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Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

TO PROVIDE A CARING ENVIRONMENT, RESPONDING WITH EXCELLENCE TO THE HEALTH CARE NEEDS OF THOSE WE SERVE
RESPECTING THE DIGNITY AND RECOGNIZING THE WORTH OF EACH PERSON IS THE FOUNDATION OF OUR COMMITMENT TO
CARE

2

Did the organization undertake any significant program services during the year which were not listed on
the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program
services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by
expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of
grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 29,277,059 including grants of \$) (Revenue \$ 32,797,456)

COMMUNITY HOSPITAL OF ANACONDA IS COMPRISED OF A 25-BED CRITICAL ACCESS HOSPITAL AND A 62-BED NURSING HOME FACILITY WHICH PROVIDES HEALTH
CARE SERVICES THE HOSPITAL PROVIDED 4,657 DAYS OF INPATIENT ACUTE CARE SERVICES, 45,088 OUTPATIENT VISITS, 7,970 EMERGENCY ROOM/CONVENIENT
CARE VISITS, AND 1,052 SURGERIES THE NURSING HOME PROVIDED 19,722 DAYS OF RESIDENT SERVICES FOR THE YEAR ENDED DECEMBER 31, 2011 THE
HOSPITAL PROVIDES CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT OR BELOW COST AND TO INDIVIDUALS WHO ARE UNABLE TO PAY THE
UNREIMBURSED CHARGES OF PROVIDING CARE TO THESE PATIENTS WAS 638,232 FOR CHARITY CARE, 7,266,652 FOR MEDICARE, 1,149,339 FOR MEDICAID, AND
4,105,142 FOR OTHER THIRD PARTY PAYORS FOR THE YEAR ENDED DECEMBER 31, 2011

4b

(Code) (Expenses \$ 26,024 including grants of \$ 26,024) (Revenue \$)

COMMUNITY HOSPITAL OF ANACONDA ALSO SPONSORS NUMEROUS YOUTH GROUPS AND ACTIVITIES WITHIN ITS COMMUNITY

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 \$ 29,303,083

Form 990 (2011)

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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
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? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Part I.</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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I.</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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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 <input type="checkbox"/>					
		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	36		
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	355		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
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			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
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	11		
b	Enter the number of voting members included in line 1a, above, who are independent		
1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ▶ _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ LAURA AUSTIN VP OF FINANCE 401 W PENNSYLVANIA ANACONDA, MT 59711 (406) 563-8521

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) PETER SORINI MD PHYSICIAN/TR	40 00	X						1,021,616	0	0
(2) WILLIAM REITER MD FACP TRUSTEE	1 00	X						423,018	0	0
(3) JOHN S MCNEECE CEO/TRUSTEE	40 00	X		X				338,851	0	25,917
(4) SHAWNA BAKER MD PHYSICIAN/TR	40 00	X						204,433	0	66,515
(5) BOB FRANCISCO CHAIR	1 00	X		X				0	0	0
(6) LEE ANN BARTOLETTI VICE CHAIR	1 00	X		X				0	0	0
(7) BILL FINNEGAN SECRETARY-TR	1 00	X		X				0	0	0
(8) GENE VUCKOVICH TRUSTEE	1 00	X						0	0	0
(9) JACK HAFHEY TRUSTEE	1 00	X						0	0	0
(10) CHARLENE GALLE TRUSTEE	1 00	X						0	0	0
(11) STAN BLAZ TRUSTEE	1 00	X						0	0	0
(12) LAURA AUSTIN V P OF FINA	40 00			X				172,463	0	14,179
(13) PETER WENDT PHYSICIAN	40 00					X		350,000	0	17,410
(14) FREDRICK BARTOLETTI MD ER PHYSICIAN	38 00					X		324,915	0	54,620
(15) JENNIFER AUSTIN PHYSICIAN	40 00					X		296,499	0	37,721
(16) RISHONA CORSON ER PHYSICIAN	32 00					X		225,110	0	25,837
(17) DANIEL HARTMAN ER PHYSICIAN	38 00					X		206,706	0	32,501

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	3,563,611		274,700

2 Total number of individuals (including but not limited to those listed in Item 1) who received or accrued more than \$100,000 of reportable compensation from the organization. 16

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	5	Yes

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
DR PETER SORINI 22 BITTERSWEET BUTTE, MT 59701	SURGEON	1,021,616
JBP ORTHOPEDICS PLLC PO BOX 1486 ANACONDA, MT 59711	SURGEON	519,625
THE LOST CREEK COMPANY 1102 E COMMERCIAL ANACONDA, MT 59711	PHYSICIAN SRVCS	423,018
ST PATRICK HOSPITAL PO BOX 4587 MISSOULA, MT 59806	CEO SERVICES	375,441
DR THOMAS MCMAHON 401 W PENN AVE ANACONDA, MT 59711	SURGEON	337,748

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 ►8

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	51,400			
	e	Government grants (contributions)	1e	492,709			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	80,229			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f		624,338			
Program Service Revenue	2a	PATIENT SERVICE REVENUE, NET	Business Code 624100	32,797,456	32,797,456		
	b	PHARMACY SALES	446110	44,589		44,589	
	c	RENTAL INCOME	621110	12,709			12,709
	d	CATERING	722320	11,020		11,020	
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		32,865,774			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		121,046		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)					
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . .					
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . .					
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory . .					
		Miscellaneous Revenue	Business Code				
11a		CAFETERIA REVENUE	722210	26,612			26,612
b		OTHER	900099	16,070			16,070
c	MEDICAL RECORDS & TRANSCRIPTI	900099	4,423			4,423	
d	All other revenue						
e	Total. Add lines 11a-11d		47,105				
12	Total revenue. See Instructions		33,658,263	32,797,456	55,609	180,860	

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	26,024	26,024		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	186,642		186,642	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	12,467,668	10,991,200	1,476,468	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	315,353	279,107	36,246	
9	Other employee benefits	1,343,036	1,175,272	167,764	
10	Payroll taxes	1,204,078	1,047,004	157,074	
11	Fees for services (non-employees)				
a	Management	376,841		376,841	
b	Legal	73,523		73,523	
c	Accounting	58,704		58,704	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	5,090,145	4,791,226	298,919	
12	Advertising and promotion	167,710	1,556	166,154	
13	Office expenses	2,263,652	2,091,888	171,764	
14	Information technology	201,710	201,710		
15	Royalties				
16	Occupancy	976,434	530,764	445,670	
17	Travel	13,227	7,176	6,051	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	82,258	67,215	15,043	
20	Interest	242,615	222,336	20,279	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	807,524	738,111	69,413	
23	Insurance	754,813	750,307	4,506	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES & DRUGS	3,434,218	3,434,218		
b	BAD DEBT EXPENSE	1,696,576	1,696,576		
c	OTHER EXPENSES	636,677	387,876	248,801	
d	COGS	48,690	48,690		
e					
f	All other expenses		814,827	-814,827	
25	Total functional expenses. Add lines 1 through 24f	32,468,118	29,303,083	3,165,035	0
26	Joint costs. Check here <input type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1,894,901	1	574,158
	2	Savings and temporary cash investments			3,995,381	2	3,607,866
	3	Pledges and grants receivable, net			69,852	3	1,086,500
	4	Accounts receivable, net			4,573,767	4	6,790,901
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			3,452	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			112,416	7	71,983
	8	Inventories for sale or use			422,319	8	627,543
	9	Prepaid expenses and deferred charges			129,224	9	149,045
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	16,444,364			
	b	Less: accumulated depreciation	10b	9,812,175	5,269,882	10c	6,632,189
	11	Investments—publicly traded securities			1,719,019	11	2,058,912
	12	Investments—other securities. See Part IV, line 11			510,692	12	259,531
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,268,621	15	173,196
16	Total assets. Add lines 1 through 15 (must equal line 34)			19,969,526	16	22,031,824	
Liabilities	17	Accounts payable and accrued expenses			2,359,317	17	2,880,985
	18	Grants payable				18	
	19	Deferred revenue			511,967	19	318,945
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			3,161,753	23	4,197,116
	24	Unsecured notes and loans payable to unrelated third parties			108,308	24	95,471
	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			680,648	25	435,612
	26	Total liabilities. Add lines 17 through 25			6,821,993	26	7,928,129
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			13,147,533	27	14,103,695
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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			13,147,533	33	14,103,695
	34	Total liabilities and net assets/fund balances			19,969,526	34	22,031,824

Part XI Reconciliation 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	33,658,263
2	Total expenses (must equal Part IX, column (A), line 25)	2	32,468,118
3	Revenue less expenses Subtract line 2 from line 1	3	1,190,145
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,147,533
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-233,983
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	14,103,695

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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 <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?		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		

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 COMMUNITY HOSPITAL OF ANACONDA	Employer identification number 81-0303913
--	--

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 Se**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?

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

Part II

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

Section A. Public Support						
Calendar year	(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	(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 IIIPart 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

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions COMMUNITY HOSPITAL OF ANACONDA	Employer identification number (EIN) or <input checked="" type="checkbox"/> 81-0303913
	Number, street, and room or suite no. If a P O box, see instructions 401 W PENNSYLVANIA	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code For a foreign address, see instructions ANACONDA MT 59711	

Enter the Return code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

LAURA AUSTIN, V.P. OF FINANCE
401 W PENNSYLVANIA

- The books are in the care of **ANACONDA**
Telephone No **406-563-8521**

MT 59711

FAX No ☐

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **11/15/12**

5 For calendar year **2011**, or other tax year beginning , and ending

6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS REQUESTED TO GATHER INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$
c Balance due. Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ☐

Title **V.P. OF FINANCE**

Date **07/26/12**

Form **8868** (Rev 1-2012)

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number
81-0303913

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?	
	<div><input type="checkbox"/> Yes<input checked="" type="checkbox"/> No</div>	
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	
	<div><input type="checkbox"/> Yes<input checked="" type="checkbox"/> No</div>	

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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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

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
1c	
1d	
1e	
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)	No
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	No

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		783,022		783,022
b Buildings		5,952,462	3,278,857	2,673,605
c Leasehold improvements				
d Equipment		8,689,640	6,168,302	2,521,338
e Other		1,019,240	365,016	654,224
Total. Add lines 1a-1e <i>(Column (d) should equal Form 990, Part X, column (B), line 10(c).)</i> 				6,632,189

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AND IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. ACCORDINGLY, NO PROVISION FOR INCOME TAX IS NECESSARY. THE HOSPITAL EVALUATES UNCERTAIN TAX PROVISIONS WHEREBY THE EFFECT OF UNCERTAINTY WOULD BE RECORDED IF THE OUTCOME WERE CONSIDERED PROBABLE AND REASONABLY ESTIMABLE. AS OF DECEMBER 31, 2011 AND 2010, THE HOSPITAL HAS NO UNCERTAIN TAX POSITIONS REQUIRING ACCRUAL.

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
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number
81-0303913

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 <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
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 <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>1.30000 %</u></div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other <u>2.20000 %</u></div> 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	3a	Yes	
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			331,881	209,760	122,121	0 400 %
b Medicaid (from Worksheet 3, column a)			3,555,581	3,555,581		
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			3,887,462	3,765,341	122,121	0 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			149,214		149,214	0 480 %
f Health professions education (from Worksheet 5)			1,257		1,257	
g Subsidized health services (from Worksheet 6)			9,809,406	6,784,071	3,025,335	9 830 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			10,385		10,385	0 030 %
j Total Other Benefits			9,970,262	6,784,071	3,186,191	10 340 %
k Total. Add lines 7d and 7j			13,857,724	10,549,412	3,308,312	10 740 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development			62		62	
3Community support						
4Environmental improvements			1,088		1,088	
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total			1,150		1,150	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	2882,220	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	
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)	58,748,698	
6	Enter Medicare allowable costs of care relating to payments on line 5	68,808,845	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-60,147	
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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
9b	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.	9bYes	

Part IVManagement 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 %
1NA				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

Schedule H (Form 990) 2011

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)

COMMUNITY HOSPITAL OF ANACONDA

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 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input checked="" type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 08		
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 Yes	
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	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> 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 Yes	
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? If "Yes," indicate the FPG family income limit for eligibility for free care 130 0% If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>220 0</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

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 <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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? If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> 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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> 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	<input checked="" type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI	20	No
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? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

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

Name and address		Type of Facility (Describe)
1	COMMUNITY NURSING HOME OF ANACONDA 600 MAIN ANACONDA, MT 59711	NURSING HOME
2	PINTLER HOME OPTIONS 305 W PENNSYLVANIA ANACONDA, MT 59711	HOME HEALTH AGENCY
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
SUBSIDIZED HEALTH SERVICES EXPLANATION	PART I LINE 7G	THE HOSPITAL HAS INCLUDED COSTS ASSOCIATED WITH PHYSICIAN CLINICS AS SUBSIDIZED HEALTH SERVICES IN PART I LINE 7G IN THE AMOUNT OF 5481711 IN COLUMN C AND 2505469 IN COLUMN D

Identifier	ReturnReference	Explanation
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	BAD DEBT EXPENSE INCLUDED ON FORM 990 PART IX LINE 25 COLUMN A OF 1696576 WAS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN PART I LINE 7 COLUMN F

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	THE HOSPITAL APPLIES THE RATIO OF PATIENT CARE COSTTOCHARGES FOR FIGURES REPORTED IN THE TABLE TOTAL OPERATING EXPENSES LESS BAD DEBT NONPATIENT CARE ACTIVITIES MEDICAID PROVIDER TAXES TOTAL COMMUNITY BENEFIT AND TOTAL COMMUNITY BUILDING EXPENSES

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	COMMUNITY HOSPITAL OF ANACONDA CHA IS A LEADING SUPPORTER OF SOCIAL SERVICE PROGRAMS THAT BENEFIT LOCAL RESIDENTS HOSPITAL EMPLOYEES ARE ENCOURAGED TO VOLUNTEER IN THE COMMUNITY EMPLOYEES VOLUNTEER AT THE LOCAL FOOD BANK AND VOLUNTEER THEIR TIME TO TEACHING BASIC LIFE SUPPORT COURSES AT LOCAL BUSINESSES THE HOSPITAL SUPPORTS THE LOCAL SCHOOLS MOUTHRINSE AND HEALTHY SNACK PROGRAMS AND OFFERS FINANCIAL SUPPORT TO AFTER SCHOOL AND SUMMER PROGRAMS FOR AT RISK YOUTH IN ADDITION CHA OFFERS A SCHOLARSHIP FOR A HIGH SCHOOL SENIOR PURSUING ADVANCED EDUCATION IN A HEALTHCARE FIELD THE HOSPITAL ALSO PROMOTES PROGRAMS THAT BENEFIT THE ELDERLY SUCH AS THE DEMENTIA SUPPORT GROUP AND THE SIT AND BE FIT EXERCISE PROGRAMS WHICH ARE BOTH OFFERED AT THE LOCAL SENIOR CENTER THE HOSPITALS ANNUAL HEALTH FAIR OFFERS NOT ONLY A VARIETY OF INFORMATION ABOUT HEALTH PREVENTION AND MAINTENANCE BUT OFFERS A SPECTRUM OF LAB WORK FOR 3550 SERVICES THAT WOULD NORMALLY COST IN EXCESS OF 300 CHA ALSO SUPPORTS LOCAL ARTS AND ENTERTAINMENT INCLUDING SHAKESPEARE IN THE PARK ALIVE AFTER FIVE AND ART IN THE PARK CHA ALSO OFFERS FINANCIAL SUPPORT TO THE FOLLOWING COMMUNITY ACTIVITIES COPPER VILLAGE ARTS CENTERART EXPERIENCES FOR YOUNG PEOPLE ANACONDA COMMUNITY INTERVENTIONPOSITIVE LIFESTYLESUBSTANCE ABUSE EDUCATION FOR YOUTH ANACONDA RELAY FOR LIFECANCER RESEARCH FUNDRAISINGSURVIVOR RECOGNITIONAWARENESS EVENT HEARST FREE LIBRARYSUMMER READING PROGRAM FOR ANACONDA YOUTH SHAKESPEARE IN THE PARK FREE THEATRICAL PERFORMANCE FOR THE COMMUNITY FREE PRENATAL CLASSES FIVE SESSIONS FOR EXPECTANT PARENTS NEED NOT BE DELIVERING AT CHA COMMUNITY FOOD BANK UNITED WAY COMMUNITY HEALTH FAIR LOW COST BLOOD WORK RESULTS COUNSELING PREVENTATIVE HEALTH EDUCATION FINANCIAL COUNSELING FOR THE UNINSURED ANACONDA HIGH SCHOOL ATHLETIC SPONSORSHIPINCLUDES SPORTS PHYSICALS EQUIPMENT SPONSORSHIP OF LOCAL REGIONAL AND DIVISIONAL SPORTING EVENTS SPONSORSHIP OF LOCAL SCHOOL DISTRICT PROGRAMS SUCH AS NATIONAL HONOR SOCIETY ALCOHOL FREE GRADUATION PARTY CAREER FAIRS BLOOD DRIVES AND NONATHLETIC CLUBS AND ACTIVITIES NUTRITIONAL COUNSELING BY A REGISTERED DIETITIAN TO VARIOUS COMMUNITY GROUPS AND ORGANIZATIONS CPR CLASSES FOR LOCAL ORGANIZATIONS FIRE AND POLICE DEPARTMENTS AS WELL AS EMERGENCY MEDICAL TECHNICIAN SPECIAL OLYMPICS OF ANACONDA AND MONTANA UNITED VETERANS OF ANACONDA WASHOE PARK FOUNDATION AND ANNUAL BIKE FESTIVAL GRACE CAMP FOR ATRISK YOUTH CROSSROADS YOUTH PROGRAM KIDZ CLUB ANACONDA CAR SEAT SAFETY PROGRAM CARING IS SHARING PROGRAM ANACONDA LITTLE LEAGUE EDUCATIONAL CAMPS FOR YOUTH INTERESTED IN EXPLORING HEALTHCARE RELATED CAREERS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNTS REPORTED ON SCHEDULE H PART III LINE 2 INCLUDES THE COST TO CHARGE RATIO OF PATIENT CARE THE HOSPITAL DID NOT TRACK THE AMOUNT OF BAD DEBT EXPENSE THAT COULD REASONABLY BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITALS CHARITY CARE POLICY BUT FOR WHOM SUFFICIENT INFORMATION WAS NOT OBTAINED TO MAKE DETERMINATION OF THEIR ELIGIBILITY DURING 2011 THE PATIENT ACCOUNTS RECEIVABLE FOOTNOTE OF THE AUDITED FINANCIAL STATEMENTS READS AS FOLLOWS RECEIVABLES ARISING FROM REVENUES FROM SERVICES TO PATIENTS ARE REDUCED BY ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS AND CONTRACTUAL ADJUSTMENTS BASED ON EXPERIENCE THIRD PARTY CONTRACTUAL REIMBURSEMENT ARRANGEMENTS AND ANY UNUSUAL CIRCUMSTANCES WHICH MAY AFFECT THE ABILITY OF PATIENTS TO MEET THEIR OBLIGATIONS ACCOUNTS DEEMED UNCOLLECTIBLE ARE CHARGED AGAINST THESE ALLOWANCES ACCOUNTS ARE DEEMED UNCOLLECTIBLE WHEN THE HOSPITAL HAS FOLLOWED ITS COLLECTION PROCEDURES FOR 120 DAYS AFTER INITIALLY BILLING THE PATIENT AND NO PAYMENT ACTIVITY HAS OCCURRED

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	ANY MEDICARE ALLOWABLE COSTS OF PATIENT CARE SHORTFALLS ARE NOT COUNTED AS COMMUNITY BENEFIT THESE ALLOWABLE COSTS ARE OBTAINED FROM THE MEDICARE COST REPORT FOR THE YEAR

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	IF A PATIENT CANNOT PAY THE ENTIRE BILL WITHIN THE TIMELINE SPECIFIED IN THE BILLINGCOLLECTION POLICY AN INTERVIEW WITH THE PATIENT IS CONDUCTED WE SCREEN THE PATIENT TO DETERMINE THEIR FINANCIAL STATUS IF THEY ARE TRUE SELF PAY WITHOUT INSURANCE WE MAKE A REFERRAL TO THE MASH PROGRAM TO SEE IF THEY QUALIFY FOR ANY GOVERNMENT PROGRAMS SUCH AS MEDICAID MEDICARE SSI ETC IF THEY HAVE BEEN SCREENED AND DO NOT QUALIFY FOR ANY PROGRAMS WE DETERMINE IF THEY ARE ELIGIBLE FOR OUR FINANCIAL ASSISTANCE PROGRAM PART OF THE FINANCIAL ASSISTANCE PROGRAM IS A REDUCED PAYMENT PLAN THAT CAN BE APPROVED EVEN IF THE PATIENT DOES NOT QUALIFY FOR FULL FINANCIAL ASSISTANCE IF THE PATIENT HAS INSURANCE THE SAME PROCEDURE IS COMPLETED WITHOUT THE PATIENT BEING SCREENED BY THE MASH PROGRAM ANOTHER PROVISION IN THE CREDIT AND COLLECTIONS POLICY ALLOWS THE PATIENT ACCOUNT REPRESENTATIVE TO APPROVE A LESSER PAYMENT ARRANGEMENT IF THE ARRANGEMENT IS IN THE BEST INTEREST OF THE HOSPITAL AND THE PATIENT AN EXAMPLE OF THIS WOULD BE IF A PATIENT IS IN A TEMPORARY SITUATION THAT PREVENTS MEETING A HIGHER PAYMENT WE WILL APPROVE THE LOWER PAYMENT PLAN WITH A DATE TO REEVALUATE WHEN THAT SITUATION IS RESOLVED CHA WORKS WITH PATIENTS TO ACCOMMODATE THEIR FINANCIAL SITUATION THE FACT THAT THEY CANNOT MEET THE GUIDELINES UNDER THE FINANCIAL POLICY DOES NOT MEAN THAT THEY ARE SENT DIRECTLY TO COLLECTIONS PARTIAL OR FULL PAYMENT MAY BE REQUIRED PRIOR TO SERVICE IN SOME SITUATIONS ALL NONEMERGENT PATIENTS REQUIRING A SURGICAL PROCEDURE THAT DO NOT HAVE INSURANCE COVERAGE MUST MEET WITH A PATIENT ACCOUNT REPRESENTATIVE PRIOR TO HAVING THE SERVICE PROVIDED WE INTERVIEW THE PATIENT TO DETERMINE THEIR FINANCIAL STATUS BASED ON THE PROCEDURE BEING PERFORMED AND THE FINANCIAL STATUS OF THE PATIENT A PARTIAL OR FULL PAYMENT MAY BE REQUIRED IF THE PATIENT IS UNABLE TO MAKE THE PARTIAL OR FULL PAYMENT A REFERRAL IS MADE WITH THE MASH PROGRAM TO DETERMINE IF THE PATIENT QUALIFIES FOR ANY GOVERNMENT PROGRAMS ONCE SCREENED BY MASH FOR ANY PATIENT THAT DOES NOT QUALIFY FOR ANY GOVERNMENT PROGRAM AN APPLICATION FOR FINANCIAL ASSISTANCE IS OFFERED PRIOR TO THE SERVICE BEING PERFORMED BASED ON THE RESULTS OF THE FINANCIAL ASSISTANCE APPLICATION THE BALANCE OF THE ACCOUNT AND THE PATIENTS ABILITY TO PAY ARE EVALUATED IF THE PATIENT HAS THE ABILITY TO PAY A PARTIAL OR FULL PAYMENT IS REQUIRED IF THE PATIENT DOES NOT HAVE THE ABILITY TO PAY THE ACCOUNT IS RELIEVED UNDER THE PATIENT FINANCIAL ASSISTANCE PROGRAM

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	IN MID 2008 CHA COMPLETED A COMMUNITY NEEDS ASSESSMENT WITH ASSISTANCE FROM THE MONTANA OFFICE OF RURAL HEALTH TO DETERMINE THE QUALITY OF CARE AT CHA AS WELL AS TO DETERMINE NEEDED HEALTHCARE AND COMMUNITY SERVICES THE PROCESS INCLUDED A RANDOM SURVEY OF ANACONDA HOUSEHOLDS AND A NUMBER OF FOCUS GROUPS THE FOLLOWING WERE IDENTIFIED AS THE TOP COMMUNITY HEALTH CARE NEEDS ADDITIONAL PROFESSIONALS TO ADDRESS THE ISSUES OF DRUG AND ALCOHOL ABUSE INCREASED COMMUNITY HEALTH EDUCATION REGARDING PREVENTION AND WELLNESS ADDITIONAL SPECIALISTS TO ALLEVIATE THE NEED TO TRAVEL OUT OF THE COMMUNITY IN RESPONSE CHA HAS INCREASED OUR COMMUNITY OUTREACH EFFORTS OFFERING PREVENTATIVE HEALTH EDUCATION TO LOCAL BUSINESSES COUNTY EMPLOYERS AND LOCAL SCHOOLS IN ADDITION WE HOST AN ANNUAL HEALTH FAIR WITH LOWCOST LAB WORK AND EDUCATION REGARDING NUTRITION AND RISK PREVENTION CHA HAS ALSO WORKED TO DEVELOP ADDITIONAL REFERRAL SOURCES FOR DRUG AND ALCOHOL INTERVENTION EDUCATION TO ALLEVIATE THE NEED FOR PATIENTS TO TRAVEL GREAT DISTANCES TO SEEK SPECIALIZED CARE CHA HAS ADDED THE FOLLOWING SPECIALISTS WHO VISIT CHA ON A REGULAR BASIS CARDIOLOGY GASTROENTEROLOGY PODIATRY GENERAL SURGERY NEUROLOGY NEUROSURGERY OBSTETRICSGYNECOLOGY ORTHOPEDICS IN ADDITION CHA HAS ADDED ADDITIONAL FULLTIME PROVIDERS IN THE AREAS OF INTERNAL AND FAMILY MEDICINE AND HAS STAFFED OUR EMERGENCY DEPARTMENT TWENTY FOUR HOURS PER DAY WITH BOARD ELIGIBLE EMERGENCY PHYSICIANS CHA WILL CONTINUE TO ASSESS THE NEED FOR ADDITIONAL SPECIALISTS AND WILL CONTINUE TO WORK WITH COMMUNITY GROUPS TO OFFER ADDITIONAL COMMUNITY OUTREACH AND EDUCATION CHA WILL CONDUCT ANOTHER COMMUNITY NEEDS ASSESSMENT IN 2012

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	IN COMPLIANCE WITH THE COLLECTION POLICIES OF CHA AN ANNUAL REVIEW IS PERFORMED OF ALL CREDITCOLLECTION AND FINANCIAL ASSISTANCE POLICIES ONCE REVIEWED AND REVISED THE INFORMATION IS DISTRIBUTED TO THE COMMUNITY IN A VARIETY OF WAYS THE FACILITY PUBLISHED A BROCHURE THAT IS PLACED IN PUBLIC AREAS OF ALL THE CHA FACILITIES AS WELL AS INCLUDED IN ALL FORMAL ADMISSION PACKETS TO PATIENTS THE PATIENT ACCOUNT REPRESENTATIVES HAND OUT THE INFORMATION DURING PATIENT CONSULTS AS WELL THE INFORMATION IS ALSO AVAILABLE ON THE CHA WEBSITE ANNUALLY THE PATIENT ACCOUNTS LEADER DISTRIBUTES THE NEW INFORMATION TO LOCAL AGENCIES THAT ASSIST LOW INCOME POPULATIONS DISCUSSIONS OCCUR WITH THE AGENCIES REGARDING THE FINANCIAL ASSISTANCE PROGRAMS AND CHAS ABILITY TO ASSIST PATIENTS WITH THE BURDEN OF APPLYING FOR GOVERNMENT PROGRAMS SUCH AS DISABILITY ETC

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	ANACONDADEER LODGE COUNTY ADLC COVERS 737 SQUARE MILES OF SOUTHWESTERN MONTANA WITH 126 PERSONS PER SQUARE MILE MAKING IT A RURAL COUNTY WITH RURAL URBAN CONTINUUM CODE OF 7 RUCC 1 MOST URBAN 10 MOST RURAL ANACONDA DEER LODGE COUNTY IS A DESIGNATED HEALTH PROFESSIONAL SHORTAGE AREA HPSA ID1309993042 THE 2010 POPULATION WAS 9298 COMPARED TO A 2000 POPULATION OF 9417 REPRESENTING A POPULATION LOSS OF 13 SINCE 2000 THE MAJOR COMMUNITY IN ANACONDADEER LODGE COUNTY IS ANACONDA WITH A MEDIAN AGE OF 46 YEARS 212 OF THE PEOPLE IN THE COUNTY LIVE BELOW THE POVERTY LINE WITH AN AVERAGE UNEMPLOYMENT RATE OF 78 COMPARED TO THE STATE RATE OF 68 COMMUNITY HOSPITAL OF ANACONDA CHA HAS BEEN SERVING THE HEALTHCARE NEEDS OF ANACONDADEER LODGE COUNTY ADLC SINCE 1889 THE HOSPITAL IS A PRIVATELY OWNED NONPROFIT TWENTYFIVE BED CRITICAL ACCESS FACILITY BUILT IN 1981 CHA OFFERS A FULL CONTINUUM OF CARE INCLUDING INPATIENT HOSPITAL SERVICES OUTPATIENT SERVICES FIVE AMBULATORY CARE CLINICS INCLUDING INTERNAL MEDICINE FAMILY MEDICINE SURGICAL PEDIATRICS AND CONVENIENT CARE AN EDEN REGISTERED LONGTERM CARE FACILITY AND HOSPICEHOME HEALTH SERVICES CHA EMPLOYS OVER 300 INDIVIDUALS WITH AN ANNUAL PAYROLL IN EXCESS OF 15 MILLION IN 2011 GROSS PATIENT SERVICE REVENUE WAS APPROXIMATELY 46000000 AS THE COMMUNITYS ONLY SOURCE OF HOSPITAL CARE CHA PROVIDED NEARLY 640000 OF UNCOMPENSATEDCHARITY CARE FOR UNINSURED AND UNDERINSURED PEOPLE

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	COMMUNITY HOSPITAL OF ANACONDAS BOARD OF TRUSTEES IS COMPRISED OF COMMUNITY MEMBERS REPRESENTING MULTIPLE FACETS OF OUR COMMUNITY FROM THE FINANCIAL SECTOR TO SMALL BUSINESS OWNERS TO RETIREES AND SCHOOL DISTRICT EMPLOYEES THIS VOLUNTEER BOARD HAS DEDICATED THEIR TIME TO ENSURING THEY UNDERSTAND THE HEALTH AND WELFARE NEEDS OF OUR COMMUNITY MEDICAL STAFF PRIVILEGES AT CHA ARE OPEN TO ALL MEDICAL PROVIDERS WITH ACTIVE LICENSURE WHILE WE HAVE INSTITUTED AN ARDUOUS CREDENTIALING PROCESS TO ENSURE PRACTITIONERS OF THE HIGHEST CALIBER ARE PRIVILEGED WE ENCOURAGE PRACTITIONERS FROM NUMEROUS SPECIALTIES TO MEET THE EVER EXPANDING HEALTHCARE NEEDS OF THE COMMUNITY AS A NONPROFIT CORPORATION WE DO NOT HAVE SHAREHOLDERS THEREFORE SURPLUS FUNDS ARE REINVESTED INTO OUR FACILITIES EQUIPMENT AND EMPLOYEE EDUCATION THE ABSENCE OF SHAREHOLDERS ELIMINATES THE POTENTIAL FOR CONFLICTS OF INTEREST RELATED TO ATTAINING INFLATED PROFIT MARGINS AND ALLOWS COMMUNITY HOSPITAL OF ANACONDA TO FOCUS ON WHAT IS IMPORTANT MEETING THE HEALTH AND WELFARE NEEDS OF OUR COMMUNITY

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE INFORMATION	PART VI	NA

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	MONTANA

Identifier	ReturnReference	Explanation
COMMUNITY HOSPITAL OF ANACONDA LINE NUMBER 1 PART V LINE 3	PART V LINE 3	THE PROCESS INCLUDED A RANDOM WRITTEN SURVEY MAILED TO OVER 600 RESIDENTS OF ANACONDADEER LODGE COUNTY HOUSEHOLDS FOLLOWED BY THREE FOCUS GROUPS IN ADDITION A STEERING COMMITTEE OF VARIOUS COMMUNITY MEMBERS WAS FORMED TO ASSIST IN THE DEVELOPMENT OF THE SURVEY INSTRUMENT AND TO PROVIDE A FORUM TO DISCUSS THE COMMUNITYS ISSUES WITH RESPECT TO HEALTHCARE

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

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Name of the organization
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number
81-0303913

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

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

4

3

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

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	A REQUEST IS PRESENTED TO THE ADMINISTRATIVE TEAM BY THE HUMAN RESOURCES/MARKETING DIRECTOR THE TEAM APPROVES OR DISAPPROVES THE REQUEST A VOUCHER IS PREPARED FOR ACCOUNTS PAYABLE TO CUT A CHECK FOLLOW UP IS DONE WITH THE RECIPIENT AFTER THE USE OF THE FUNDS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

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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.

Name of the organization
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number

81-0303913

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate 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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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 accrued 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) PETER SORINI MD	(i) (ii)	1,021,616					1,021,616	
(2) WILLIAM REITER MD FACP	(i) (ii)	423,018					423,018	
(3) JOHN S MCNEECE	(i) (ii)	338,851				25,917	364,768	
(4) SHAWNA BAKER MD	(i) (ii)	204,433				66,515	270,948	
(5) LAURA AUSTIN	(i) (ii)	172,463				14,179	186,642	
(6) PETER WENDT	(i) (ii)	350,000				17,410	367,410	
(7) FREDRICK BARTOLETTI MD	(i) (ii)	324,915				54,620	379,535	
(8) JENNIFER AUSTIN	(i) (ii)	296,499				37,721	334,220	
(9) RISHONA CORSON	(i) (ii)	225,110				25,837	250,947	
(10) DANIEL HARTMAN	(i) (ii)	206,706				32,501	239,207	

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
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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
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number

81-0303913

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	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?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	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) FREDRICK BARTOLETTI MD	TRUSTEE FAMILY	379,535	EMPLOYMENT		No
(2) WILLIAM REITER MD	TRUSTEE	423,018	OWNER OF PHY SERV CO		No
(3) PETER SORINI MD	TRUSTEE	1,021,616	CONTRACTED SERVICES		No
(4) JOHN S MCNEECE CEO	TRUSTEE	368,393	CONTRACTED SERVICES		No
(5) SHAWNA BAKER MD	TRUSTEE	270,948	EMPLOYMENT		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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2011

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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.

Name of the organization

COMMUNITY HOSPITAL OF ANACONDA

Employer identification number

81-0303913

Identifier	Return Reference	Explanation
RELATED PARTY INFORMATION AMONG OFFICERS	FORM 990, PAGE 6, PART VI, LINE 2	LEE ANN BARTOLETTI FREDRICK BARTOLETTI, MD TRUSTEE ER PHYSICIAN FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
MANAGEMENT DELEGATED	FORM 990, PAGE 6, PART VI, LINE 3	THE HOSPITAL UTILIZES AN EMPLOYEE OF ST PATRICK HOSPITAL AS IT'S CHIEF EXECUTIVE OFFICER

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	WHEN THE HOSPITAL WAS FORMED IN 1969, SOME COMMUNITY MEMBERS PURCHASED THE HOSPITAL FROM SISTERS OF CHARITY AS THESE ORIGINAL MEMBERS DECEASE, THEIR MEMBERSHIP IS LOST AN ANNUAL MEETING IS SCHEDULED IN SEPTEMBER OF EACH YEAR WITH A PUBLIC NOTICE POSTED IN THE LOCAL PAPER THE REMAINING ORIGINAL MEMBERS MAY ATTEND THE MEETING, HOWEVER, THEY ARE NOT ACTIVE MEMBERS AND DO NOT HAVE VOTING RIGHTS

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	A COPY OF THE 990 IS PROVIDED TO THE V P OF FINANCE, WHO REVIEWS THE FORM, SCHEDULES, AND RELATED ATTACHMENTS THE FINANCE COMMITTEE IS DESIGNATED BY THE BOARD OF TRUSTEES TO ASSUME RESPONSIBILITY FOR OVERSIGHT OF THE 990 AND IS ALSO PART OF THE REVIEW PROCESS ANY COMMENTS OR QUESTIONS ARE ADDRESSED WITH THE PREPARER AND A FINAL APPROVAL IS GIVEN TO THE PREPARER BEFORE FINALIZING ONCE MANAGEMENT IS SATISFIED WITH THE 990, THE V P OF FINANCE SIGNS OFF ON THE FORM 8879-EO BEFORE THE RETURN IS E-FILED BY THE PREPARER

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ARTICLE II OF THE BYLAWS STATES THAT, AT A MINIMUM, EACH MEMBER OF THE BOARD WILL EXECUTE THE CONFLICT OF INTEREST FORM AT THE COMMENCEMENT OF THE TERM OR IN THE EVENT OF ANY CHANGE THAT MAY DEVELOP. THE CONFLICT OF INTEREST GUIDELINES ARE MONITORED BY THE CHA CORPORATE COMPLIANCE OFFICER. THE COMPLIANCE OFFICER ATTENDS NEW EMPLOYEE ORIENTATION AND PRESENTS THE POLICY AS PART OF THE OVERALL CORPORATE LEGAL COMPLIANCE PROGRAM. EACH EMPLOYEE IS PRESENTED WITH A CONFLICT OF INTEREST STATEMENT. ALL POTENTIAL CONFLICTS ARE DISCLOSED. IF ANY POTENTIAL CONFLICTS ARE IDENTIFIED, THE COMPLIANCE OFFICER WILL MEET WITH THE EMPLOYEE'S SUPERVISOR AND ADMINISTRATION TO DETERMINE IF A CONFLICT EXISTS. ON AN ANNUAL BASIS, ALL EMPLOYEES AND THE BOARD OF DIRECTORS ARE REQUIRED TO READ AND SIGN THE CONFLICT OF INTEREST STATEMENT. THE CORPORATE COMPLIANCE OFFICER TRACKS THE RECEIPT AND COMPLETION OF THE CONFLICT OF INTEREST STATEMENTS. THE PROCESS IS A PART OF THE ANNUAL EMPLOYEE REQUIREMENTS MANDATED FOR CONTINUED EMPLOYMENT.

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE SOURCES UTILIZED BY CHA IN REGARD TO FAIR MARKET VALUE IN SALARIES ARE AN EXECUTIVE COMPENSATION SURVEY , PUBLISHED BY CRITICAL DATA, INC , AND THE MONTANA HOSPITAL ASSOCIATION (MHA) ANNUAL SALARY SURVEY THESE SURVEYS ARE UTILIZED FOR SETTING THE SALARY LEVELS OF EMPLOYEES AT CHA THE MHA SURVEY ITEMIZES ALL HOSPITALS AS A GROUP, CAH HOSPITALS, AND HOSPITALS BY REGION CHALLENGES EXIST WHEN CHA JOB DESCRIPTIONS ARE UNIQUE AND, THEREFORE, MAY NOT BE LISTED AS A JOB CATEGORY IN THE MHA SURVEY IN REGARD TO SETTING THE SALARY LEVELS OF PHYSICIANS, CHA UTILIZES THE MGMA PHYSICIAN COMPENSATION AND PRODUCTION SURVEY THIS SURVEY ITEMIZES SALARIES AND PRODUCTIVITY BY PHYSICIAN SPECIALTY , YEARS IN PRACTICE, GEOGRAPHIC REGION, AND OTHER CATEGORIES CHA STRIVES TO PAY MARKET LEVEL SALARIES TO ALL EMPLOYEES OF THE ORGANIZATION IT IS OUR GOAL TO RECRUIT AND RETAIN TOP TALENT IN EVERY VENUE, WHILE CONTROLLING SALARY AND BENEFIT COSTS WITHIN ESTABLISHED TARGETS IN 2008 AND 2010, CHA HIRED AN INDEPENDENT CONSULTANT TO EVALUATE THE SALARY LEVELS OF THE SENIOR MANAGEMENT THIS SALARY SURVEY REVIEWED SALARIES FOR HOSPITALS IN CHA'S REVENUE RANGE IN OUR REGION, AS WELL AS SALARY LEVELS ACROSS THE COUNTRY ALL JOBS REVIEWED WERE WELL WITHIN THE PUBLISHED RANGES, AS DETERMINED BY CRITICAL DATA, INC

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEE FORM 990, PART VI, LINE 15A

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	COMMUNITY HOSPITAL OF ANACONDA MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST THE FINANCIAL STATEMENTS ARE ALSO INCLUDED IN THE COMMUNITY BENEFIT REPORT

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	THE HOSPITAL RECOGNIZED 233,983 NET UNREALIZED LOSS ON INVESTMENT IN 2011

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
COMMUNITY HOSPITAL OF ANACONDA

Employer identification number
81-0303913

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) CHANHA FOUNDATION PO BOX 1245 ANACONDA, MT 59711 81-0504127	SUPPORT	MT	501C3	11B	COMMUNITY HOSPITAL OF ANACONDA		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(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	

Part IV

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

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

Part V

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

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

1

During the tax year, did the organization 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

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

Yes

Yes

No

No

No

No

No

No

Yes

No

No

No

No

No

No

No

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) CHANHA FOUNDATION	J	78,180	FAIR MARKET VALUE
(2) CHANHA FOUNDATION	C	51,400	FAIR MARKET VALUE
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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.

[illegible]

Part VII

Supplemental Information

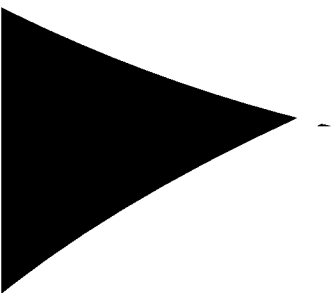
Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
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Community Hospital of Anaconda

Consolidated Financial Statements and
Independent Auditors' Report

December 31, 2011 and 2010



Community Hospital of Anaconda
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DINGUS | ZARECOR & ASSOCIATES ^{PLLC}
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Community Hospital of Anaconda
Anaconda, Montana

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 the Hospital as of December 31, 2011 and 2010, and 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.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
April 23, 2012

Community Hospital of Anaconda
Consolidated Balance Sheets
December 31, 2011 and 2010

ASSETS	2011	2010
<i>Current assets</i>		
Cash and cash equivalents	\$ 2,081,071	\$ 3,742,902
Receivables		
Patient accounts, net of allowance for doubtful accounts of \$2,793,032 and \$3,095,414, respectively	6,746,653	4,535,391
Montana provider bed tax	637,890	-
Grants	-	69,852
Estimated third-party payor settlements	173,196	1,268,621
Estimated electronic health records incentive receivable	448,610	-
Other	116,231	154,244
Certificates of deposit	-	215,140
Inventories	627,543	422,319
Prepaid expenses	149,045	129,224
Total current assets	10,980,239	10,537,693
<i>Assets limited or restricted as to use</i>	3,646,404	3,367,919
<i>Other assets</i>		
Investment in Yellowstone Insurance Exchange	259,531	510,692
Investments	798,916	585,446
Property and equipment, net	7,198,414	5,855,030
Total other assets	8,256,861	6,951,168
Total assets	\$ 22,883,504	\$ 20,856,780

See accompanying notes to consolidated financial statements

Community Hospital of Anaconda
Consolidated Balance Sheets (Continued)
December 31, 2011 and 2010

LIABILITIES AND NET ASSETS	2011	2010
<i>Current liabilities</i>		
Current maturities of long-term debt	\$ 607,724	\$ 348,771
Accounts payable	1,462,008	1,365,775
Capital accounts payable	199,281	80,760
Accrued salaries, wages, and payroll taxes	1,219,696	912,852
Estimated third-party pay or settlements	435,612	680,648
Deferred Montana provider bed tax revenue	318,945	511,967
Total current liabilities	4,243,266	3,900,773
<i>Long-term debt, less current maturities</i>	4,209,755	3,478,178
Total liabilities	8,453,021	7,378,951
<i>Net assets</i>		
Unrestricted	14,266,311	13,288,581
Temporarily restricted	95,785	121,471
Permanently restricted	68,387	67,777
Total net assets	14,430,483	13,477,829
Total liabilities and net assets	\$ 22,883,504	\$ 20,856,780

See accompanying notes to consolidated financial statements

Community Hospital of Anaconda
Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2011 and 2010

	2011	2010
<i>Unrestricted revenues, gains, and other support</i>		
Net patient service revenue	\$ 32,797,456	\$ 28,572,917
Contributions	17,188	19,678
Net investment income	123,804	88,703
Grants	125,660	313,114
Medicare electronic health records incentive payment	448,610	-
Released from restrictions	55,989	14,640
Other operating revenue	130,299	137,459
Total unrestricted revenues, gains, and other support	33,699,006	29,146,511
<i>Expenses</i>		
Salaries and wages	12,640,137	10,593,430
Employee benefits	2,876,646	2,937,605
Purchased services	5,599,213	4,641,520
Supplies	5,172,637	4,331,472
Repairs and maintenance	565,219	509,054
Leases and rentals	616,101	468,100
Utilities	425,957	380,019
Insurance	812,170	795,697
Interest	288,727	275,918
Bad debts	1,696,576	1,571,132
Depreciation and amortization	826,447	739,980
Other	1,007,463	972,688
Total expenses	32,527,293	28,216,615
Excess of unrestricted revenues, gains, and other support over expenses	1,171,713	929,896
<i>Other income</i>		
Unrealized gain (loss) on investments	(233,983)	345,212
Capital grants	40,000	-
Total other income (loss)	(193,983)	345,212
Change in unrestricted net assets	977,730	1,275,108
<i>Change in temporarily restricted net assets</i>		
Contributions	30,303	29,371
Released from restrictions	(55,989)	(14,640)
Change in temporarily restricted net assets	(25,686)	14,731
<i>Change in permanently restricted net assets</i>		
Contributions	610	810
Change in net assets	952,654	1,290,649
Net assets, beginning of year	13,477,829	12,187,180
Net assets, end of year	\$ 14,430,483	\$ 13,477,829

See accompanying notes to consolidated financial statements

Community Hospital of Anaconda
Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
<i>Cash flows from operating activities</i>		
Receipts from and on behalf of patients	\$ 28,909,095	\$ 27,728,006
Receipts from investments	123,804	88,703
Contributions received	48,101	49,859
Grants received	195,512	408,114
Grants received for capital purchases	40,000	
Receipts from other revenue	168,312	224,737
Payments to and on behalf of employees	(15,209,939)	(13,345,718)
Interest paid	(288,727)	(275,918)
Payments to suppliers and contractors	(14,327,572)	(11,719,710)
Net cash provided by (used in) operating activities	(341,414)	3,158,073
<i>Cash flows from investing activities</i>		
Purchase of investments	(1,553,540)	(1,599,106)
Sale of investments	1,245,000	342,805
Purchase of property and equipment	(2,051,310)	(674,730)
Distribution from Yellowstone Insurance Exchange	48,903	41,377
Transfer to assets limited as to use	-	(173,801)
Net cash used in investing activities	(2,310,947)	(2,063,455)
<i>Cash flows from financing activities</i>		
Proceeds from long-term borrowings	1,500,000	-
Repayments of long-term debt	(509,470)	(326,783)
Net cash provided by (used in) financing activities	990,530	(326,783)
Net increase (decrease) in cash and cash equivalents	(1,661,831)	767,835
Cash and cash equivalents, beginning of year	3,742,902	2,975,067
Cash and cash equivalents, end of year	\$ 2,081,071	\$ 3,742,902

See accompanying notes to consolidated financial statements

Community Hospital of Anaconda
Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2011 and 2010

	2011	2010
<i>Reconciliation of Change in Net Assets to Net Cash Provided By (Used In) Operating Activities</i>		
Change in net assets	\$ 952,654	\$ 1,290,649
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Depreciation and amortization	826,447	739,980
Bad debts	1,696,576	1,571,132
Unrealized gain (loss) on investments	233,983	(345,212)
(Increase) decrease in		
Receivables		
Patient accounts	(3,907,838)	(1,511,223)
Montana provider bed tax	(637,890)	1,025,210
Grants	69,852	95,000
Estimated third-party pay or settlements	1,095,425	(728,898)
Medicare electronic health records incentive receivable	(448,610)	-
Other	38,013	87,278
Inventories	(205,224)	15,077
Prepaid expenses	(19,821)	(11,079)
Increase (decrease) in		
Accounts payable	96,233	375,480
Accrued salaries, wages, and payroll taxes	306,844	185,317
Estimated third-party pay or settlements	(245,036)	370,000
Deferred Montana provider bed tax revenue	(193,022)	(638)
Net cash provided by (used in) operating activities	\$ (341,414)	\$ 3,158,073

See accompanying notes to consolidated financial statements

Community Hospital of Anaconda
Notes to Consolidated Financial Statements
Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies:

a. Organization

Community Hospital of Anaconda (the Hospital), located in Anaconda, Montana, is a 25-bed critical access hospital (CAH) and a 62-bed nursing facility. The Hospital provides healthcare services to patients in the Dear Lodge County area. Services provided include acute care hospital, long-term nursing care, emergency room, physicians' clinics, home health, hospice, and the related ancillary procedures (imaging, laboratory, etc.). In 2004, the Hospital was awarded the *Baby-Friendly Hospital Designation*.

The Community Hospital and Nursing Home of Anaconda Foundation (the Foundation) was formed in 1995. The purpose of the Foundation is to promote and support the Hospital. The activities of the Foundation include fundraising and administration of donated funds. The Foundation's activity is consolidated with the Hospital because the Hospital is the sole member of the Foundation.

b. Summary of Significant Accounting Policies

Principles of consolidation – The consolidated financial statements include the accounts of the Hospital and the Foundation. All material intercompany accounts and transactions have been eliminated in consolidation.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation – The Hospital is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents – Cash and cash equivalents are short-term, highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

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

Net investment income in 2011 consisted of interest and dividends of \$123,804. Net investment income in 2010 consisted of interest and dividends of \$88,121 and realized gains on sales of investments of \$582.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Fair value measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date

The Hospital classified its investments as of December 31, 2011, based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement)

The three levels of the fair value hierarchy are described below

- **Level 1:** Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- **Level 2:** Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.
- **Level 3:** Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

Patient accounts receivable – Receivables arising from revenue from services to patients are reduced by allowances for uncollectible accounts and contractual adjustments based on experience, third-party contractual reimbursement arrangements, and any unusual circumstances which may affect the ability of patients to meet their obligations. Accounts deemed uncollectible are charged against these allowances. Accounts are deemed uncollectible when the Hospital has followed its collection procedures for 120 days after initially billing the patient and no payment activity has occurred

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense. Prepaid expenses include prepaid professional fees, prepaid insurance, prepaid dues, and prepaid maintenance contracts

Assets limited or restricted as to use – Such assets include assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Property and equipment – Property and equipment acquisitions of \$5,000 or more each and having useful lives of at least two years are capitalized at cost

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. A half-year convention is used for equipment. Under this convention, one-half year's depreciation is taken in the year of asset acquisition and one-half year's depreciation is taken in the year of asset disposal. Buildings and building improvements are depreciated for the number of months in use. Equipment under capital lease is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Ranges of depreciable lives are as follows:

Buildings and improvements	5 to 40 years
Equipment	3 to 20 years

Inventories – Inventories are stated at the lower of cost (first in, first out) or market. The major categories of supply inventories are surgical supplies, pharmaceuticals, and other medical and nonmedical supplies used in the Hospital's operations.

Excess of unrestricted revenues, gains, and other support over expenses – The consolidated statements of operations and changes in net assets include excess of unrestricted revenues, gains, and other support over expenses. Changes in unrestricted net assets which are excluded from the excess of revenues over expenses are consistent with industry practice and include unrealized gains and losses on investments other than trading securities and capital contributions and grants.

Temporarily and permanently restricted net assets – Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

Net patient service revenue – Such revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Subsequent events – The Hospital has evaluated subsequent events through April 23, 2012, the date on which the financial statements were available to be issued.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Federal income tax – The Hospital and Foundation are not-for-profit corporations and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is necessary. The Hospital evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome were considered probable and reasonably estimable. As of December 31, 2011 and 2010, the Hospital has no uncertain tax positions requiring accrual.

2. Temporarily and Permanently Restricted Net Assets:

	December 31,	
	2011	2010
<i>Temporarily restricted net assets are available for the following purposes:</i>		
Care-a-van	\$ 20,617	\$ 22,006
Hospice	75,168	99,465
	\$ 95,785	\$ 121,471
<i>Permanently restricted net assets:</i>		
Endowment	\$ 68,387	\$ 67,777

3. Net Patient Service Revenue:

The Hospital has agreements with third-party payors that provide for payment at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's established rates for services and amounts reimbursed by third-party payors. A summary of payment arrangements with major third-party payors follows:

- *Medicare* – The Hospital has been designated a critical access hospital by Medicare. The Hospital is reimbursed by Medicare for inpatient and outpatient services and hospital based clinic visits and services on a cost basis as defined and limited by the Medicare program. The Medicare program's administrative procedures preclude final determination of amounts due to the Hospital for such services until three years after the Hospital's cost reports are audited or otherwise reviewed and settled upon by the Medicare intermediary. The hospital is reimbursed for skilled nursing facility services under a prospective payment system.
- *Medicaid* – The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports. Medicaid nursing home services are reimbursed based on costs as defined and limited by the Medicaid program. Medicaid rural health clinic services are paid on a prospectively set rate per visit.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

3. Net Patient Service Revenue (continued):

- *Blue Cross Blue Shield* – Most services rendered to Blue Cross/Blue Shield subscribers are reimbursed at percentage discounts off ordinary charges or fee schedule rates

The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements is discounts from established charges.

Revenue from Medicare and Medicaid programs accounted for approximately 49% and 9%, respectively, of the Hospital's net patient service revenue for the year ended December 31, 2011, and 53% and 7%, respectively, of the Hospital's net patient service revenue for the year ended December 31, 2010.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately \$65,000 and decreased by approximately \$90,000 in the years ended December 31, 2011 and 2010, respectively, due to differences between original estimates and final settlements.

The Hospital provides charity care to patients who are financially unable to pay for the health care services they receive. The Hospital's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Hospital does not report these amounts in net operating revenues or in the allowance for doubtful accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages and benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended December 31, 2011 and 2010, were approximately \$427,000 and \$245,000, respectively.

4. Electronic Health Records Incentive Payments:

The Hospital recognized Medicare electronic health records (EHR) incentive payments during the year ended December 31, 2011. The EHR incentive payments are provided to incent hospitals to become meaningful users of EHR technology, not to reimburse providers for the cost of acquiring EHR assets. EHR incentive payments are therefore reported as operating revenue.

The Hospital recognizes the Medicare incentive payment on the date that the Hospital has successfully complied with meaningful use criteria during the entire EHR reporting period. The Hospital attested to meaningful use with CMS on September 30, 2011. The Medicare EHR reporting period is through September 30 of each year.

The Medicare incentive payment recognized is an estimate and subject to audit by CMS. The Medicare EHR incentive payment is based on the discharges reported in the prior year Medicare cost report and the undepreciated cost of the EHR equipment submitted to CMS. The final payment will be based on discharges reported in the current Medicare cost report. A Medicare incentive payment of \$448,610 was recognized as revenue in 2011.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

5. Assets Limited or Restricted as to Use:

The composition of assets whose use is limited or restricted is set forth below. Investments are measured at fair value on a recurring basis using quoted prices in active markets for identical values (Level 1)

	December 31,	
	2011	2010
Designated by Board for capital improvements		
<i>Cash and cash equivalents</i>	\$ 400,426	\$ 438,618
<i>Certificates of deposit</i>		
2 year terms	80,155	477,834
3 year terms	439,995	317,225
4 year terms	435,453	363,768
5 year terms	406,127	460,649
> 5 year terms	458,510	195,125
Total certificates of deposit	1,820,240	1,814,601
<i>Preferred stock</i>		
S&P A++ Rated	12,825	-
S&P A- Rated	25,050	129,250
S&P BBB+ Rated	138,193	161,134
S&P BBB Rated	110,135	23,920
S&P BBB- Rated	26,890	21,520
S&P BB+ Rated	76,934	23,880
S&P BB Rated	-	22,850
Total preferred stock	390,027	382,554
<i>Government securities</i>		
3 year maturities	-	50,472
4 year maturities	72,962	45,131
5 year maturities	-	89,704
6 year maturities	107,540	79,013
7 year maturities	-	142,012
> 7 year maturities	81,006	78,259
Total government securities	261,508	484,591
<i>Equities</i>	43,650	32,420
<i>Municipal general obligation bonds,</i>		
<i>S&P AA Rated, 5 year term</i>	566,436	25,887
Total designated by Board for capital improvements	3,482,287	3,178,671
Restricted for hospice		
<i>Cash and cash equivalents</i>	75,113	99,465
Total restricted for hospice	75,113	99,465
Cash and cash equivalents restricted for Care-a-Van	20,617	22,006
Mutual funds restricted for endowment	68,387	67,777
Assets restricted or limited as to use	\$ 3,646,404	\$ 3,367,919

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

6. Investments:

The composition of investments is set forth below. Investments are measured at fair value on a recurring basis using quoted prices in active markets for identical values (Level 1).

	December 31,	
	2011	2010
<i>Certificates of deposit</i>		
< 1 year term	\$ 40,598	\$ -
2 year terms	32,102	32,140
3 year terms	76,041	66,473
4 year terms	23,406	24,375
5 year terms	74,468	20,874
> 5 year terms	111,037	41,596
Total certificates of deposit	357,652	185,458
<i>Preferred stock</i>		
S&P A- Rated	25,050	-
S&P BBB+ Rated	48,518	29,276
S&P BBB- Rated	21,120	27,976
S&P BB+ Rated	47,950	-
Total preferred stock	142,638	57,252
<i>Governmental securities</i>		
< 1 year term	50,978	76,098
4 year maturities	51,504	29,563
5 year maturities	25,094	29,035
6 year maturities	107,540	113,644
> 7 year maturities	20,239	-
Total governmental securities	255,355	248,340
<i>Municipal revenue bonds, S&P AA+ Rated</i>		
5 year maturities	-	20,092
8 year maturities	-	15,155
9 5 year maturities	-	15,402
Total municipal revenue bonds	-	50,649
<i>Mutual funds</i>	43,271	43,747
Total investments	\$ 798,916	\$ 585,446

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

7. Property and Equipment:

A summary of property and equipment follows

	December 31,	
	2011	2010
Land	\$ 795,022	\$ 795,022
Land improvements	473,776	440,137
Buildings	6,690,462	6,355,859
Fixed equipment	2,212,690	2,172,816
Major movable equipment	6,476,950	5,294,862
Construction in progress	545,464	-
Total	17,194,364	15,058,696
Less accumulated depreciation and amortization	(9,995,950)	(9,203,666)
Property and equipment, net	\$ 7,198,414	\$ 5,855,030

Construction in progress as of December 31, 2011, consists of architectural and consulting expenses related to the proposed expansion and renovation of the hospital

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

8. Long-term Debt:

A summary of long-term debt follows

	December 31,	
	2011	2010
Note payable, First National Bank, monthly payments of \$16,303, including interest at 6.99% through 2036, secured by the hospital building	\$ 2,279,986	\$ 2,315,988
Note payable, Montana Health Facility Authority, monthly payments of \$9,760, including interest at 6.54% through 2012, secured by equipment	113,062	219,002
Note payable, Lloyd Garrels, monthly payments of \$1,582, including interest at 6% through 2017, unsecured	95,471	108,308
Note payable, Dade Behring, monthly payments of \$471, including interest at 4.35% through 2011, secured by equipment	-	4,618
Note payable, First National Bank, monthly payments of \$1,096, including interest at 5.5% through 2012, secured by equipment	3,246	15,829
Note payable, First National Bank, monthly payments of \$28,387, including interest at 5.08% through 2016, secured by real property	1,343,850	-
Note payable, Dr. Lloyd Garrels, monthly payments of \$6,509, including interest at 8.5% through 2022, secured by the Hospital's assets	524,892	556,888
Note payable, Montana Health Facility Authority, monthly payments of \$14,990, including interest at 5.67% through 2014, secured by equipment	456,972	606,316
Total long-term debt	4,817,479	3,826,949
Less current portion	(607,724)	(348,771)
Long-term debt, net of current portion	\$ 4,209,755	\$ 3,478,178

Under the terms of the Montana Health Facility Authority loans, the Hospital is required to satisfy certain measures of financial performance as long as the loans are outstanding

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

8. Long-term Debt (continued):

Scheduled repayments are as follows

Years Ending December 31,	Amount
2012	607,724
2013	547,495
2014	534,179
2015	425,871
2016	278,168
Thereafter	2,424,042
Total long-term debt	\$ 4,817,479

9. Pension Plan:

The Hospital provides retirement benefits through the Community Hospital of Anaconda 401(k) Profit Sharing Plan (the Plan), a defined contribution plan. This Plan covers all eligible employees who are not covered by union pension plans. Contributions are based on a discretionary percentage of wages and salaries. The contribution rate for 2011 was 3.00%. Employees are eligible to participate in the Plan after completing one year of service and attaining the age of 21. The profit-sharing plan expense for the years ended December 31, 2011 and 2010, was \$238,992 and \$201,593, respectively. Wells Fargo Management and Trust Company has been selected as the custodian of the Plan's assets. The Hospital is the administrator for the Plan.

Employees represented by the Teamsters Union Local #2 (the Teamsters Union) do not participate in the Plan, but instead receive pension benefits through the Western Conference of Teamsters Pension Trust Fund. The Hospital makes monthly payments into the fund at \$1.62 and \$1.59 per hour for the years ended December 31, 2011 and 2010, respectively, for each employee represented by the Teamsters Union. The Hospital's expenses for these payments for the years ended December 31, 2011 and 2010, were \$39,270 and \$37,908, respectively.

Employees represented by the International Union of Operating Engineers, Local 400 (the Engineers' Union), do not participate in the Plan, but instead receive pension benefits through the Central Pension Fund of the Engineers' Union. The Hospital makes monthly payments into the fund at \$4.00 per compensated hour for each employee represented by the Engineers' Union. The Hospital's contribution rate was \$3.75 per compensated hour until July 2010. The Hospital's expenses for these payments for the years ended December 31, 2011 and 2010, were \$42,717 and \$41,033, respectively.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

10. Contingencies:

Medical malpractice – The Hospital obtains medical malpractice insurance through Yellowstone Insurance Exchange (the Exchange). The Exchange offers the Hospital a professional and general liability policy on a “claims made” basis with primary limits of \$1,000,000 per claim and an annual aggregate limit of \$3,000,000. The policy has a \$25,000 deductible per claim. The renewal date of the policy is January 1, 2012.

No liability has been accrued for future coverage of acts, if any, occurring in this or prior years. Also, it is possible that claims may exceed coverage available in any given year.

The Exchange is a reciprocal risk retention group formed in the state of Vermont, pursuant to the *Federal Liability Risk Retention Act of 1986*, to form a captive insurance company with several unrelated hospitals located in Montana and other northwestern states. All profits and losses from the operation of the Exchange are allocated by the Exchange’s Subscriber Advisory Committee, based on premiums paid, exposure rates, and ownership levels. For financial-reporting purposes, the Hospital accounts for its investment in the Exchange under the equity method of accounting for investments in common stock. The equity method is used in accordance with generally accepted accounting principles for multi-provider captive insurance companies.

The Hospital recorded an unrealized loss of \$168,003 in 2011 and unrealized gain of \$270,382 in 2010 on this investment.

Litigation – The Hospital is, from time-to-time, involved in litigation and regulatory investigations arising in the course of business. Management estimates these matters will be resolved without material adverse effect on the Hospital’s future financial position or results from operations.

Self insurance – The Hospital partially self-insures the cost of employee healthcare benefits and purchases annual, stop-loss insurance coverage for claims in excess of \$70,000 per claim. Additionally, the Hospital funds the plan to its aggregate annual obligation; it does not accrue any liability for incurred but not reported claims.

Industry regulations – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions known or unasserted at this time.

Health care reform – As a result of recently enacted federal health care reform legislation, substantial changes are anticipated in the United States of America’s health care system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers, and the legal obligations of health insurers, providers, and employers. These provisions are currently slated to take effect at specified times over approximately the next decade. The federal health care reform legislation does not affect the 2011 financial statements.

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

11. Concentrations of Risk:

Patient accounts receivable – The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2011 and 2010, was as follows:

	2011	2010
Patients	35 %	44 %
Medicare	26	29
Other third-party payors	29	16
Blue Cross/Blue Shield	6	8
Medicaid	4	3
	100 %	100 %

Physicians – The Hospital is dependent on local physicians practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on hospital operations.

Cash and cash equivalents – As of December 31, 2011 and 2010, the Hospital maintains deposits in accounts with major financial institutions which exceed the \$250,000 Federal Deposit Insurance Corporation limit. These financial institutions have strong credit ratings, and management believes that credit risk related to these deposits is minimal.

Collective bargaining units – The Hospital has entered into contracts with seven different labor unions. The agreements are effective through dates ranging from 2012 to 2013. Approximately 53% and 55% of the Hospital's pay roll expenses were for union employees for the years ended December 31, 2011 and 2010, respectively. The union agreements cover nurses and employees in the business office, facilities maintenance, dietary, and housekeeping departments.

12. Functional Expenses:

The Hospital provides the following various medical services to residents within its geographic location:

- Acute, intensive, and pediatric care
- Nursing home
- Emergency services
- Outpatient surgery
- Other outpatient procedures
- Physicians' clinics
- Home health
- Hospice

Community Hospital of Anaconda
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2011 and 2010

12. Functional Expenses (continued):

Expenses related to providing these services are as follows

	Years Ended December 31,	
	2011	2010
Healthcare services	\$ 29,283,679	\$ 25,097,019
General and administrative	3,236,371	3,112,683
Fundraising	7,243	6,913
Total expenses	\$ 32,527,293	\$ 28,216,615

13. Deferred Montana State Bed Tax Revenue:

In 2003, the Montana State Legislature approved using a portion of the bed taxes paid by the hospitals along with federal matching funding to help reimburse costs incurred while treating Medicaid, uninsured, and underinsured patients. The Hospital's share of the receivable was \$637,890 and \$-0- at December 31, 2011 and 2010, respectively. Deferred revenue was \$318,945 and \$511,967 at December 31, 2011 and 2010, respectively.

SUPPLEMENTAL INFORMATION

Community Hospital of Anaconda
Hospital Revenues
Years Ended December 31, 2011 and 2010

	2011	2010
<i>Gross patient service revenue</i>		
Daily patient services		
Medical-surgical	\$ 2,654,892	\$ 2,659,361
Nursing home	3,728,272	3,737,445
Nursery	34,450	35,190
Total daily patient services	6,417,614	6,431,996
Department services		
Labor and delivery	91,476	82,615
Surgery	4,033,775	2,719,408
Recovery room	164,793	106,091
Anesthesia	1,087,406	737,133
Radiology	1,359,230	1,169,979
Ultrasound	520,081	426,953
MRI	1,124,160	1,055,421
CT scan	2,687,896	2,537,849
Laboratory	4,858,334	4,044,725
Respiratory therapy	1,491,670	1,323,907
Physical therapy	1,459,191	1,066,095
Occupational therapy	277,644	248,126
Medical and implantable supplies	7,124,983	5,424,103
Pharmacy	3,995,972	3,267,346
Chemotherapy	100,240	532,561
Pintler Family Medicine	1,330,378	810,488
Anaconda Internal Medicine	872,070	1,013,262
Anaconda Pediatrics	740,325	531,759
Pintler Surgical Specialists	2,924,910	2,394,142
Emergency room	1,327,439	1,208,330
Emergency room physician fees	966,802	801,290
Observation	420,559	321,649
Home health	343,273	248,988
Hospice	236,600	144,138
Total department services	39,539,207	32,216,358
Total gross patient service revenue	\$ 45,956,821	\$ 38,648,354

Community Hospital of Anaconda
Hospital Revenues (Continued)
Years Ended December 31, 2011 and 2010

	2011	2010
<i>Net patient service revenue</i>		
Gross patient service revenue	\$ 45,956,821	\$ 38,648,354
Less charity care	638,232	355,564
	45,318,589	38,292,790
Less contractual adjustments	12,521,133	9,719,873
Total net patient service revenue	\$ 32,797,456	\$ 28,572,917
<i>Other operating revenues</i>		
Cafeteria sales	\$ 37,632	\$ 39,995
Medical records copy fees	4,423	3,461
Pharmacy sales to non-patients	44,589	41,328
Rental income	12,709	14,306
Miscellaneous receipts	30,946	38,369
Total other operating revenues	\$ 130,299	\$ 137,459

Community Hospital of Anaconda
Hospital Operating Expenses
Years Ended December 31, 2011 and 2010

	2011			2010		Increase (Decrease) in Total Expenses
	Salaries and Wages	Supplies and Other Expenses	Total	Total		
<i>Daily patient services</i>						
Medical - surgical	\$ 1,522,085	\$ 250,151	\$ 1,772,236	\$ 1,726,617	\$ 45,619	
Nursery	5,944	-	5,944	5,845	99	
Nursing home	1,265,701	382,383	1,648,084	1,614,168	33,916	
Total daily patient services	2,793,730	632,534	3,426,264	3,346,630	79,634	
<i>Department services</i>						
Labor and delivery	32,001	8,574	40,575	41,532	(957)	
Surgery	418,710	426,382	845,092	485,305	359,787	
Recovery room	69,446	-	69,446	47,234	22,212	
Anesthesia	176,125	383,090	559,215	450,049	109,166	
Radiology	226,150	97,828	323,978	313,708	10,270	
Ultrasound	28,659	76,539	105,198	91,533	13,665	
MRI	26,703	560	27,263	20,890	6,373	
CT scan	46,818	36,720	83,538	55,716	27,822	
Laboratory	401,384	650,270	1,051,654	1,012,370	39,284	
Respiratory therapy	175,263	74,154	249,417	203,162	46,255	
Physical therapy	337,210	133,204	470,414	434,299	36,115	
Occupational therapy	80,685	4,376	85,061	77,041	8,020	
Medical and implantable supplies	-	2,605,359	2,605,359	1,957,625	647,734	
Pharmacy	374,216	890,555	1,264,771	1,180,217	84,554	
Chemotherapy	1,103	25,741	26,844	170,302	(143,458)	
Pintler Family Medicine	1,364,638	106,566	1,471,204	1,080,096	391,108	
Anaconda Internal Medicine	474,737	453,767	928,504	669,333	259,171	
Anaconda Pediatrics	401,344	78,832	480,176	421,661	58,515	
Pintler Surgical Specialists	567,108	2,773,099	3,340,207	2,054,348	1,285,859	
Emergency room (includes physician fees)	1,201,737	494,875	1,696,612	1,498,527	198,085	
Home health	269,512	28,069	297,581	157,701	139,880	
Hospice	50,547	36,998	87,545	85,356	2,189	
Total department services	\$ 6,724,096	\$ 9,385,558	\$ 16,109,654	\$ 12,508,005	\$ 3,601,649	

Community Hospital of Anaconda
Hospital Operating Expenses (Continued)
Years Ended December 31, 2011 and 2010

	2011			2010	Increase (Decrease) in Total Expenses
	Salaries and Wages	Supplies and Other Expenses	Total	Total	
<i>Service departments</i>					
Dietary	\$ 374,372	\$ 284,623	\$ 658,995	\$ 654,226	\$ 4,769
Housekeeping	191,195	47,383	238,578	230,353	8,225
Laundry and linen	68,119	74,414	142,533	126,941	15,592
Plant operations and maintenance	155,669	569,375	725,044	703,228	21,816
Medical records	402,925	368,038	770,963	600,065	170,898
Social services	77,810	1,477	79,287	56,837	22,450
Activities	41,300	4,035	45,335	39,641	5,694
Transportation	23,746	7,539	31,285	25,359	5,926
Total service departments	1,335,136	1,356,884	2,692,020	2,436,650	255,370
<i>Support services</i>					
Fiscal services and admitting	504,785	310,757	815,542	749,441	66,101
Administration	925,707	1,211,478	2,137,185	2,094,043	43,142
Nursing administration	257,938	3,938	261,876	240,003	21,873
Materials management	98,745	11,825	110,570	84,439	26,131
Employee benefits and payroll taxes	-	2,876,646	2,876,646	2,937,605	(60,959)
Rental expense	-	473,616	473,616	437,072	36,544
Insurance	-	812,170	812,170	795,697	16,473
Depreciation	-	826,447	826,447	739,980	86,467
Interest	-	288,727	288,727	275,918	12,809
Total support services	1,787,175	6,815,604	8,602,779	8,354,198	248,581
Bad debt expense	-	1,696,576	1,696,576	1,571,132	125,444
Total expenses	\$ 12,640,137	\$ 19,887,156	\$ 32,527,293	\$ 28,216,615	\$ 4,310,678

Additional Data

Software ID:
Software Version:
EIN: 81-0303913
Name: COMMUNITY HOSPITAL OF ANACONDA

Form 990, Special Condition Description:

Special Condition Description
