U S government backed and other securities	-	2,277,791	-	2,277,791
Total assets limited as to use	$ 12,168,288	$ 15,743,826	$ -	$ 27,912,114
Cash deposits included in assets limited as to use not considered a financial instrument				$ 2,445,000

Long-term investments

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 3,699,170	$ -	$ 3,699,170
Common stocks				
Publicly traded by industry				
Utilities	413,817	-	-	413,817
Materials	1,876,907	21,401	-	1,898,308
Information technology	4,549,388	-	-	4,549,388
Industrials	4,954,907	-	-	4,954,907
Healthcare	2,873,309	-	-	2,873,309
Financials	2,388,813	-	-	2,388,813
Energy	1,562,637	-	-	1,562,637
Consumer staples	252,732	-	-	252,732
Consumer discretionary	3,791,536	-	-	3,791,536
Other industries	2,787,757	-	-	2,787,757
Non publicly traded common stocks	-	15,936,718	-	15,936,718
	25,451,803	15,958,119	-	41,409,922
Equity mutual funds				
Domestic				
Value	15,404,905	26,291,258	-	41,696,163
Growth	15,561,436	17,031,361	-	32,592,797
Large capital	-	16,586,808	-	16,586,808
Small capital	15,308,084	-	-	15,308,084
Total return	13,853,397	-	-	13,853,397
Real estate	4,740,475	-	-	4,740,475
Commodity	-	5,663,224	-	5,663,224
Short Duration	1,636,752	-	-	1,636,752
Income	4,615,871	82,045	-	4,697,916
Credit	2,480,703	-	-	2,480,703
Muni	969,436	-	-	969,436
Mortgage	1,177,731	-	-	1,177,731
Government	941,304	-	-	941,304
Core	362,532	-	-	362,532
Other	4,902,031	-	-	4,902,031
Foreign				
Bond	15,281,214	4,709,024	-	19,990,238
Real Estate	6,905,383	-	-	6,905,383
Value	24,175,968	-	-	24,175,968
Other equity securities	859,352	-	-	859,352
	129,176,574	70,363,720	-	199,540,294

	Level 1	Level 2	Level 3	Total
Fixed income				
Corporate bonds – domestic	$ -	$ 14,913,119	$ -	$ 14,913,119
Corporate bonds – foreign	-	5,031,883	-	5,031,883
U S government backed securities				
Mortgage backed securities				
Residential	-	18,929,561	-	18,929,561
Commercial	-	120,908	-	120,908
Municipal bonds	-	541,835	-	541,835
U S government issues	-	2,279,642	-	2,279,642
Other asset backed securities	-	7,073,117	-	7,073,117
	-	48,890,065	-	48,890,065
Non-trading investments	1,484,628	896,842	-	2,381,470
Total fair value of long-term investments	$ 156,113,005	$ 139,807,916	$ -	$ 295,920,921
Cost and equity investments, not considered financial instruments				$ 268,236

The following table summarizes UHS' assets accounted for at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2010

Short-term investments

	Level 1	Level 2	Level 3	Total
Fixed income				
U S government backed securities				
Mortgage backed securities	$ -	$ 297,071	$ -	$ 297,071
Municipal bonds	-	4,295,021	-	4,295,021
Government agency	-	2,778,485	-	2,778,485
Federal farm credit bank	-	1,375,461	-	1,375,461
U S treasury notes	-	12,560,803	-	12,560,803
Other asset backed securities	-	31,088	-	31,088
Total short-term investments	$ -	$ 21,337,929	$ -	$ 21,337,929

Assets limited as to use

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 1,908,092	$ -	$ 1,908,092
Common stocks	2,284,147	2,631,311	-	4,915,458
Equity mutual funds	8,308,981	9,051,000	-	17,359,981
Fixed income				
Corporate bonds	-	1,708,833	-	1,708,833
U S government backed and other securities	-	2,247,506	-	2,247,506
Total assets limited as to use	$ 10,593,128	$ 17,546,742	$ -	$ 28,139,870

Long-term investments

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market funds	$ -	$ 4,053,146	$ -	$ 4,053,146
Common stocks				
Publicly traded by industry				
Utilities	436,332	-	-	436,332
Materials	2,042,825	22,417	-	2,065,242
Information technology	5,272,806	-	-	5,272,806
Industrials	4,107,158	-	-	4,107,158
Healthcare	3,518,495	-	-	3,518,495
Financials	2,111,719	-	-	2,111,719
Energy	1,736,829	-	-	1,736,829
Consumer staples	774,708	-	-	774,708
Consumer discretionary	3,687,926	-	-	3,687,926
Other industries	5,040,617	-	-	5,040,617
Non publicly traded common stocks	-	15,861,184	-	15,861,184
	28,729,415	15,883,601	-	44,613,016
Equity mutual funds				
Domestic				
Value	30,180,857	21,167,960	-	51,348,817
Growth	15,303,579	21,052,342	-	36,355,921
Large capital	-	16,149,118	-	16,149,118
Small capital	15,912,835	-	-	15,912,835
Total return	13,395,886	-	-	13,395,886
Real estate	7,277,654	-	-	7,277,654
Commodity	-	6,545,497	-	6,545,497
Total return	4,446,952	-	-	4,446,952
Income	3,304,041	361,778	-	3,665,819
Credit	1,977,977	-	-	1,977,977
Other	5,628,395	-	-	5,628,395
Foreign				
Global equity	-	15,107,403	-	15,107,403
Foreign growth equity	-	14,535,629	-	14,535,629
Foreign bond	-	8,627,166	-	8,627,166
Foreign equity	5,645,927	-	-	5,645,927
Other equity securities	1,434,186	-	-	1,434,186
	104,508,289	103,546,893	-	208,055,182

	Level 1	Level 2	Level 3	Total
Fixed income				
Corporate bonds – domestic	$ -	$ 16,208,734	$ -	$ 16,208,734
Corporate bonds – foreign	-	3,638,887	-	3,638,887
U S government backed securities				
Mortgage backed securities				
Residential	-	18,990,258	-	18,990,258
Commercial	-	2,110,817	-	2,110,817
Municipal bonds	-	527,481	-	527,481
Other asset backed securities	-	6,623,604	-	6,623,604
	-	48,099,781	-	48,099,781
Non-trading investments	1,322,687	936,366	-	2,259,053
Total fair value of long-term investments	$ 134,560,391	$ 172,519,787	$ -	$ 307,080,178
Cost and equity investments, not considered financial instruments				$ 361,908

The carrying value of cash, accounts receivable and accounts payable are reasonable estimates of their fair value due to the short-term nature of these financial instruments Fair values of UHS' revenue certificates are based on currently traded values The fair value approximated the carrying amount of long-term debt at December 31, 2011 and 2010

Supplemental Information

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report on Supplemental Information

The Board of Trustees
University Health Services, Inc

We have audited the consolidated financial statements of University Health Services, Inc as of and for the year ended December 31, 2011, and have issued our separate report thereon dated April 26, 2012, which contained an unqualified opinion on the consolidated financial statements Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating information in the accompanying schedules is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual affiliates and is not a required part of the 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

Dixon Hughes Goodman LLP

Atlanta, Georgia
April 26, 2012

University Health Services, Inc.

Consolidating Balance Sheet Information

December 31, 2011

	University Health Services, Inc.	University Health Care Foundation Inc.	Walton Way Indemnity, SPC	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 29,407,190	$ 107,445	$ 1,612,479	$ –	$ 31,127,114
Short-term investments	–	–	22,152,854	–	22,152,854
Patient accounts receivable, net	55,796,887	–	–	–	55,796,887
Other receivables	4,811,021	982,753	4,862,290	(29,981)	10,626,083
Inventories	6,700,122	–	–	–	6,700,122
Prepaid expenses	6,940,694	5,125	79,083	–	7,024,902
Total current assets	103,655,914	1,095,323	28,706,706	(29,981)	133,427,962
Property and equipment, net	219,988,630	400,924	–	–	220,389,554
Other assets					
Amounts due from affiliates	25,844,902	–	–	–	25,844,902
Assets limited as to use	2,445,000	27,912,114	–	–	30,357,114
Investments	290,898,368	–	5,290,789	–	296,189,157
Other	3,719,769	119,855	–	–	3,839,624
Total assets	$ 646,552,583	$ 29,528,216	$ 33,997,495	$ (29,981)	$ 710,048,313

See accompanying Independent Auditor's Report on Supplemental Information

University Health Services, Inc.

Consolidating Balance Sheet Information (continued)

December 31, 2011

	University Health Services, Inc.	University Health Care Foundation Inc.	Walton Way Indemnity, SPC	Eliminations	Consolidated
Liabilities and net assets					
Current liabilities					
Accounts payable and accrued expenses	$ 16,936,849	$ 78,811	$ 270,045	$ (29,981)	$ 17,255,724
Accrued compensation, benefits and withholdings	18,888,415	–	–	–	18,888,415
Other current liabilities	2,873,708	–	30,261	–	2,903,969
Estimated third-party payor settlements	15,504,238	–	–	–	15,504,238
Current maturities of long-term debt	2,445,000	–	–	–	2,445,000
Current portion of capital lease obligations	1,648,180	–	–	–	1,648,180
Short-term accrued postretirement cost	2,504,540	–	–	–	2,504,540
Total current liabilities	60,800,930	78,811	300,306	(29,981)	61,150,066
Long-term debt, less current maturities	146,205,743	–	–	–	146,205,743
Long-term capital lease obligations, less current portion	3,090,530	–	–	–	3,090,530
Other long-term liabilities	2,699,600	–	–	–	2,699,600
Reserve for contingent losses	1,577,919	395,825	20,873,553	–	22,847,297
Accrued pension cost	56,430,647	–	–	–	56,430,647
Accrued postretirement benefit cost, less short-term obligation	29,819,133	–	–	–	29,819,133
Total liabilities	300,624,502	474,636	21,173,859	(29,981)	322,243,016
Net assets					
Unrestricted	345,893,081	269,433	12,823,636	–	358,986,150
Temporarily restricted	–	10,018,723	–	–	10,018,723
Permanently restricted	35,000	18,765,424	–	–	18,800,424
Total net assets	345,928,081	29,053,580	12,823,636	–	387,805,297
Total liabilities and net assets	$ 646,552,583	$ 29,528,216	$ 33,997,495	$ (29,981)	$ 710,048,313

See accompanying Independent Auditor's Report on Supplemental Information

University Health Services, Inc.

Consolidating Statement of Operations Information

Year Ended December 31, 2011

	University Health Services, Inc.	University Health Care Foundation Inc.	Walton Way Indemnity, SPC	Eliminations	Consolidated
Unrestricted revenues and other support					
Net patient service revenues	$ 367,759,198	$ –	$ –	$ –	$ 367,759,198
Other operating revenues	10,045,379	62,298	767,252	(712,254)	10,162,675
Net assets released from restriction	–	1,409,016	–	–	1,409,016
Total unrestricted revenues and other support	377,804,577	1,471,314	767,252	(712,254)	379,330,889
Operating expenses					
Salaries and benefits	162,720,596	611,138	–	(16,099)	163,315,635
Other operating expenses	151,089,242	1,394,105	2,422,917	(696,155)	154,210,109
Depreciation	27,581,460	35,230	–	–	27,616,690
Provision for bad debts	22,582,742	–	–	–	22,582,742
Interest	8,305,339	–	–	–	8,305,339
Total operating expenses	372,279,379	2,040,473	2,422,917	(712,254)	376,030,515
Income (loss) from operations	5,525,198	(569,159)	(1,655,665)	–	3,300,374
Nonoperating (losses) gains					
Investment (loss) income	(10,628,279)	–	2,229,316	–	(8,398,963)
Change in fair value of interest rate swap	–	–	–	–	–
Total nonoperating (losses) gains	(10,628,279)	–	2,229,316	–	(8,398,963)
(Deficiency) excess of revenues, other support, and gains over expenses and losses	(5,103,081)	(569,159)	573,651	–	(5,098,589)
Change in unfunded pension and postretirement gains	(32,624,618)	–	–	–	(32,624,618)
Other	(635,459)	–	–	–	(635,459)
Transfer (to) from affiliate	(710,949)	710,949	–	–	–
Transfer from temporarily restricted net assets	–	81,170	–	–	81,170
(Decrease) increase in unrestricted net assets	$ (39,074,107)	$ 222,960	$ 573,651	$ –	$ (38,277,496)

See accompanying Independent Auditor's Report on Supplemental Information

University Health Services, Inc.

Consolidating Statement of Changes in Net Assets Information

Year Ended December 31, 2011

	University Health Services, Inc.	University Health Care Foundation Inc.	Walton Way Indemnity, SPC	Eliminations	Consolidated
Unrestricted net assets					
(Deficiency) excess of revenues, other support, and gains over expenses and losses	$ (5,103,081)	$ (569,159)	$ 573,651	$ –	$ (5,098,589)
Change in unfunded pension and postretirement gains	(32,624,618)	–	–	–	(32,624,618)
Other	(635,459)	–	–	–	(635,459)
Transfer (to) from affiliate	(710,949)	710,949	–	–	–
Transfer from temporarily restricted net assets	–	81,170	–	–	81,170
(Decrease) increase in unrestricted net assets	(39,074,107)	222,960	573,651	–	(38,277,496)
Temporarily restricted net assets					
Contributions and other	–	2,241,787	–	–	2,241,787
Investment loss	–	(991,287)	–	–	(991,287)
Net assets released from restriction	–	(1,409,016)	–	–	(1,409,016)
Transfer from unrestricted/restricted net assets	–	(244,971)	–	–	(244,971)
Decrease in temporarily restricted net assets	–	(403,487)	–	–	(403,487)
Permanently restricted net assets					
Contributions and other	–	204,987	–	–	204,987
Transfer from temporarily restricted net assets	–	163,801	–	–	163,801
Increase in permanently restricted assets	–	368,788	–	–	368,788
(Decrease) increase in net assets	(39,074,107)	188,261	573,651	–	(38,312,195)
Net assets, beginning of year	385,002,188	28,865,319	12,249,985	–	426,117,492
Net assets, end of year	$ 345,928,081	$ 29,053,580	$ 12,823,636	$ –	$ 387,805,297

See accompanying Independent Auditor's Report on Supplemental Information