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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
CONWAY REGIONAL MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2302 COLLEGE AVENUE

City or town, state or country, and ZIP + 4
CONWAY, AR 72034

D Employer identification number
71-0249735

E Telephone number
(501) 329-3831

G Gross receipts $ 144,755,117

F Name and address of principal officer
JIM LAMBERT
2302 COLLEGE AVENUE
CONWAY,AR 72034

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 CONWAYREGIONAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1938 | **M** State of legal domicile AR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVISION OF INPATIENT, OUTPATIENT, GERIATRIC, PSYCHIATRIC, CARDIAC, EMERGENCY CARE AND OTHER PATIENT CARE SERVICES TO PATIENTS IN CONWAY AND SURROUNDING AREAS IN CENTRAL ARKANSAS

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,515
6	Total number of volunteers (estimate if necessary)	**6**	110
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	415,878
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-477,989

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	376,869	353,785
9	Program service revenue (Part VIII, line 2g)	137,926,971	135,385,824
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,089,794	1,570,435
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,766,370	6,235,619
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	146,160,004	143,545,663
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	54,578,610	57,557,738
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	81,519,147	78,901,116
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	136,097,757	136,458,854
19	Revenue less expenses Subtract line 18 from line 12	10,062,247	7,086,809

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	137,193,356	143,879,907
21	Total liabilities (Part X, line 26)	47,573,526	48,068,671
22	Net assets or fund balances Subtract line 21 from line 20	89,619,830	95,811,236

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

****** | 2012-11-05
Signature of officer | Date

STEVE ROSE CFO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ BKD LLP
PO BOX 3667
LITTLE ROCK, AR 722033667

EIN ▶

Phone no ▶ (501) 372-1040

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

CONWAY REGIONAL HEALTH SYSTEM IS ACCOUNTABLE TO THE COMMUNITY TO PROVIDE HIGH-QUALITY AND COMPASSIONATE HEALTH CARE SERVICES

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 $ 109,266,289 including grants of $) (Revenue $ 141,112,005)

CONWAY REGIONAL MEDICAL CENTER PROVIDES COMPREHENSIVE HEALTHCARE SERVICES TO INDIVIDUALS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, OR ABILITY TO PAY IN KEEPING WITH ITS MISSION, THE MEDICAL CENTER PROVIDES FREE AND DISCOUNTED CARE TO PATIENTS MEETING ITS CHARITY CARE POLICY

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** ▶ $ 109,266,289

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		
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	Yes	
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	58		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,515			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	10		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7		
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		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

KAREN DAYER CONTROLLER
2302 COLLEGE AVE
CONWAY, AR 72034
(501) 513-5451

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CORNELL MALTBIA DIRECTOR	1 0	X						0	0	198
(2) ROBERT MCCARRON MD DIRECTOR	1 0	X						0	0	258
(3) BART THRONEBERRY MD DIRECTOR	1 0	X						0	0	198
(4) BARBARA WILLIAMS DIRECTOR	1 0	X						0	0	132
(5) JAMES LAMBERT PRESIDENT/CEO	40 0	X		X				377,011	0	35,372
(6) MARK FERGUSON DIRECTOR	1 0	X						0	0	258
(7) ROBERT MCCORMACK DIRECTOR	1 0	X						0	0	242
(8) BOB GANT CHAIRMAN	1 0	X		X				0	0	182
(9) JACK ENGELKES VICE CHAIRMAN	1 0	X		X				0	0	198
(10) JERRY ADAMS DIRECTOR	1 0	X						0	0	182
(11) STEVEN ROSE VP FINANCIAL SERVICES/CFO	40 0			X				175,262	0	26,173
(12) ALAN FINLEY COO	40 0			X				146,062	0	23,091
(13) JACQUELYN WILKERSON VP NURSING SERVICES/CNO	40 0			X				131,065	0	9,788
(14) GREG KENDRICK MD PHYSICIAN	40 0					X		263,405	0	24,255
(15) STEPHEN LONG MD PHYSICIAN	40 0					X		242,228	0	25,805
(16) DENNIS WOODHALL MD PHYSICIAN	40 0					X		542,750	0	12,732
(17) MAZIN SHACKOUR MD PHYSICIAN	40 0					X		339,652	0	7,805

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) LAURA MASSEY MD PHYSICIAN	40 0					X		293,388	0	21,182
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								2,510,823	0	188,051

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 ▶ 32

			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
CONWAY REGIONAL SURGERY MANAGEMENT	MANAGEMENT	3,674,716
THERAPY REHAB SOLUTIONS INC	THERAPY	3,782,586
CONWAY EMERGENCY PHYSICIANS PA	PHYSICIAN COVERAGE	3,364,615
NABHOLZ CONSTRUCTION CORP	CONSTRUCTION	11,936,316
ACCRETIVE HEALTH INC	MANAGEMENT	3,150,237

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 ▶ 29

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	55,156			
	e	Government grants (contributions)	1e	223,819			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	74,810			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		353,785			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	621110	128,686,168	128,686,168	0	0
	b	REFERENCE LAB	621610	6,415,266	5,999,388	415,878	0
	c	MEDICAL OFFICE BUILDING SPACE RENTAL INCOME	621110	284,390	284,390		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		135,385,824			
	3	Investment income (including dividends, interest and other similar amounts)		1,311,665	0	0	1,311,665
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	93,560				
	b	Less rental expenses					
	c	Rental income or (loss)	93,560				
	d	Net rental income or (loss)		93,560	0	0	93,560
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	1,467,884	340			
	b	Less cost or other basis and sales expenses	1,209,454				
	c	Gain or (loss)	258,430	340			
	d	Net gain or (loss)		258,770	0	0	258,770
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	HEALTH/FITNESS CENTER	900099	2,302,623	2,302,623		
	b	CAFETERIA SALES	900099	1,142,474	1,142,474		
	c	MANAGEMENT SERVICES	900099	409,706	409,706		
	d	All other revenue		2,287,256	2,287,256		
	e	**Total.** Add lines 11a–11d		6,142,059			
	12	**Total revenue.** See Instructions		143,545,663	141,112,005	415,878	1,663,995

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	0			
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	953,509	0	953,509	
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	46,221,886	36,273,761	9,948,125	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,440,000	1,130,075	309,925	
9	Other employee benefits	5,648,181	4,432,549	1,215,632	
10	Payroll taxes	3,294,162	2,585,175	708,987	
11	Fees for services (non-employees)				
a	Management	3,700,456	2,904,024	796,432	
b	Legal	48,332	37,930	10,402	
c	Accounting	266,232	208,932	57,300	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	253,734	199,124	54,610	
g	Other	17,192,474	13,492,217	3,700,257	
12	Advertising and promotion	794,453	623,467	170,986	
13	Office expenses	1,011,757	794,001	217,756	
14	Information technology	0			
15	Royalties . .	0			
16	Occupancy	3,822,396	2,999,719	822,677	
17	Travel	380,258	298,417	81,841	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	1,027,980	806,733	221,247	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	6,614,222	5,190,673	1,423,549	
23	Insurance	836,612	656,552	180,060	
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	PHARMACEUTICALS & MED SUPPLIES	23,660,746	18,568,352	5,092,394	0
b	PROVISION FOR BAD DEBTS	13,591,045	13,591,045	0	0
c	COLLECTION EXPENSE	736,648	578,103	158,545	0
d	REPAIRS & MAINTENANCE	588,179	461,588	126,591	0
e					
f	All other expenses	4,375,592	3,433,852	941,740	
25	**Total functional expenses.** Add lines 1 through 24f	136,458,854	109,266,289	27,192,565	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		26,110	1	342,296
	2	Savings and temporary cash investments		29,948,567	2	15,933,184
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		12,053,943	4	15,112,638
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	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		0	6	0
	7	Notes and loans receivable, net		582,579	7	0
	8	Inventories for sale or use		1,957,450	8	2,138,151
	9	Prepaid expenses and deferred charges		848,073	9	829,243
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 148,237,863			
	b	Less accumulated depreciation	10b 93,841,475	37,133,105	10c	54,396,388
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		39,887,439	13	39,843,787
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		14,756,090	15	15,284,220
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		137,193,356	16	143,879,907
Liabilities	17	Accounts payable and accrued expenses		11,586,319	17	13,520,499
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		28,029,465	20	26,996,736
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		3,935,020	23	4,675,721
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		4,022,722	25	2,875,715
	26	**Total liabilities.** Add lines 17 through 25		47,573,526	26	48,068,671
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		89,619,830	27	95,811,236
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		89,619,830	33	95,811,236
	34	Total liabilities and net assets/fund balances		137,193,356	34	143,879,907

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	143,545,663
2	Total expenses (must equal Part IX, column (A), line 25)	2	136,458,854
3	Revenue less expenses Subtract line 2 from line 1	3	7,086,809
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	89,619,830
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-895,403
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	95,811,236

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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

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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
CONWAY REGIONAL MEDICAL CENTER INC	71-0249735

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		15,926
j	Total lines 1c through 1i			15,926
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
OTHER LOBBYING ACTIVITIES	FORM 990, SCHEDULE C, PART II-B, LINE 1I	THIS AMOUNT REPRESENTS 24 6% ($15,926) OF MEMBERSHIP DUES PAID TO THE ARKANSAS HOSPITAL ASSOCIATION WHICH WENT TOWARD LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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		1,348,270		1,348,270
b Buildings		61,246,456	43,939,210	17,307,246
c Leasehold improvements		623,186	301,848	321,338
d Equipment		64,092,097	49,600,417	14,491,680
e Other		20,927,854		20,927,854
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				54,396,388

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
(1) BOARD DESIGNATED INVESTMENTS	39,843,787	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	39,843,787	

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

(a) Description	(b) Book value
(1) FUNDS HELD BY TRUSTEE	3,013,672
(2) OTHER RECEIVABLES	344,901
(3) MEET CURRENT OBLIGATIONS	593,350
(4) UNAMORTIZED BOND ISSUE COSTS	459,925
(5) INTERCOMPANY RECEIVABLES	208,665
(6) INVESTMENT IN SUBSIDIARIES	5,531,774
(7) CERTIFICATES OF DEPOSIT	5,131,933
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	15,284,220

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ESTIMATED 3RD PARTY SETTLEMENT	2,239,364
ASSET RETIREMENT ENVIRON RES	636,351
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	2,875,715

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	143,545,663
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	136,458,854
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	7,086,809
4	Net unrealized gains (losses) on investments	4	-895,403
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	-895,403
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	6,191,406

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	128,805,177
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-895,403		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	-895,403
3	Subtract line **2e** from line **1**			3	129,700,580
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	13,845,083		
c	Add lines **4a** and **4b**			4c	13,845,083
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	143,545,663

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

1	Total expenses and losses per audited financial statements			1	122,613,771
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	122,613,771
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	13,845,083		
c	Add lines **4a** and **4b**			4c	13,845,083
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	136,458,854

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
REVENUE RECONCILIATION	FORM 990, SCHEDULE D, PART XII, LINE 4B	GAIN ON SALE OF ASSETS 340 INVESTMENT FEES INCLUDED IN REV 253,734 BAD DEBT EXP INCLUDED IN REV 13,591,045
EXPENSE RECONCILIATION	FORM 990, SCHEDULE D, PART XIII, LINE 4B	GAIN ON SALE OF ASSETS 340 INVESTMENT FEES INCLUDED IN REV 253,734 BAD DEBT EXP INCLUDED IN REV 13,591,045
FIN 48 FOOTNOTE	FORM 990, SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

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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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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		No
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		No
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		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			4,971,209		4,971,209	4 050 %
b Medicaid (from Worksheet 3, column a)			9,251,440	11,131,243	-1,879,803	
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			14,222,649	11,131,243	3,091,406	4 050 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	16	10,665	92,967	3,092	89,875	0 070 %
f Health professions education (from Worksheet 5)	1	956	77,987	24,111	53,876	0 040 %
g Subsidized health services (from Worksheet 6)			5,496,942	4,009,305	1,487,637	1 210 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	6	3,991	134,046		134,046	0 110 %
j **Total** Other Benefits	23	15,612	5,801,942	4,036,508	1,765,434	1 430 %
k **Total.** Add lines 7d and 7j	23	15,612	20,024,591	15,167,751	4,856,840	5 480 %

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	1		4,683		4,683	
3	Community support	1	500	905		905	
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	2	80	4,946		4,946	
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**	4	580	10,534		10,534	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense	2	13,591,045		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,427,361		
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	36,286,401
6	Enter Medicare allowable costs of care relating to payments on line 5	6	36,579,324
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-292,923
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	CONWAY REG PHO	ADMIN SERVICES	50 000 %	0 %	50 000 %
2	CONWAY REG REHAB	REHAB SERVICES	62 000 %	0 %	38 000 %
3	CONWAY REG SURGERY	MEDICAL SERVICES	74 000 %	0 %	26 000 %
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CONWAY REGIONAL MEDICAL CENTER INC 2302 COLLEGE AVENUE CONWAY,AR 72043	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

CONWAY REGIONAL MEDICAL CENTER INC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		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 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 % 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
NEEDS ASSESSMENT	FORM 990, SCHEDULE H, PART VI, LINE 2	CONWAY REGIONAL ASSESSES COMMUNITY NEEDS BY EVALUATING OUR PATIENT'S NEEDS, REQUESTS WITHIN THE COMMUNITY AND DATA COLLECTED THROUGH SECONDARY RESEARCH

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	FORM 990, SCHEDULE H, PART VI, LINE 3	EACH PATIENT SIGNS A CONDITION OF ADMISSION FORM WHICH MAKES THEM AWARE OF CONWAY REGIONAL'S FINANCIAL ASSISTANCE POLICY THERE IS ALSO A STATEMENT ON THE REVERSE SIDE OF THE PATIENT'S BILL WHICH EXPLAINS THAT FINANCIAL COUNSELORS ARE AVAILABLE AND IF A PATIENT CALLS THE PATIENT ACCOUNTING OFFICE ABOUT THEIR BILL, THEY ARE ALSO MADE AWARE OF THE ASSISTANCE POLICY THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	FORM 990, SCHEDULE H, PART VI, LINE 4	CONWAY REGIONAL SERVES A FIVE COUNTY AREA IN CENTRAL ARKANSAS INCLUDING FAULKNER, PERRY, CONWAY, VAN BUREN AND CLEBURNE COUNTIES MANY OF THE AREAS WE SERVE ARE CONSIDERED RURAL UNDERSERVED AREAS CAUCASIANS ARE THE PRIMARY RACE FOLLOWED BY AFRICAN AMERICAN WITH FOUR COLLEGES/UNIVERSITIES IN OUR SERVICE AREA, WE HAVE A LARGE POPULATION OF 18-30, BUT WE ALSO SERVE A LARGE POPULATION OF SENIORS AS WELL

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	FORM 990, SCHEDULE H, PART VI, LINE 5	CONWAY REGIONAL PARTICIPATES IN SEVERAL COMMUNITY BUILDING ACTIVITIES THAT PROMOTE THE HEALTH OF THE COMMUNITIES WE SERVE THROUGH PARTICIPATION AND SUPPORT OF THE FAULKNER COUNTY LEADERSHIP INSTITUTE, WE MEET WITH PARTICIPANTS AND DISCUSS HEALTHCARE IN THE COMMUNITY THROUGH THESE RELATIONSHIPS AND NETWORKING WITH THESE PARTICIPANTS COALITIONS FORM AND IDEAS ARE GENERATED FOR ACTIVITIES AND CAMPAIGNS THAT COULD BETTER THE HEALTH OF THE COMMUNITY THROUGH OUR WORK ON THE COALITION CREATING THE SENSITIVITY VIDEO FOR THE COMMUNITY TO HELP EDUCATE THE COMMUNITY ON DEALING WITH THE LOSS OF AN INFANT, OR PREGNANCY LOSS, HELPS TO PROMOTE THE EMOTIONAL HEALTH OF COMMUNITY MEMBERS MUCH OF OUR SERVICE AREA IS CONSIDERED UNDERSERVED, SO PHYSICIAN RECRUITMENT IS VERY IMPORTANT IN FURTHERING THE HEALTH AND ACCESS TO HEALTH CARE IN OUR COMMUNITY EACH YEAR WE PARTICIPATE IN A NUMBER OF HEALTH FAIRS PROVIDING ACCESS TO MEMBERS OF THE COMMUNITY TO FREE HEALTH SCREENINGS AND HEALTH INFORMATION WE ALSO PARTNER WITH BUSINESSES IN THE COMMUNITY TO HELP EDUCATE THEIR EMPLOYES ON THEIR HEALTH THROUGH EMPLOYEE WELLNESS PROGRAMS

Identifier	ReturnReference	Explanation
OTHER INFORMATION		CONWAY REGIONAL IS A NOT-FOR-PROFIT MEDICAL CENTER SERVING AS THE SOLE PROVIDER OF HOSPITAL SERVICES IN THE COUNTY THE ORGANIZATION IS GOVERNED BY A BOARD COMPRISED OF COMMUNITY MEMBERS WHO RESIDE OR WORK WITHIN THE SERVICE AREA AND ARE DEDICATED TO MAKING BETTER HEALTHCARE A REALITY FOR ALL COMMUNITY MEMBERS ALSO SERVE ON A COMMUNITY ADVISORY COUNCIL CREATED AS A SOUNDING BOARD FOR IDEAS, ISSUES IN THE COMMUNITY AND HELP PROVIDE INFORMATION ABOUT THINGS CONWAY REGIONAL CAN IMPROVE, OFFER OR CHANGE THE CONWAY REGIONAL WOMEN'S COUNCIL, WORKING WITH CONWAY REGIONAL MEDICAL CENTER THROUGH ITS CONWAY REGIONAL HEALTH FOUNDATION, IS ALSO AN AREA WHERE COMMUNITY MEMBERS ARE ENCOURAGED TO GET INVOLVED AND MEMBERS OF THIS GROUP ADVOCATE FOR WOMEN'S HEALTH THE GROUP WOMEN SUPPORT THE ORGANIZATION THROUGH FUNDRAISING ACTIVITIES AND VOLUNTEER HOURS IN ORDER TO HELP FURTHER WOMEN'S HEALTH EDUCATION AND AWARENESS IN THE COMMUNITY COMMUNITY MEMBERS ARE ALSO OFFERED THE OPPORTUNITY TO WORK WITH THE ORGANIZATION AS A VOLUNTEER THE VOLUNTEER OPPORTUNITIES ARE AVAILABLE TO ANYONE 18 AND OLDER AS A WAY TO ENGAGE INDIVIDUALS IN THE HEALTHCARE SYSTEM THAT SERVES THEM AS WELL AS THEIR FAMILY AND FRIENDS CONWAY REGIONAL WORKS WITH THE PHYSICIANS OF THE COMMUNITY BY ALLOWING ALL QUALIFIED PHYSICIANS THE OPPORTUNITY TO HAVE STAFF PRIVILEGES DEPENDING ON THEIR AREA OF PRACTICE AND CREDENTIALS CONWAY REGIONAL OFFERS SPECIALIZED SERVICES TO THE AREA SUCH AS A TRANSITIONAL CARE UNIT FOR SENIORS DEALING WITH VARIOUS FORMS OF DEMENTIA A REHABILITATION HOSPITAL OFFERS THE AREA A FACILITY IN WHICH TO RECOVER CLOSE TO HOME THE CONWAY REGIONAL EMERGENCY DEPARTMENT IS THE SOLE EMERGENCY DEPARTMENT FOR THE COUNTY ANDSERVES ALL PERSONS REGARDLESS OF ABILITY TO PAY IN ADDITION, CONWAY REGIONAL EDUCATION SERVICES PROVIDES OPPORTUNITIES FOR ALL HEALTHCARE PROFESSIONALS, REGARDLESS OF EMPLOYMENT, OPPORTUNITIES TO RECEIVE CONTINUING EDUCATION AND CERTIFICATION THROUGH CONFERENCES, CLASSES AND CERTIFICATIONS AS AN AMERICAN HEART ASSOCIATION TRAINING CENTER, CONWAY REGIONAL EDUCATION DEPARTMENT ALSO PROVIDES OPPORTUNITIES FOR THE COMMUNITY AND HEALTHCARE PROFESSIONALS TO RECEIVE AHA CLASSES AND TRAINING

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	FORM 990, SCHEDULE H, PART I, LINE 6A	CONWAY REGIONAL HAS NOT PREPARED A COMMUNITY BENEFIT REPORT FOR 2011

Identifier	ReturnReference	Explanation
PERCENT OF TOTAL EXPENSE	FORM 990, SCHEDULE H, PART I, LINE 7, COLUMN F	BAD DEBT EXPENSE IN THE AMOUNT OF $13,591,045 IS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) ("TOTAL FUNCTIONAL EXPENSES"), BUT IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN THIS COLUMN A NUMBER OF PATIENTS ARE TRULY UNABLE TO PAY THEIR OUT-OF-POCKET LIABILITY BUT DO NOT COMPLETE THE PROCESS REQUIRED TO APPLY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY THESE PATIENTS WOULD QUALIFY FOR CHARITY CARE IF THEY COMPLETED THE PAPERWORK, SO THE BAD DEBT EXPENSE ASSOCIATED WITH TREATING THEM SHOULD BE TREATED AS COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
COMMUNITY BENEFITS AT COST	FORM 990, SCHEDULE H, PART I, LINE 7	THE COST TO CHARGE RATIO (CALCULATED USING WORKSHEET 2) WAS USED FOR LINE 7 AMOUNTS

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY	FORM 990, SCHEDULE H, PART III, LINE 8	THE MEDICARE COST REPORT WAS USED TO CALCULATE THE AMOUNT OF LINE 6

Identifier	ReturnReference	Explanation
COLLECTION POLICY	FORM 990, SCHEDULE H, PART III, LINE 9B	IF A PATIENT FILLS OUT A FINANCIAL ASSISTANCE APPLICATION, THE ACCOUNT IS FROZEN AND NO FURTHER COLLECTION ACTIVITY OCCURS WHILE A DETERMINATION IS MADE AS TO IF THE PATIENT QUALIFIES FOR CHARITY CARE

Identifier	ReturnReference	Explanation
AUDIT FOOTNOTE DESCRIBING BAD DEBT EXPENSE	FORM 990, SCHEDULE H, PART III, LINE 4	THE MEDICAL CENTER REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE MEDICAL CENTER PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE MEDICAL CENTER BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT FOR THE REMAINING LIABILITY IF THE AMOUNT IS NOT COLLECTED AT THE TIME OF SERVICE PATIENT ACCOUNTS RECEIVABLE ARE ORDINARILY DUE IN FULL WHEN BILLED DELINQUENT RECEIVABLES ARE WRITTEN OFF BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE PATIENT OR THIRD-PARTY PAYER THE AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS AFTER APPLYING THE COST TO CHARGE RATIO LINE 3 WAS CALCULATED USING THE USDA POVERTY PERCENTAGE FOR THE COMMUNITY THE ORGANIZATION SERVES A NUMBER OF PATIENTS ARE TRULY UNABLE TO PAY THEIR OUT-OF-POCKET LIABILITY BUT DO NOT COMPLETE THE PROCESS REQUIRED TO APPLY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY THESE PATIENTS WOULD QUALIFY FOR CHARITY CARE IF THEY COMPLETED THE PAPERWORK, SO THE BAD DEBT EXPENSE ASSOCIATED WITH TREATING THEM SHOULD BE TREATED AS COMMUNITY BENEFIT

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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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) STEVEN ROSE	(i)	142,349	22,346	10,567	10,216	15,957	201,435	0
	(ii)	0	0	0	0	0	0	0
(2) JAMES LAMBERT	(i)	276,591	71,865	28,555	14,700	20,672	412,383	0
	(ii)	0	0	0	0	0	0	0
(3) ALAN FINLEY	(i)	120,341	20,362	5,359	7,634	15,457	169,153	0
	(ii)	0	0	0	0	0	0	0
(4) GREG KENDRICK MD	(i)	240,892	22,513	0	14,490	9,765	287,660	0
	(ii)	0	0	0	0	0	0	0
(5) STEPHEN LONG MD	(i)	181,084	61,144	0	13,951	11,854	268,033	0
	(ii)	0	0	0	0	0	0	0
(6) DENNIS WOODHALL MD	(i)	496,438	46,312	0	0	12,732	555,482	0
	(ii)	0	0	0	0	0	0	0
(7) MAZIN SHACKOUR MD	(i)	321,558	18,094	0	0	7,805	347,457	0
	(ii)	0	0	0	0	0	0	0
(8) LAURA MASSEY MD	(i)	178,492	114,896	0	9,328	11,854	314,570	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
COMPENSATION INFORMATION	FORM 990, SCH J, PART I, LINE 1A	HEALTH & FITNESS CENTER - THE MEMBERS THAT HAVE A CURRENT MEMBERSHIP AND THE FMV OF THAT MEMBERSHIP ARE LISTED IN SCHEDULE J TRAVEL FOR COMPANIONS - TWO BOARD MEMBERS WERE REIMBURSED FOR TRAVEL EXPENSES TO AHA EVENTS FOR THEIR SPOUSES FOR A TOTAL OF $298 THIS WAS NOT REPORTED ON 1099'S BECAUSE IT WAS BELOW THE $600 REPORTING THRESHHOLD

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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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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	CITY OF CONWAY AR - HEALTH FACILITIES BOARD	71-1574175	212584CE4	12-08-2009	29,579,127	REFUNDED BOND ISSUED 10/19/99		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,585,000			
2	Amount of bonds defeased	0			
3	Total proceeds of issue	29,579,765			
4	Gross proceeds in reserve funds	2,478,671			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrow	0			
7	Issuance costs from proceeds	553,554			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2009			

		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?		X						
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 ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
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	0							
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	0							
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
BOND YEAR	FORM 990, SCHEDULE K, PART I, LINE A	THE BOND INFORMATION IS CALCULATED ON THE TAX RETURN YEAR END, 12/31/2011

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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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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) BOB GANT	BOARD OF DIRECTORS	110,668	PURCHASED COOLING TOWER		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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	CONWAY REGIONAL MEDICAL CENTER PROVIDES COMPREHENSIVE HEALTHCARE SERVICES TO INDIVIDUALS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, OR ABILITY TO PAY IN KEEPING WITH ITS MISSION, THE MEDICAL CENTER PROVIDES FREE AND DISCOUNTED CARE TO PATIENTS MEETING ITS CHARITY CARE POLICY TOTAL CHARITY CARE PROVIDED IN 2011 WAS $3,091,406 IN ADDITION, THE MEDICAL CENTER PARTICIPATES IN THE MEDICARE AND MEDICAID PROGRAMS FOR THE ELDERLY AND POOR THESE PROGRAMS REIMBURSE THE MEDICAL CENTER AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES TOTAL DISCOUNTS PROVIDED TO THESE PROGRAMS WERE OVER $109,363,000 FOR 2011 THE HOSPITAL PROVIDED VITAL HEALTH CARE SERVICES TO THE FAULKNER COUNTY POPULATION AND THE SURROUNDING AREA THESE SERVICES INCLUDED 30,786 INPATIENT DAYS OF CARE, INCLUDING 18,159 TO MEDICARE AND MEDICAID PATIENTS ALSO, THE HOSPITAL SERVICED 40,669 VISITS TO ITS EMERGENCY ROOM AND PROVIDED 18,227 HOME HEALTH CARE VISITS, OF WHICH ABOUT 76 PERCENT WERE FOR MEDICARE PATIENTS CONWAY REGIONAL MEDICAL CENTER PROVIDED VARIOUS COMMUNITY BENEFITS TO FAULKNER COUNTY AND SURROUNDING AREAS THE ORGANIZATION HAS BEEN A MAJOR SUPPORTER OF COMMUNITY EVENTS THROUGH SPONSORSHIPS AND SUPPORT THE HEALTH & FITNESS CENTER PROVIDES DONATIONS AND SCHOLARSHIPS THROUGHOUT THE COMMUNITY SUPPORTING BETTER HEALTH FOR OUR AREA IN 2011 THE ORGANIZATION PARTICIPATED IN MORE THAN 30 HEALTH FAIRS AND SCREENING EVENTS, WHICH INCLUDED SEVERAL LARGE EVENTS SUCH AS THE WOMEN'S HEALTH FAIR, SENIOR EXPO AND THE ANNUAL MEN'S PROSTATE SCREENING THE ORGANIZATION STRIVES TO PROVIDE HEALTH EDUCATION IN VARIOUS FORMATS INCLUDING SUPPORT GROUPS, TEACHING CHILDREN ABOUT THE DANGERS OF SMOKING THROUGH SCHOOL PRESENTATIONS AND TEACHING FIVE YEAR OLDS HOW TO STAY SAFE THROUGH THE WEEK-LONG PROGRAM "SAFETY TOWN" AS WELL AS PROVIDING FREE CLASSES TO CAREGIVERS OF SENIORS CONWAY REGIONAL ORGANIZES AND OFFERS IN-SERVICE AND CONTINUING EDUCATION PROGRAMS FOR AREA PROFESSIONALS AS A MEDICALLY UNDERSERVED AREA, CONWAY REGIONAL CONTINUES TO RECRUIT PHYSICIANS TO FULFILL THE MEDICAL NEEDS OF THE COMMUNITY TOGETHER WITH CHARITY CARE DESCRIBED ABOVE, TOTAL COMMUNITY BENEFIT IS ESTIMATED TO BE $4,856,840 FOR 2011
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11B	THE REVIEW PROCESS OF FORM 990 INCLUDES A REVIEW BY THE CFO AND CEO OF THE ORGANIZATION THE FORM 990 IS THEN PRESENTED TO ALL MEMBERS OF THE GOVERNING BODY OF THE ORGANIZATION FOR REVIEW
COMPLIANCE WITH CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	THE CONWAY REGIONAL HEALTH SYSTEM BOARD REVIEWS THE GOVERNING BOARD CONFLICT OF INTEREST POLICY YEARLY AT THE ANNUAL BOARD MEETING IN JANUARY AND EACH BOARD MEMBER FILLS OUT, ON AN ANNUAL BASIS, A NEW CONFLICT OF INTEREST STATEMENT THESE STATEMENTS ARE REVIEWED ANNUALLY BY THE CHAIRMAN, PRESIDENT, AND CFO FOR MONITORING BOARD MEMBERS WHO HAVE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST IN MATTERS BROUGHT BEFORE THE BOARD ARE TO ALERT THE CORPORATION BOARD BEFOREHAND OF THE POSSIBLE CONFLICT OF INTEREST AND WITHDRAW FROM THE MEETING DURING SAID DISCUSSION UNTIL THE MATTER HAS BEEN VOTED ON IF THE MEMBER FAILS TO WITHDRAW VOLUNTARILY FROM ANY MEETING WHERE A POSSIBLE CONFLICT OF INTEREST EXISTS, THE CHAIRMAN IS EMPOWERED TO REQUIRE WITHDRAWAL FROM THE ROOM DURING BOTH DISCUSSION AND VOTE ON THE MATTER IN THE EVENT THE CONFLICT OF INTEREST AFFECTS THE CHAIRMAN, THE VICE CHAIRMAN IS THEN EMPOWERED TO REQUIRE HIS WITHDRAWAL
COMPENSATION DETERMINATION POLICY	FORM 990, PART VI, SECTION B, LINE 15A	THE EXECUTIVE COMMITTEE OF THE ORGANIZATION'S BOARD REVIEWS THE CONTRACT AND COMPENSATION OF THE CEO ANNUALLY BASED ON AN EVALUATION OF PERFORMANCE THE EXECUTIVE COMMITTEE THEN MAKES A FORMAL RECOMMENDATION TO THE FULL BOARD AS TO THE RECOMMENDED COMPENSATION LEVEL FOR THE CEO THE EXECUTIVE COMMITTEE UTILIZES COMPARABLE COMPENSATION DATA FROM BOTH STATE AND REGIONAL SURVEYS IN ITS REVIEW OF THE COMPENSATION OF THE CEO
AVAILABILITY OF GOVERNING DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC
COMPENSATION DETERMINATION POLICY	FORM 990, PART VI, SECTION B, LINE 15B	MARKET SURVEY DATA IS GATHERED AND UTILIZED TO DETERMINE COMPENSATION LEVELS FOR OTHER KEY EMPLOYEES BY HUMAN RESOURCES A PORTION OF THE TOTAL COMPENSATION OF THESE EMPLOYEES IS PRESENTED TO THE BOARD FOR REVIEW AND APPROVAL COMPARING TOTAL COMPENSATION TO MARKET SURVEY DATA
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 5	UNREALIZED LOSSES (895,403)

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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
CONWAY REGIONAL MEDICAL CENTER INC

Employer identification number
71-0249735

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CONWAY REGIONAL HEALTH FOUNDATION 2302 COLLEGE AVENUE CONWAY, AR 72034 71-0797723	SUPPORT	AR	501(C)(3)	11A	CRMC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) CONWAY REGIONAL REHABILITATION HOSPITAL 2210 ROBINSON AVENUE CONWAY, AR 72034 41-2136339	REHAB SERVICE	AR	NA	RELATED	896,980	2,173,418		No	0	Yes		61 800 %
(2) CONWAY REGIONAL SURGERY MGMT LLC 2200 ADA SUITE 100 CONWAY, AR 72034 71-0800852	MEDICAL SERVI	AR	NA	RELATED	120,491	2,623,778		No	0	Yes		72 222 %

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) INSTITUTIONAL SERVICES CORPORATION 2302 COLLEGE AVENUE CONWAY, AR 72034 71-0575886	PROP OWNERSHI	AR	NA	C CORP	90,903	499,360	100 000 %
(2) CONWAY REG PHYSICIAN HOSPITAL ORG 930 WINGATE SUITE A-2 CONWAY, AR 72034 71-0749388	ADMIN SERVICE	AR	NA	C CORP	180,399	204,231	50 000 %

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(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:
Software Version:
EIN: 71-0249735
Name: CONWAY REGIONAL MEDICAL CENTER INC

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	INSTITUTIONAL SERVICES CORPORATION	J	87,173	FMV
(2)	CONWAY REGIONAL HEALTH FOUNDATION	J	487,892	FMV
(3)	CONWAY REGIONAL SURGERY MGMT	J	279,470	FMV
(4)	CONWAY REGIONAL HEALTH FOUNDATION	N	85,920	FMV
(5)	CONWAY REGIONAL HEALTH FOUNDATION	P	233,402	FMV
(6)	CONWAY REGIONAL REHABILITATION HOSPITAL	P	186,117	FMV
(7)	CONWAY REGIONAL REHABILITATION HOSPITAL	R	307,004	FMV
(8)	CONWAY REGIONAL HEALTH FOUNDATION	R	149,044	FMV
(9)	CONWAY REGIONAL HEALTH FOUNDATION	C	55,156	FMV
(10)	INSTITUTIONAL SERVICES CORPORATION	P	12,021	FMV

Conway Regional Medical Center, Inc.

Accountants' Reports, Consolidated Financial Statements and Supplementary Information

December 31, 2011 and 2010

BKD LLP
CPAs & Advisors

Conway Regional Medical Center, Inc.

December 31, 2011 and 2010

Contents

BKD LLP
CPAs & Advisors

www.bkd.com

Independent Accountants' Report

Board of Directors
Conway Regional Medical Center, Inc
Conway, Arkansas

We have audited the accompanying consolidated balance sheets of Conway Regional Medical Center Inc (the Medical Center) 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 financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these financial statements based on our audits

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

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

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

BKD, LLP

April 20 2012

Conway Regional Medical Center, Inc.

Consolidated Balance Sheets

December 31, 2011 and 2010

Assets

	2011	2010
Current Assets		
Cash and cash equivalents	$ 19,743,627	$ 32,986,317
Short-term investments	5,831,933	5,053,513
Assets limited as to use – current	1,037,163	1,037,405
Patient accounts receivable, net of allowance:		
2011 – $10,674,976 2010 – $12,558,942	15,808,285	12,532,422
Notes receivable – current	45,424	82,470
Other receivables	312,987	175,773
Supplies	2,179,782	2,011,742
Prepaid expenses and other	877,981	934,774
Total current assets	45,837,182	54,814,416
Assets Limited as to Use		
Internally designated	39,988,787	39,972,439
Externally restricted by donors	1,406,423	566,790
Held by trustee	3,607,022	3,607,264
	45,002,232	44,146,493
Less amount required to meet current obligations	1,037,163	1,037,405
	43,965,069	43,109,088
Investment in Equity Investee	1,991,274	1,856,928
Property and Equipment, at Cost		
Land and land improvements	5,785,472	5,738,955
Buildings and leasehold improvements	83,329,765	81,373,060
Equipment	65,264,724	60,357,798
Construction in progress	21,011,141	3,933,724
	175,391,102	151,403,537
Less accumulated depreciation	107,521,651	99,666,095
	67,869,451	51,737,442
Other Assets		
Deferred lease receivable	682,685	650,055
Deferred financing costs	459,925	501,939
Notes receivable	470,697	1,136,943
	1,613,307	2,288,937
Total assets	$ 161,276,283	$ 153,806,811

Liabilities and Net Assets

	2011	2010
Current Liabilities		
Current maturities of long-term debt	$ 2,184,515	$ 1,717,109
Accounts payable	6,286,223	4,350,946
Accrued expenses	7,751,275	7,705,850
Estimated amounts due to third-party payers	2,260,181	3,476,184
Total current liabilities	18,482,194	17,250,089
Asset Retirement Obligations	636,351	611,220
Long-term Debt	29,526,511	30,309,045
Total liabilities	48,645,056	48,170,354
Net Assets		
Unrestricted		
Conway Regional Medical Center, Inc	110,544,119	104,447,035
Noncontrolling interest	680,688	622,632
Temporarily restricted	1,406,420	566,790
Total net assets	112,631,227	105,636,457
Total liabilities and net assets	$ 161,276,283	$ 153,806,811

Conway Regional Medical Center, Inc.

Consolidated Statements of Operations

Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual allowances and discounts)	$ 141,041,206	$ 143,795,714
Provision for uncollectible accounts	(13,633,126)	(18,115,637)
Net patient service revenue	127,408,080	125,680,077
Other	6,440,260	6,517,166
Total unrestricted revenues, gains and other support	133,848,340	132,197,243
Expenses and Losses		
Salaries and wages	47,654,703	45,424,833
Employee benefits	10,630,782	9,900,575
Supplies and other	61,033,219	58,465,660
Depreciation, amortization and accretion	7,881,436	7,871,123
Interest	1,030,868	1,580,268
Total expenses and losses	128,231,008	123,242,459
Operating Income	5,617,332	8,954,784
Other Income		
Investment return	307,438	3,333,850
Net unrealized gains on investments from prior periods	-	3,220,662
Gain on investment in equity investee	495,855	725,630
Total other income	803,293	7,280,142
Excess of Revenues over Expenses	6,420,625	16,234,926
Investment return – change in net unrealized gains and losses on other than trading securities	-	(3,220,662)
Distributions to noncontrolling interest	(408,900)	(652,500)
Gain on sale of portion of CRRH ownership	143,415	-
Reclassification of net assets based on management's interpretation of restrictions	-	(386,859)
Increase in Unrestricted Net Assets	$ 6,155,140	$ 11,974,905

Conway Regional Medical Center, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Excess of revenues over expenses	$ 6,420,625	$ 16,234,926
Investment return – change in net unrealized gains and losses on other-than-trading securities	-	(3,220,662)
Distributions to noncontrolling interest	(408,900)	(652,500)
Gain on sale of portion of CRRH ownership	143,415	-
Reclassification of net assets based on management's interpretation of restrictions	-	(386,859)
Increase in unrestricted net assets	6,155,140	11,974,905
Temporarily Restricted Net Assets		
Contributions received	839,630	179,931
Reclassification of net assets based on management's interpretation of restrictions	-	386,859
Increase in temporarily restricted net assets	839,630	566,790
Change in Net Assets	6,994,770	12,541,695
Net Assets, Beginning of Year	105,636,457	93,094,762
Net Assets, End of Year	$ 112,631,227	$ 105,636,457

Conway Regional Medical Center, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	$ 6,994,770	$ 12,541,695
Change in net assets attributable to noncontrolling interest	(58,056)	208,130
Change in net assets attributable to Conway Regional Medical Center, Inc.	$ 6,936,714	$ 12,749,825
Items not requiring (providing) cash		
Depreciation, amortization and accretion	7,881,436	7,871,123
Gain on investment in equity investee	(495,855)	(725,630)
Net (gain) loss on investments	780,394	(2,404,853)
Restricted contributions	(105,337)	-
(Gain) loss on sale of property and equipment	(340)	2,557
Changes in		
Patient accounts receivable, net	(3,275,863)	(1,791,415)
Pledges receivable	(734,296)	(155,065)
Other current assets	(248,461)	(115,077)
Estimated amounts due to third-party payers	(1,216,003)	1,484,584
Deferred lease receivable	(32,630)	(67,835)
Accounts payable and accrued expenses	1,462,815	1,829,328
Noncontrolling interest in net income of subsidiary	58,056	(208,130)
Net cash provided by operating activities	11,010,630	18,469,412
Investing Activities		
Proceeds from sale of assets	340	1,175
Purchases of investments	(20,084,962)	(18,603,759)
Proceeds from sale of investments	18,404,705	11,585,644
Distributions from equity investee	361,509	673,313
Purchase of property and equipment	(21,821,502)	(5,474,982)
Principal payments received on notes receivable	703,292	82,358
Net cash used in investing activities	(22,436,618)	(11,736,251)
Financing Activities		
Proceeds from restricted contributions	105,337	-
Principal payments on long-term debt	(1,922,039)	(1,111,026)
Net cash used in financing activities	(1,816,702)	(1,111,026)
Increase (Decrease) in Cash and Cash Equivalents	(13,242,690)	5,622,135
Cash and Cash Equivalents, Beginning of Year	32,986,317	27,364,182
Cash and Cash Equivalents, End of Year	$ 19,743,627	$ 32,986,317
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	$ 1,033,871	$ 1,150,904
Capital additions included in accounts payable	$ 779,238	$ 261,351
Capital lease obligation incurred for property and equipment	$ 1,574,640	$ 2,261,484

Conway Regional Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

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

Nature of Operations

Conway Regional Medical Center, Inc (the Medical Center) primarily earns revenues by providing inpatient outpatient geriatric psychiatric cardiac and emergency care services to patients in Conway, Arkansas and surrounding areas in central Arkansas It also operates a home health agency and several health clinics in the same geographic area The Medical Center's consolidated subsidiaries are discussed below under *Principles of Consolidation*

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, Institutional Services Corporation Conway Regional Health Foundation, Inc and Conway Regional Rehabilitation Hospital LLC (collectively referred to as the System)

Institutional Services Corporation (ISC) is a wholly owned taxable subsidiary of the Medical Center ISC provides laundry services to health care facilities in the area and owns and leases real estate and personal property primarily to the Medical Center

Conway Regional Health Foundation Inc (the Foundation) fosters supports and encourages the activities and purposes of Conway Regional Medical Center, Inc The Foundation receives manages and administers funds exclusively for the Medical Center primarily earning revenues from fundraising income and contributions

The Medical Center owns a majority member interest of approximately 61 8% in Conway Regional Rehabilitation Hospital, LLC (CRRH) CRRH primarily earns revenue by providing inpatient rehabilitative care to patients in Conway, Arkansas, and surrounding areas in central Arkansas During 2011, the Medical Center decreased its ownership in CRRH from 65 2% to 61 8% This decrease did not result in a loss of control

Noncontrolling Interest

Noncontrolling interest represents the 38 2% member interest in CRRH owned by outside investors Effective January 1 2010, the System adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-810-45, *Not-for-Profit Entities Mergers and Acquisitions* Upon adoption minority interest previously presented in the mezzanine section of the balance sheet has been retrospectively reclassified as noncontrolling interest within net assets In addition the consolidated statements of operations and changes in net assets have been retrospectively revised to include the changes in net assets attributable to the noncontrolling interest Beginning January 1 2010, losses attributable to the noncontrolling interest will be allocated to the noncontrolling interest even if the carrying amount of the noncontrolling interest is reduced below zero Any changes in ownership after January 1, 2010, that do not result in a loss of control will be prospectively accounted for as net asset transactions

Changes in consolidated unrestricted net assets attributable to the controlling financial interest of the System and the noncontrolling interest are

	Total	Controlling Interest	Noncontrolling Interest
Balance, December 31, 2009	$ 93,094,762	$ 92,264,000	$ 830,762
Excess of revenues over expenses	16,234,926	$ 15,790,556	444,370
Investment return – change in unrealized gains and losses on other-than-trading securities	(3,220,662)	(3,220,662)	-
Distributions to noncontrolling interest	(652,500)	-	(652,500)
Reclassification of net assets based on management's interpretation of restrictions	(386,859)	(386,859)	-
Change in unrestricted net assets	11,974,905	12,183,035	(208,130)
Balance, December 31, 2010	105,069,667	104,447,035	622,632
Excess of revenues over expenses	6,420,625	6,024,820	395,805
Distributions to noncontrolling interest	(408,900)	-	(408,900)
Gain on sale of portion of CRRH ownership	143,415	143,415	-
Sale of shares to noncontrolling interest	-	(71,151)	71,151
Change in unrestricted net assets	6,155,140	6,097,084	58,056
Balance, December 31, 2011	$ 111,224,807	$ 110,544,119	$ 680,688

The change in temporarily restricted net assets only related to the controlling interest

Use of Estimates

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

Cash and Cash Equivalents

The System considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents At December 31, 2011 and 2010 cash equivalents consisted primarily of certificates of deposit and repurchase agreements

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to $250 000 At December 31 2011 the System's cash accounts exceeded federally insured limits by approximately $19,800,000 including $13 100 000 at one institution, with which the System has entered into repurchase agreements that provide securities serving as collateral for approximately $8,394 000 of this amount Management believes these institutions are financially stable and the credit risk related to these deposits is minimal

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

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value The investment in equity investee is reported on the equity method of accounting Investment return includes dividend and interest income and realized and unrealized gains and losses on investments carried at fair value

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

In January 2010, the System changed its investment strategy, which adjusted a majority of its investments to trading securities with unrealized gains and losses recorded as a component of investment return and being included in excess of revenues over expenses for the year ended December 31 2010 These investments were previously held as other-than-trading securities with unrealized gains and losses excluded from excess of revenues over expenses The change required unrealized gains and losses not previously recognized in earnings to be recognized immediately This resulted in unrealized gains of $3,220,662 being recorded in excess of revenues over expenses for the year ended December 31 2010

Assets Limited as to Use

Assets limited as to use include (1) assets held by trustee under an indenture agreement, (2) assets restricted by donors, and (3) assets set aside by the board of directors for future capital improvements over which the Board of Directors retains control and may at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the System are included in current assets.

Change in Accounting Principle

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

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

	As Originally Reported	As Adjusted	Effect of Change
Net patient service revenue	$ 143,795,714	$ 125,680,077	$ (18,115,637)
Total unrestricted revenues, gains and other support	150,312,880	132,197,243	(18,115,637)
Total expenses and losses	141,358,096	123,242,459	(18,115,637)

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Medical Center and CRRH analyze their past history and identify trends for each major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Medical Center and CRRH analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for uncollectible accounts if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center and CRRH record a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Medical Center's allowance for doubtful accounts decreased in 2011 primarily due to a 15% reduction in the gross accounts receivable from self-pay patients. While the overall estimated collection rate remained consistent between years, the decrease in the self-pay receivable balance led to a reduction of approximately $1,595,000 in the allowance for doubtful accounts. In addition, the Medical Center reconsidered the collectability of certain commercial accounts resulting in an additional reduction in the allowance for doubtful accounts.

Supplies

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

Property and Equipment

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

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

Land improvements	5–25 years
Buildings and leasehold improvements	15–40 years
Equipment	3–20 years

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

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

	2011	2010
Interest cost capitalized	$ 654,084	$ 93,256
Interest cost charged to expense	1,030,868	1,580,268
Total interest incurred	$ 1,684,952	$ 1,673,524

Deferred Financing Costs

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

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose.

Net Patient Service Revenue

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

Charity Care

The Medical Center and CRRH provide care without charge or at amounts less than their established rates to patients meeting certain criteria under their charity care policy. Because the Medical Center and CRRH do not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The related discount is amortized using the level-yielding method and is reported as contribution revenue.

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support When a donor restriction expires that is when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor No such conditional contributions exist as of December 31, 2011 and 2010

Estimated Malpractice Costs

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate cost for both reported claims and claims incurred but not reported

Income Taxes

The Medical Center and Foundation have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law As such, they are required to file IRS Form 990 on an annual basis The Medical Center is no longer subject to U S federal income tax examinations by tax authorities for income tax returns filed for years before 2008 The System is subject to federal income tax on any unrelated business taxable income

ISC is subject to income taxes under the Internal Revenue Code and state law Due to limited income, no provision for federal or state income taxes has been included in these financial statements

Limited Liability Company

CRRH is organized as a limited liability company with a perpetual life and one class of members In accordance with the operating agreement, individual members are not personally liable for the debts, liabilities or obligations of CRRH beyond the capital account of the member together with the member's share of the assets and undistributed profits of CRRH If an adverse or nonadverse terminating event as defined by the operating agreement shall occur with respect to any member, CRRH may elect to purchase the member's units within 90 days after CRRH has received actual knowledge of the occurrence of such a terminating event

Excess of Revenues Over Expenses

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

Self-Insurance

The Medical Center has elected to self-insure certain costs related to certain employee health and workers' compensation claims. Annual estimated provisions are accrued for these claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not reported. Costs resulting from uninsured losses are charged to income when incurred. The Medical Center has purchased insurance that limits its exposure for individual claims. Total expenses for employee health insurance and workers' compensation claims for the years ended December 31, 2011 and 2010, were approximately $4,700,000 and $4,181,000, respectively.

The Medical Center funds its portion of the self-insured retention for employee health and workers' compensation costs through a trust account. The funds in the trust account are not assets of the Medical Center and are therefore not recorded on the accompanying balance sheets. The funds in the trust were considered in the estimated accrued liabilities for claims incurred but not reported for the self-insured health insurance and workers' compensation claims at December 31, 2011 and 2010.

Transfers Between Fair Value Hierarchy Levels

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

Reclassifications

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

Subsequent Events

Subsequent events have been evaluated through April 20, 2012, which is the date the financial statements were issued.

Note 2: Net Patient Service Revenue

The Medical Center and CRRH have agreements with third-party payers that provide for payments to the Medical Center and CRRH at amounts different from their established rates.

These payment arrangements include

Medicare Inpatient acute care inpatient rehabilitation and psychiatric services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to patient classification systems that are based on clinical diagnostic and other factors Certain outpatient services are paid based on a combination of fee schedules and a cost reimbursement methodology The Medical Center and CRRH are reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and CRRH and audits thereof by the Medicare administrative contractor

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain cost limitations Outpatient Medicaid services are reimbursed based on a fee schedule for individual services provided The Medical Center and CRRH are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and CRRH and audits thereof by the Medicaid administrative contractor

In addition, the Medical Center and CRRH receive supplemental Medicaid funds under the Arkansas Medicaid program's Upper Payment Limit (UPL) provisions The Medical Center is considered a "private hospital" under the UPL provisions and receives UPL payments based on a pro-rata share of a statewide pool based on Medicaid discharges Total funds received under the UPL provision were approximately $813 000 and $853,000 in 2011 and 2010 respectively

In December 2009 the Secretary of the U S Department of Health and Human Services approved the inpatient and outpatient sections of an amendment to the Arkansas State Medicaid Plan that establishes a provider assessment program retroactive to July 1, 2009 This program as initially enacted, assessed a fee of no more than 1% on the net patient service revenue of private hospitals and allocates the proceeds to supplement Medicaid payments In February 2011, the program was amended to allow the assessed fee to be no more than 5 5% of net patient service revenue The federal government matches the assessment amount at a rate of approximately 3 to 1 and these amounts are allocated to private hospitals in Arkansas based on each hospital's share of the total of the private hospitals' Medicaid discharges and outpatient Medicaid payments Based on its status as a private hospital the Medical Center participates in this program and records the assessed fees and the supplemental payments as expenses and revenues in the period incurred or earned, respectively Amounts recorded as provider assessment tax expenses under this program for the years ended December 31 2011 and 2010 were approximately $1 350 000 and $980,000, respectively Amounts recorded for provider assessment receipts under this program for the years ended December 31 2011 and 2010, were approximately $5,700,000 and $5 400 000 respectively

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

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts) recognized in the year ended December 31 2011, for these major payer sources, is as follows

Medicare	$ 51,564,745
Medicaid	12,026,883
Other third-party payers	55,324,374
Self-pay	22,125,204
Total	$ 141,041,206

Note 3: Concentration of Credit Risk

The Medical Center and CRRH grant credit without collateral to its patients most of whom are area residents and are insured under third-party payer agreements The mix of net receivables from patients and third-party payers at December 31, 2011 and 2010 is

	2011	2010
Medicare	32 %	38 %
Medicaid	20	8
Other third-party payers	44	49
Patients	4	5
	100 %	100 %

Note 4: Investments and Investment Return

Assets Limited as to Use

	2011	2010
Internally designated for capital acquisition		
Cash and cash equivalents	$ 1,503,493	$ 2,703,258
Certificates of deposit	4,263,928	3,517,040
U S Treasury obligations	1,416,472	643,641
Mortgage-backed securities	1,777,814	2,732,817
Equity mutual funds	2,307,763	3,617,342
Fixed income mutual funds	3,846,918	1,547,402
Equity exchange traded funds	12,495,394	12,892,660
Fixed income exchange traded funds	10,297,352	10,633,009
Equity securities	2,079,653	1,685,270
	39,988,787	39,972,439
Held by trustee under indenture agreement		
Cash and cash equivalents	3,557,564	3,557,807
Interest receivable	49,458	49,457
	3,607,022	3,607,264
Externally restricted by donors		
Cash and cash equivalents	510,977	405,640

Short Term Investments

Certificates of deposit	5,831,933	5,053,513
Total System investments	$ 49,938,719	$ 49,038,856

Total investment return is comprised of the following

	2011	2010
Interest and dividend income	$ 1,087,832	$ 928,997
Realized and unrealized gains (losses) on investments	(780,394)	2,404,853
	$ 307,438	$ 3,333,850

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

	2011	2010
Unrestricted net assets		
Investment return	$ 307,438	$ 3,333,850
Current year change in net unrealized gains from prior periods	-	3,220,662
Change in net unrealized gains and losses on other-than-trading securities	-	(3,220,662)
	$ 307,438	$ 3,333,850

Note 5: Contributions Receivable

As a result of the Foundation's fundraising activities, the System has recognized contributions receivable that have been restricted by donors At December 31, 2011 and 2010 the total contributions receivable balances of $895,446 and $161,150, respectively, are reflected on the accompanying consolidated balance sheets as assets limited as to use – externally restricted by donors At December 31 2011 and 2010 $606,872 and $102,783, respectively, of contributions receivable were due in one to five years with the remaining balances due within one year

Note 6: Investment in Equity Investee

The investment in equity investee relates to a majority member interest of 74.41% in Conway Regional Surgery Management Company, LLC (CRSMC) as of December 31, 2011 and 2010 CRSMC has not been consolidated because the Medical Center does not control its operations Under the operating agreement, the Medical Center has the right to appoint three of the six members of the board of directors The operating agreement can only be amended with a 75% super majority

Financial position and results of operations of the investee are summarized below

	2011 (Unaudited)	2010 (Unaudited)
Current assets	$ 1,645,194	$ 1,500,453
Property and long-term assets, net	1,746,345	1,534,565
Total assets	3,391,539	3,035,018
Current liabilities	234,331	294,184
Long-term liabilities	623,181	417,725
Total liabilities	857,512	711,909
Members' equity	$ 2,534,027	$ 2,323,109
Management fee and other operating revenue	$ 3,708,609	$ 3,556,790
Net income	$ 687,166	$ 834,560

Effective April 1, 2009, the operations of CRSMC became a department of the Medical Center CRSMC now manages the department's operations Accordingly the Medical Center incurred expenses of approximately $3,700,000 and $2 580 000 for management fees and rental expense related to operations of this department during the years ended December 31 2011 and 2010, respectively

Note 7: Notes Receivable

Notes receivable are comprised of the following

	2011	2010
4 80% Note (A)	$ 516,121	$ 559,421
4 85% Note (B)	-	77,413
4 85% Note (C)	-	582,579
	516,121	1,219,413
Less current portion	45,424	82,470
	$ 470,697	$ 1,136,943

(A) Due in monthly payments of principal and interest of $5,767 through March 2021, interest at 4.80%, secured by clinic building

(B) Due in monthly installments of principal and interest of $686 through August 2012, interest at 4.85% based on a 15-year amortization. Option of a balloon payment of remaining principal and interest in August 2012 or, at maker's sole option, converted to a 10-year amortizing note at 7% interest. This note receivable was paid off during 2011.

(C) Due in monthly installments of principal and interest of $5,187 through August 2012, interest at 4.85% based on a 15-year amortization. Option of a balloon payment of remaining principal and interest in August 2012 or, at maker's sole option, converted to a 10-year amortizing note at 7% interest. This note receivable was paid off during 2011.

Note 8: Medical Malpractice Coverage and Claims

The System purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. In 2011, the System adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities*, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claims costs for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer. There was no material impact of the ASU adoption to the System's financial statements.

Management has accrued a provision for asserted claims based on advice from legal counsel and the deductible portion of medical malpractice claims and believes the provision is adequate to cover the ultimate losses, if any, from these claims. Approximately $480,000 and $705,000 were accrued as liabilities as of December 31, 2011 and 2010, respectively. It is reasonably possible that this estimate could change materially in the near term. The System also purchases excess umbrella liability coverage which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy.

Note 9: Long-term Debt

	2011	2010
Series 2009 bonds payable (A)	$ 28,415,000	$ 29,460,000
Capital lease obligations (B)	3,649,290	2,941,140
Note payable, individual (C)	-	10,549
	32,064,290	32,411,689
Unamortized discount on bonds payable	(353,264)	(385,535)
	31,711,026	32,026,154
Less current maturities	2,184,515	1,717,109
	$ 29,526,511	$ 30,309,045

(A) The Hospital Revenue Refunding Bonds consist of the City of Conway, Arkansas Health Facilities Board Hospital Revenue Refunding Bonds Series 2009 (the Series 2009 Bonds) in the original amount of $30,000,000 dated August 1 2009 which bear interest at 2.00% to 5.70% The Series 2009 Bonds are payable in annual installments through August 1, 2029 The Medical Center is required to make monthly deposits to the debt service fund of approximately $205,000

The City of Conway, Arkansas Health Facilities Board issued the Series 2009 Bonds on behalf of the Medical Center The Series 2009 Bonds are secured by the net revenues and accounts receivable of the Medical Center and the assets restricted under the bond indenture agreement The Series 2009 Bonds have not been guaranteed by the Health Facilities Board or the City of Conway Arkansas

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

(B) At varying rates of imputed interest from 2.2% to 7.5%, due through May 2015, collateralized by certain equipment

(C) Due June 1 2011, payable $1,794 monthly, including interest at 7.00%, secured by certain real estate

The legal ownership of the acute care facility premises (land and building) is held by the city of Conway, Arkansas. The Medical Center leases the land and building for a nominal amount. The lease expires September 30, 2098. Accordingly, the land and building are recorded in the Medical Center's financial statements.

Property and equipment include the following property under capital lease:

	2011	2010
Equipment	$ 5,115,429	$ 3,540,789
Less accumulated depreciation	1,619,401	673,695
	$ 3,496,028	$ 2,867,094

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at December 31, 2011, are:

	Long-term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2012	$ 1,065,000	$ 1,279,442
2013	1,100,000	1,191,131
2014	1,130,000	1,001,884
2015	1,175,000	437,134
2016	1,220,000	56,485
Thereafter	22,725,000	-
	28,415,000	3,966,076
Less unamortized discounts on bonds payable	353,264	
	$ 28,061,736	
Less amount representing interest		316,786
Present value of future minimum lease payments		3,649,290
Less current maturities		1,119,515
Noncurrent portion		$ 2,529,775

The Medical Center also has two unused letters of credit as of December 31, 2011. One letter of credit is in the amount of $200,000 and serves the Medical Center's obligations for workers' compensation insurance. The second letter of credit is in the amount of $300,000 for professional liability obligations. No draws were made on either letter of credit in 2011 or 2010.

Note 10: Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes:

	2011	2010
Capital purchases	$ 1,106,993	$ 235,126
Scholarships	175,865	182,973
Indigent care	37,041	67,366
Employee assistance	35,992	41,822
Other	50,529	39,503
	$ 1,406,420	$ 566,790

Note 11: Charity Care

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

During the year ended December 31, 2011, the Medical Center changed its method of disclosure of charity care in accordance with Accounting Standards Update 2010-23. The ASU had no impact on changes in net assets and requires that cost be used as the measurement basis for charity care disclosures.

For the year ending December 31, 2011 and 2010, management estimates that the cost relating to these services was approximately $1,360,000 and $1,900,000, respectively, using a reasonable cost reimbursement methodology based upon the Medical Center's cost-to-charge ratio from the Medicare cost report.

In addition to uncompensated charges, the Medical Center also commits significant time and resources to endeavors and critical services that meet otherwise unfilled community needs Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable Such programs include donations of medical supplies and equipment to local free clinics and local school nurse programs and donations of items for non-profit organizations' charitable events The Medical Center also sponsors community and corporate health screenings and provides a residence for families of needy patients

Note 12: Functional Expenses

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

	2011	2010
Health care services	$ 102 678 053	$ 100 646 833
General and administrative	25 552 955	22 595 626
	$ 128 231 008	$ 123 242 459

Note 13: Operating Leases

The System leases various equipment and facilities under operating leases expiring at various dates Lease expense incurred under operating leases was approximately $2 306 000 and $2 423 000 for 2011 and 2010, respectively

Future minimum lease payments on non-cancellable operating leases at December 31 2011, were approximately

2012	$ 508 000
2013	342 000
2014	129 000
2015	68 000
2016	64 000
Thereafter	17 000
Future minimum lease payments	$ 1,128 000

Note 14: Pension Plan

The System has defined-contribution pension plans covering substantially all employees The Board of Directors annually determines the amount if any of the System's contribution to the plans Pension expense was approximately $1 440 000 and $1.380 000 for 2011 and 2010, respectively

Note 15: Disclosures About Fair Value of Financial Instruments

ASC Topic 820 *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Topic 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value The standard describes three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include common stock, mutual funds and exchange traded funds If quoted market prices are not available then fair values are estimated by using pricing models quoted prices of securities with similar characteristics or discounted cash flows and are classified within Level 2 of the valuation hierarchy For these investments, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, reported trades broker dealer quotes issuer spreads, two-sided markets, benchmark securities, bids offers and reference data market research publications These Level 2 securities include United States Treasury obligations and various federally-backed mortgage pools The System did not hold any Level 3 securities at December 31 2011 or 2010

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31 2011 and 2010

	2011			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 5,145,858	$ 5,145,858	$ -	$ -
U S Treasury obligations	1,416,472	-	1,416,472	-
Mortgage-backed securities	1,777,814	-	1,777,814	-
Equity mutual funds	2,307,763	2,307,763	-	-
Fixed income mutual funds	3,846,918	3,846,918	-	-
Equity exchange traded funds	12,495,394	12,495,394	-	-
Fixed income exchange traded funds	10,297,352	10,297,352	-	-
Equity securities	2,079,653	2,079,653	-	-
	39,367,224	$ 36,172,938	$ 3,194,286	$ 0
Financial instruments not carried at fair value				
Cash and cash equivalents	426,176			
Certificates of deposit	10,095,861			
Interest receivable	49,458			
Total System investments	$ 49,938,719			

	2010			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 6,442,476	$ 6,442,476	$ -	$ -
U S Treasury obligations	643,641	-	643,641	-
Mortgage-backed securities	2,732,817	-	2,732,817	-
Equity mutual funds	3 617,342	3,617,342	-	-
Fixed income mutual funds	1,547 402	1,547,402	-	-
Equity exchange traded funds	12,892,660	12,892,660	-	-
Fixed income exchange traded funds	10,633,009	10,633,009	-	-
Equity securities	1,685,269	1,685,269	-	-
	40,194 616	$ 36,818,158	$ 3 376,458	$ 0
Financial instruments not carried at fair value				
Cash and cash equivalents	224,230			
Certificates of deposit	8,570 553			
Interest receivable	49 457			
Total System investments	$ 49,038,856			

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

Cash, Cash Equivalents and Certificates of Deposit

The carrying amount approximates fair value

Notes Receivable and Pledges Receivable

Fair value is estimated using discounted cash flow models

Notes Payable and Long-term Debt

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

The following table presents estimated fair values of the System's financial instruments at December 31 2011 and 2010

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 19,743,627	$ 19,743,627	$ 32,986,317	$ 32,986,317
Investments	49,938,719	49,938,719	49,038,856	49,038,856
Notes receivable	516,121	516,121	1,219,413	1,219,413
Financial liabilities				
Long-term debt exclusive of capital leases	28,061,736	30,671,185	29,085,014	29,526,335

Note 16: Asset Retirement Obligations

Accounting principles generally accepted in the United States of America require that an asset retirement obligation associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and or method of settlement may be conditional on a future event The Medical Center's conditional asset retirement obligations primarily relate to asbestos contained in buildings that the Medical Center leases Environmental regulations exist in the state of Arkansas that require the Medical Center to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished

A summary of changes in asset retirement obligations for the years ended December 31 2011 and 2010 is included in the table below

	2011	2010
Liability, beginning of year	$ 611,220	$ 669,182
Accretion expense	25,131	24,750
Liabilities settled	-	(82,712)
Liability, end of year	$ 636,351	$ 611,220

Note 17: Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

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

Self-Funded Health Insurance

Estimates related to the accrual for employee health insurance claims are described in *Note 1*

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *8*

Admitting Physicians

The Medical Center is served by three admitting physician groups whose patients collectively comprised approximately 37% of the Medical Center's net patient service revenue in 2011

Litigation

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

Asset Retirement Obligations

Estimates related to the accrual for asset retirement obligations are described in *Note 16* The actual amount of these obligations could differ materially from the estimates reflected in these consolidated financial statements

Investments

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

Note 18: Subsequent Event

Subsequent to year end, the Medical Center issued $18,150,000 in revenue improvement bonds which bear interest at 1.0% to 4.875%. Principal payments are due in annual installments through August 1, 2041. The bonds were issued to finance the completion of a construction project and to reimburse approximately $9,200,000 in cost already incurred and paid for the project by the Medical Center as of the bond issuance date.

Supplementary Information

www.bkd.com

Independent Accountants' Report on Supplementary Information

Board of Directors
Conway Regional Medical Center, Inc
Conway, Arkansas

We were engaged for the purpose of forming an opinion on the basic financial statements as a whole The supplementary consolidating information is presented for the purposes of additional analysis and is not a required part of the basic financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion on, or provide any assurance on it

BKD, LLP

April 20 2012

Conway Regional Medical Center, Inc.

Consolidating Schedule – Balance Sheet Information

December 31, 2011

Assets

	Conway Regional Medical Center, Inc	Institutional Services Corporation
Current Assets		
Cash and cash equivalents	$ 16,275,480	$ 227,358
Short-term investments	5,131,933	-
Assets limited as to use – current	1,037,163	-
Patient accounts receivable, net	15,112,638	-
Notes receivable – current	-	-
Other receivables	344,901	-
Supplies	2,138,141	-
Due from affiliates	208,675	-
Prepaid expenses and other	829,243	790
Total current assets	41,078,174	228,148
Assets Limited as to Use		
Internally designated	39,843,787	-
Externally restricted by donors	-	-
Held by trustee	3,607,022	-
	43,450,809	-
Less amount required to meet current obligations	1,037,163	-
	42,413,646	0
Investments in Equity Investee	5,531,774	-
Property and Equipment, at Cost		
Land and land improvements	1,348,270	174,206
Buildings and leasehold improvements	61,869,642	779,448
Equipment	64,092,097	194,348
Construction in progress	20,927,854	-
	148,237,863	1,148,002
Less accumulated depreciation	93,841,475	876,790
	54,396,388	271,212
Other Assets		
Deferred lease receivable	-	-
Deferred financing costs	459,925	-
Notes receivable	-	-
	459,925	0
Total assets	$ 143,879,907	$ 499,360

Conway Regional Health Foundation, Inc	Conway Regional Rehabilitation Hospital, LLC	Eliminations	Consolidated
$ 2 936 670	$ 304 119	$ -	$ 19 743,627
-	700,000	-	5 831,933
-	-	-	1 037,163
-	695,647	-	15 808,285
45 424	-	-	45 424
12 057	-	(43 971)	312,987
7 500	34 141	-	2,179,782
-	-	(208 675)	0
32,452	15 496	-	877,981
3 034 103	1 749 403	(252 646)	45,837,182
-	145,000	-	39 988,787
1 501 423	-	(95 000)	1,406,423
-	-	-	3 607,022
1 501 423	145 000	(95 000)	45,002,232
-	-	-	1 037,163
1 501 423	145 000	(95 000)	43,965,069
-	-	(3 540,500)	1 991 274
4 105 766	-	157 230	5 785 472
17,347,649	2 055 104	1 277 922	83 329 765
50 066	928 213	-	65 264,724
83 287	-	-	21 011,141
21,586,768	2 983 317	1 435 152	175 391,102
9 678 011	1 959 930	1 165 445	107 521,651
11,908,757	1,023 387	269 707	67 869,451
1 154 351	-	(471,666)	682 685
-	-	-	459,925
470 697	-	-	470,697
1 625 048	0	(471,666)	1,613,307
$ 18 069 331	$ 2 917 790	$ (4 090 105)	$ 161,276,283

Conway Regional Medical Center, Inc.

Consolidating Schedule – Balance Sheet Information (Continued)

December 31, 2011

Liabilities and Net Assets

	Conway Regional Medical Center, Inc	Institutional Services Corporation
Current Liabilities		
Current maturities of long-term debt	$ 2,171,269	$ -
Accounts payable	6,051,438	-
Accrued expenses	7,469,061	14,175
Estimated amounts due to third-party payers	2,239,364	-
Due to affiliates	-	397
Total current liabilities	17,931,132	14,572
Asset Retirement Obligations	636,351	-
Deferred Lease Liability	-	-
Long-term Debt	29,501,188	-
Total liabilities	48,068,671	14,572
Net Assets		
Common stock	-	1,200
Additional paid-in capital	-	740,825
Retained earnings (deficit)	-	(257,237)
Unrestricted		
Conway Regional Medical Center, Inc	95,811,236	-
Noncontrolling interest	-	-
Temporarily restricted	-	-
Total net assets	95,811,236	484,788
Total liabilities and net assets	$ 143,879,907	$ 499,360

Conway Regional Health Foundation, Inc	Conway Regional Rehabilitation Hospital, LLC	Eliminations	Consolidated
$ -	$ 13,246	$ -	$ 2,184,515
60,747	218,009	(43,971)	6,286,223
168,037	100,002	-	7,751,275
-	20,817	-	2,260,181
184,963	23,315	(208,675)	0
413,747	375,389	(252,646)	18,482,194
-	-	-	636,351
-	735,171	(735,171)	0
-	25,323	-	29,526,511
413,747	1,135,883	(987,817)	48,645,056
-	-	(1,200)	0
-	-	(740,825)	0
-	-	257,237	0
16,154,164	1,781,907	(3,203,188)	110,544,119
-	-	680,688	680,688
1,501,420	-	(95,000)	1,406,420
17,655,584	1,781,907	(3,102,288)	112,631,227
$ 18,069,331	$ 2,917,790	$ (4,090,105)	$ 161,276,283

Conway Regional Medical Center, Inc.

Consolidating Schedule – Statement of Operations Information

Year Ended December 31, 2011

	Conway Regional Medical Center, Inc	Institutional Services Corporation
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual allowances and discounts)	$ 135,101,397	$ -
Provision for uncollectible accounts	(13,591,045)	-
Net patient service revenue	121,510,352	0
Other	5,606,083	87,173
Total unrestricted revenues, gains and other support	127,116,435	87,173
Expenses and Losses		
Salaries and wages	46,350,363	-
Employee benefits	10,382,343	-
Supplies and other	58,238,863	30,390
Depreciation, amortization and accretion	6,614,222	19,928
Interest	1,027,980	-
Total expenses and losses	122,613,771	50,318
Operating Income (Loss)	4,502,664	36,855
Other Income (Expense)		
Investment return	277,543	3,730
Gain on investments in equity investees	1,267,784	-
Total other income (expense)	1,545,327	3,730
Excess (Deficiency) of Revenues over Expenses	6,047,991	40,585
Gain on sale of CRRH shares	143,415	-
Distributions to noncontrolling interest	-	-
Distributions to members	-	-
Increase (Decrease) in Unrestricted Net Assets	$ 6,191,406	$ 40,585

Conway Regional Health Foundation, Inc.	Conway Regional Rehabilitation Hospital, LLC	Eliminations	Consolidated
$ -	5 939,809	$ -	$ 141,041 206
-	(42,081)	-	(13 633 126)
0	5 897,728	0	127 408,080
2 059 189	10,425	(1 322,610)	6 440,260
2 059 189	5 908,153	(1 322,610)	133 848,340
-	1,304 340	-	47 654,703
-	248 439	-	10 630,782
1 128 500	2 989,251	(1 353,785)	61 033,219
994,424	200,325	52,537	7,881 436
215	2,673	-	1 030,868
2 123 139	4 745,028	(1 301,248)	128 231,008
(63 950)	1 163,125	(21,362)	5 617 332
21 556	4,609	-	307 438
-	-	(771 929)	495,855
21 556	4,609	(771,929)	803,293
(42 394)	1 167,734	(793,291)	6 420,625
-	-	-	143 415
-	(408 900)	-	(408 900)
-	(766 100)	766 100	0
$ (42 394)	$ (7 266)	$ (27,191)	$ 6 155,140

Conway Regional Medical Center, Inc.

Consolidating Schedule – Statement of Changes in Net Assets Information

Year Ended December 31, 2011

	Conway Regional Medical Center, Inc.	Institutional Services Corporation
Unrestricted Net Assets		
Excess (deficiency) of revenues over expenses	$ 6,047,991	$ 40,585
Gain on sale of CRRH shares	143,415	-
Distributions to noncontrolling interest	-	-
Distributions to members	-	-
Increase (decrease) in unrestricted net assets	6,191,406	40,585
Temporarily Restricted Net Assets		
Contributions received	-	-
Increase in temporarily restricted net assets	0	0
Change in Net Assets	6,191,406	40,585
Net Assets, Beginning of Year	89,619,830	444,203
Net Assets, End of Year	$ 95,811,236	$ 484,788

Conway Regional Health Foundation, Inc	Conway Regional Rehabilitation Hospital, LLC	Eliminations	Consolidated
$ (42 394)	$ 1 167 734	$ (793 291)	$ 6 420 625
-	-	-	143,415
-	(408 900)	-	(408,900)
-	(766 100)	766 100	0
(42 394)	(7 266)	(27 191)	6 155 140
934 630	-	(95 000)	839,630
934 630	0	(95,000)	839 630
892 236	(7 266)	(122 191)	6 994 770
16 763 348	1,789 173	(2 980,097)	105 636,457
$ 17 655 584	$ 1 781 907	$ (3 102,288)	$ 112 631,227

Additional Data

Software ID:
Software Version:
EIN: 71-0249735
Name: CONWAY REGIONAL MEDICAL CENTER INC

Form 990, Special Condition Description:

Special Condition Description