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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
Moab Valley Healthcare Inc

Doing Business As
Moab Regional

Number and street (or P O box if mail is not delivered to street address) | Room/suite
450 West Williams Way

City or town, state or country, and ZIP + 4
Moab, UT 845320998

D Employer identification number
87-0543342

E Telephone number
(435) 259-7191

G Gross receipts $ 21,490,584

F Name and address of principal officer
Roy Barraclough
450 West Williams Way
Moab,UT 845320998

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www amhmoab org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile UT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To promote the health and well being of the people in the communities that we serve This hospital renders services to all members of the community who are in need of medical care regardless of the ability of the patient to pay for such services

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	224
6	Total number of volunteers (estimate if necessary)	**6**	26
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	141,116	42,278
9	Program service revenue (Part VIII, line 2g)	15,263,966	21,445,885
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,386	-84,163
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,900	2,100
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,414,368	21,406,100
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,463,475	9,217,536
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	7,442,108	13,259,976
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	14,905,583	22,477,512
19	Revenue less expenses Subtract line 18 from line 12	508,785	-1,071,412

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	32,914,161	41,507,185
21	Total liabilities (Part X, line 26)	24,612,370	34,279,002
22	Net assets or fund balances Subtract line 21 from line 20	8,301,791	7,228,183

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2012-11-15
Signature of officer | Date

Roy Barraclough CEO/Administrator
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ LISA CHAFFEE CPA	Date 2012-11-06	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions) P00193453
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ EIDE BAILLY LLP 4310 17TH AVE S PO BOX 2545 FARGO, ND 581082545			EIN ▶ 45-0250958 Phone no ▶ (701) 239-8500

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

The corporation's mission is to provide patients with an opportunity to receive affordable medical care based on their eligibility to qualify for financial aid which is non-discriminatory based on the person's age, sex, race, creed, disability, sexual orientation or national origin

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 $ 19,095,598 including grants of $) (Revenue $ 20,656,107)

In February 2011, hospital operations were moved from the aging Allen Memorial Hospital to the new state-of-the-art Moab Regional Hospital The move to an updated physical plant, however, did not change in any way the hospital's role and status as the leading healthcare facility in Southeastern Utah, and largest private employer in Grand County The hospital's bed license compliment was reduced from 25 to 17 beds due to the move of the previous census of intermediate care residents to a new long-term care center (see Program B) This move made an additional six beds available for acute inpatients and obstetrical care The demand for both inpatient and outpatient services has increased significantly as the hospital realized an expanded ability to care for the thousands of regional patients annually as well as the two million plus visitors who visit Moab and its surrounding National and State parks annually and for who Moab Regional Hospital is the only viable option All of the hospital's 17 acute care beds are also licensed as swing beds The nearest tertiary hospital is over 100 miles away, making Moab Regional a key component to the health and well-being of over 9,000 residents who call the region home and the 2 Million + annual visitors to the region The Emergency Department is very busy due to the extreme nature of the activities available locally, as is the orthopedic department that can accommodate most injuries and elective procedures locally Care is provided for all who present, regardless of nationality, circumstance, or ability to pay

4b (Code) (Expenses $ 664,327 including grants of $) (Revenue $ 68,954)

Allen Memorial's former intermediate (long-term) care program was moved to a new 36-bed facility under the new name of Canyonlands Care Center This building is owned and operated by Canyonlands Health Care Special Services District (CHCSSD) Moab Regional has contracted with CHCSSD to provide select services, (dietary and launder) and arrangements (HVAC, emergency power) to keep the Care Center at cost in an effort to keep both the construction and operating costs for the Center within manageable limits The Center continues its original mission of providing twenty-four hours custodial care including assistance in daily living, appropriate health services, and an aggressive activity therapy program Absent this care in the community, residents and families would find it necessary to seek care outside of the community at great inconvenience and added expense for both the resident and the family member, as the nearest nursing home facility is over 90 miles away

4c (Code) (Expenses $ 132,605 including grants of $) (Revenue $ 215,834)

Grand County Hospice, an affiliate of Moab Regional Hospital, provides comprehensive compassionate end-of-life care for patients in the area Hospice providers visit homes with the goal of helping patients maintain the highest quality of life possible in their final days of life Hospice care is offered to anyone desiring hospice care regardless of their ability to pay Absence of this program in the community would create a difficult situation at the very time when these services are most needed

(Code) (Expenses $ 20,268 including grants of $) (Revenue $ 426,703)

Moab Regional's new physical plant includes space and technologic accommodations for an Infusion Therapy Service Under the direction of local nurses and technicians, and with oversight by visiting Oncologists from Grand Junction Colorado, local and regional cancer patients are spared the difficult experience of having to drive two to four hours one way to a large hospital for their chemotherapy and other intravenous treatments This also allows them to stay in their own homes when receiving therapy The community has lauded this service as a most welcome addition to the hospital's services Pharmacy and other support services have made this program viable if not profitable As with all other programs offered at Moab Regional, patients requiring this treatment are provided service without consideration to nationality, circumstance or ability to pay

4d Other program services (Describe in Schedule O)

(Expenses $ 20,268 including grants of $) (Revenue $ 426,703)

4e **Total program service expenses** ▶ $ 19,912,798

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		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? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

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

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	25		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	224			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	7		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b		No
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		No
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		No
13	Did the organization have a written whistleblower policy?	13		No
14	Did the organization have a written document retention and destruction policy?	14		No
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 ▶ UT

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

Craig Daniels
450 West Williams Way
Moab, UT 84532
(435) 719-3500

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) Mike Bynum Chair	2 00	X		X				0	0	0
(2) Ken Ballantyne Vice Chair (Jan-Apr)	2 00	X		X				0	0	0
(3) Kyle Bailey Vice Chair (May-Dec)	2 00	X		X				0	0	0
(4) Bob Jones Director	2 00	X						0	0	0
(5) Cindy Hardgrave Director	2 00	X						0	0	0
(6) Jaylyn Hawks Director	2 00	X						0	0	0
(7) Jonas Munger Director (Jan-Jul)	2 00	X						0	0	0
(8) Kathy Williams Director (Jul-Dec)	2 00	X						0	0	0
(9) Barbara Hicks Director (May-Dec)	2 00	X						0	0	0
(10) Roy Barraclough CEO/Administrator	50 00			X				150,010	0	24,332
(11) Ken Knight CFO	40 00			X				94,867	0	21,175
(12) Gary Voeste Physician	40 00					X		109,909	0	13,075
(13) Gary Slavens Physician	40 00					X		176,132	0	16,859
(14) Georgia Russell Physician	40 00					X		101,936	0	23,202
(15) Lionel Weeks Physician	40 00					X		303,167	0	16,859
(16) Juan C Vasquez Physician	40 00					X		290,018	0	16,859

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,226,039	0	132,361

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 7

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Scherer Medical 1575 Old Mail Trail Moab, UT 84532	Physician	300,160
Steven Rouzer MD PO Box 730 Moab, UT 84532	Physician	266,910
Philip Kopell MD PO Box 820 Moab, UT 84532	Physician-Anethesia	264,811
Richard Knecht MD PO Box 277 Moab, UT 84532	Physician	203,071
Kay Osteen CRNA 529 Sundial Moab, UT 84532	Anesthetist	155,230

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 ▶ 5

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				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 42,278				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	42,278			
Program Service Revenue		Business Code				
	2a	Net Patient Service Re	622110	20,284,778	20,284,778	
	b	Management Fees	561000	992,640	992,640	
	c	Other Income	622110	90,180	90,180	
	d	Cafeteria & Med Record	900099	78,287		78,287
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶		21,445,885		
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		321		321
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents 2,100				
	b	Less rental expenses 0				
	c	Rental income or (loss) 2,100				
	d	Net rental income or (loss) . . . . . ▶	2,100			2,100
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses 84,484				
	c	Gain or (loss) -84,484				
	d	Net gain or (loss) . . . . . ▶	-84,484			-84,484
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶				
	12	**Total revenue.** See Instructions . . . ▶	21,406,100	21,367,598	0	-3,776

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	290,383		290,383	
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	7,387,755	6,473,180	914,575	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	292,473	256,266	36,207	
9	Other employee benefits	734,993	644,004	90,989	
10	Payroll taxes	511,932	430,269	81,663	
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting	41,985		41,985	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	2,030,156	1,884,413	145,743	
12	Advertising and promotion	25,738	27	25,711	
13	Office expenses	807,721	642,127	165,594	
14	Information technology	3,797	60	3,737	
15	Royalties . .				
16	Occupancy	760,738	747,553	13,185	
17	Travel	81,177	23,672	57,505	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	47,805	30,997	16,808	
20	Interest	1,553,448	1,553,448		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,275,917	2,275,917		
23	Insurance	372,878	372,878		
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	2,384,413	2,384,413		
b	Bad Debt Expense	1,727,659	1,727,659		
c	Maintenance	213,883	198,580	15,303	
d	Food	195,569	188,338	7,231	
e					
f	All other expenses	737,092	78,997	658,095	
25	**Total functional expenses.** Add lines 1 through 24f	22,477,512	19,912,798	2,564,714	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		2,365,858	2	1,487,904
	3	Pledges and grants receivable, net		171,435	3	
	4	Accounts receivable, net		3,011,053	4	6,059,095
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		546,509	8	506,338
	9	Prepaid expenses and deferred charges		84,161	9	108,987
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 34,073,048			
	b	Less accumulated depreciation	10b 2,675,393	26,386,417	10c	31,397,655
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		348,728	15	1,947,206
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		32,914,161	16	41,507,185
Liabilities	17	Accounts payable and accrued expenses		1,300,243	17	3,668,477
	18	Grants payable			18	
	19	Deferred revenue			19	
	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		23,312,127	23	30,530,525
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		0	25	80,000
	26	**Total liabilities.** Add lines 17 through 25		24,612,370	26	34,279,002
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		7,605,677	27	6,991,651
	28	Temporarily restricted net assets		696,114	28	236,532
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		8,301,791	33	7,228,183
	34	Total liabilities and net assets/fund balances		32,914,161	34	41,507,185

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	21,406,100
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,477,512
3	Revenue less expenses Subtract line 2 from line 1	3	-1,071,412
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	8,301,791
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,196
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	7,228,183

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Moab Valley Healthcare Inc

Employer identification number
87-0543342

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Moab Valley Healthcare Inc

Employer identification number
87-0543342

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,924,828		2,924,828
b Buildings		24,487,125	1,376,409	23,110,716
c Leasehold improvements				
d Equipment		6,661,095	1,298,984	5,362,111
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				31,397,655

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Estimated Third-Party Payor Settlements	80,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	80,000

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	21,406,100
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	22,477,512
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,071,412
4	Net unrealized gains (losses) on investments	4	-2,196
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	-2,196
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,073,608

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	21,403,904
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-2,196		
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	-2,196
3	Subtract line **2e** from line **1**			3	21,406,100
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	21,406,100

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

1	Total expenses and losses per audited financial statements			1	22,477,512
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	0
3	Subtract line **2e** from line **1**			3	22,477,512
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	22,477,512

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Uncertain Tax Positions Under FIN 48	Part X	The Hospital is organized as a Utah not-for-profit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, the Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose The Organization files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income The Hospital believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements The Hospital would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred The Hospital's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2008

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Moab Valley Healthcare Inc

Employer identification number
87-0543342

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		No
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			951,000		951,000	4 580 %
b Medicaid (from Worksheet 3, column a)			2,790,137	1,790,153	999,984	4 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			3,741,137	1,790,153	1,950,984	9 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			15,750		15,750	0 080 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			5,278,863	3,251,385	2,027,478	9 770 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total** Other Benefits			5,294,613	3,251,385	2,043,228	9 850 %
k **Total.** Add lines 7d and 7j			9,035,750	5,041,538	3,994,212	19 250 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other			60		60	0 %
10 **Total**			60		60	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	1,727,659		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	76,718		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	4,159,455		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	4,118,272		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	41,183		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Moab Valley Healthcare Inc 450 West Williams Way Moab, UT 845320998	X	X			X		X		Provider Based Clinic

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Moab Valley Healthcare Inc

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

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

Part V Facility Information *(continued)*

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**	Yes	
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		Part I, Line 3c To qualify for financial aid the patient's medical expenses must exceed his ability to pay sufficiently to constitute a medical hardship and the patient's income must fall within the hospital's financial aid qualifying range The Hospital evaluates if the patient has applied for and been denied for Medicaid benefits, all possible insurance payers have been billed and if they are eligible for Medicare benefits before evaluating the patient for the financial assistance eligibility The qualifying range is determined on a sliding schedule It is based on family size and monthly income Patients fall within groupings that pay 20%, 40%, 60% and 100% of the bill

Identifier	ReturnReference	Explanation
		Part I, Line 7 Charity care expense was converted to cost on line 7a based on an average ratio of costs to gross charges Unreimbursed Medicaid on line 7b was calculated using the cost-to-charge ratio derived from Worksheet 2 The amounts for community health improvement services, line 7e, were based on actual expenses in the current year The cost for subsidized health services on line 7g was determined using the Medicare Cost Report

Identifier	ReturnReference	Explanation
		Part I, Line 7g Line 7g includes $3,177,632 of costs attributable to a provider-based clinic

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is $1,727,659

Identifier	ReturnReference	Explanation
		Part II Reality Town at Grand County Middle School Reality Town is designed to teach middle school students about the expenses of real life by assigning jobs and salaries based on GPA, and then letting students attempt to live in "Reality Town" where there are a variety of booths that reflect real world needs like housing, insurance, healthcare, clothing, groceries, and transportation Students draw a card at each booth that gives them a scenario, and at the AMH booth that scenario is centered around teaching the impact of having health insurance, and the card might read, "You just broke your leg, pay $50 with insurance or $500 without insurance to emergency room" The student then writes out a check for the amount due, and balances their check book to see the financial impact Students with a high GPA may have a job that provides insurance or may have an income high enough to purchase insurance Students with lower GPA's quickly see how low-earning jobs often don't provide for real-world needs

Identifier	ReturnReference	Explanation
		Part III, Line 4 Footnote to the organization's financial statements that describes bad debt The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts Management considers historical write off and recovery information in determining the estimated bad debt provision Costing methodology used in determining the amounts in bad debt reported as charity care The Hospital determined the amount of bad debt expense attributalbe to patients eligible under the financial assistance policy by multiplying the percentage of charity care to total patient revenue by the current year bad debt

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable cost is based on the Medicare cost report The Medicare cost report is completed based on the rules & regulations set forth by CMS

Identifier	ReturnReference	Explanation
		Part III, Line 9b It is the policy of Allen Memorial Hospital to utilize a collection agency as a resource for collecting bad debt All patients will receive a monthly statement regarding any open balances on their accounts The patient will receive two statements approximately 30 days apart The third statement at 90 days will be stamped FINAL NOTICE At 120 days after the first billing if the open balance has not been addressed by the patient these accounts will be forwarded on to the collection agency for additional action i e accruing interest, garnishing of wages and legal action if necessary If at any time during the collection actions the collection agengy determines the patient would be potentially eligible for financial assistance, the agency will encourage the patient to contact the Hospital to apply for financial assistance Once the patient contacts the Hospital, the account is immediately moved to "applying for assistance" status and no further collection actions are taken The patient then has an additional 120 days to complete the financial assistance application If the individual receives discounted care, the remaining self-pay portion is moved to an interest-free monthly payment plan If after six months there are no further payments made the Hospital contacts the patient to determine if the patient needs to lower their monthly payment and increase the payment timeline

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 9 To qualify for financial aid the patient's medical expenses must exceed his ability to pay sufficiently to constitute a medical hardship and the patient's income must fall within the hospital's financial aid qualifying range The qualifying range is determined on a sliding schedule It is based on family size and monthly income Patients fall within groupings that pay 20%, 40%, 60% and 100% of the bill

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 10 To qualify for financial aid the patient's medical expenses must exceed his ability to pay sufficiently to constitute a medical hardship and the patient's income must fall within the hospital's financial aid qualifying range The qualifying range is determined on a sliding schedule It is based on family size and monthly income Patients fall within groupings that pay 20%, 40%, 60% and 100% of the bill

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 13g The summary of the financial assistance policy is provided in the emergency and waiting rooms

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 19d In the State of Utah patients with insurance only receive a 5-10% discount on services when provided by a Utah rural facility The Hospital offers a 20% discount to self-pay patients if they pay within 30 days in addition to the financial assistance discount The Hospital currently applies the financial assistance policy discount directly to gross charges for those that do not have insurance Although the facility is not using one of the two IRS approved methods, the amounts charged to FAP eligible individuals is often much less than what is generally billed to insured or self-pay patients The facility is working on developing their policies to meet the IRS requirements

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 20 The Hospital currently applies their financial assistance directly to the gross charges for any emergency or medically necessary services provided to financial assistance policy-eligible patients that do not have insurance

Identifier	ReturnReference	Explanation
Moab Valley Healthcare Inc		Part V, Section B, Line 21 The Hospital currently applies their financial assistance directly to the gross charges for any services provided to financial assistance policy-eligible patients

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The health care needs of the community historically have been assessed by the hospital either through a hospital-sponsored (and sometimes conducted) survey using both questionnaires and phone calls or (most recently) through participation with another entity such as Grand County in a comprehensive evaluation of the health care system in this area In both cases, the hospital has been active in every phase of the project including determining survey objectives, designing of survey tool, and evaluation of the final data The resulting data is then used in the hospital's short- and long-range planning activities Feedback from physicians, nurses, other hospital staff members and patients is also reviewed, catalogued, and used in planning activities

Identifier	ReturnReference	Explanation
		Part VI, Line 3 The hospital posts its charity care policy, or a summary thereof, and financial assistance contact information in admissions areas, emergency rooms, and other areas of the organization's facilities in which eligible patients are likely to be present It also provides a copy of the policy, or a summary thereof, and financial assistance contact information to patients in its admission packet as part of the intake process A copy of the policy, or a summary thereof, and financial assistance contact information to patients are also included with discharge materials Assigned hospital staff also discusses with the patient the availability of various government benefits, such as Medicaid or state programs, and assists the patient with qualification for such programs, as applicable

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The hospital's defined service area extends out approximately 70 miles in all directions capturing a service area population of approximately 16,350 The entire service area is rural or frontier in nature It includes the settlements of Moab (7,500), Green River (1,500) Thompson (100), La Sal (250), Monticello (3,000) and Blanding (4,000) Most all of these communities have agriculture, mining, or tourism as a primary economic base Small hospitals serve Monticello and Blanding, but major surgical and ancillary services are provided in Moab The larger communities in Colorado - Cortez and Grand Junction - offer secondary care hospitals, but are 100+ miles away from any of the communities described Grand County is primarily driven by a strong outdoor recreation-based tourism industry Although local tourist attractions draw a steady influx of visitors of over 1 3 Million annually and generate substantial local revenues, Grand County's rural location and low industrial diversity has impeded the development of major growth drivers outside of tourism Unemployment in the County exceeds Utah and U S level, and the lack of high paying industries corresponds to below average household income levels The median age of Grand County's population is 39 4 years compared with Utah's population at 29 5 years and the U S figure of 36 8 years Annual average household income for Grand County is $50,331, compared with $68,450 and $67,315 for Utah and the U S respectively Approximately 32% of the County's households' income levels fall under $25,000 threshold Educationally, 29 9% are high school graduates, 30 3% have completed Associates degrees, and 14 7% hold Bachelor's degrees with 8 3 having earned advanced degrees at the Masters or Ph D levels Approximately 31% of the hospital's patient mix is Medicare with 19% covered by the Medicaid program

Identifier	ReturnReference	Explanation
		Part VI, Line 5 The hospital's governing body is comprised exclusively of citizens residing in Moab, most of whom have been residents for decades The members bring an excellent mix of skills and experiences to the Board that serve the needs of the hospital well - retired attorney, retired CPA, City Councilman, Physician, and three business owners The hospital extends membership and, accordingly, medical staff privileges to all qualified physicians in the community who qualify for membership The hospital is also an equal employment opportunity employer Excess funds from operations are applied to educational programs designed to address specific needs of the community such as teenage drinking, teenage pregnancy, and overall mental health The hospital offers an infusion therapy program for cancer victims mitigating the need for the patient to travel a minimum of three hours (round trip) for chemo treatment Emergency room services are available to all regardless of ability to pay The hospital serves as a site for the clinical training of nurses, and residents in family medicine and general and orthopedic surgery needing to complete a rural rotation The hospital is a sole community provider with the nearest (smaller) hospital approximately 55 miles away The hospital's food services director/dietician and select nursing and administrative personnel are very active in multiple community initiatives to address childhood obesity, mental health, teen pregnancy, and diabetes prevention The hospital also sponsors or hosts health fairs, blood drives, and community initiatives focusing on specific community needs The hospital was also instrumental in the organization and initial support of the communities Free Health Clinic for uninsured and indigent people Medical Tent at Moab Half Marathon Each year 5000+ out-of-town runners visit Moab to participate in the "Canyonlands Half Marathon" in the spring and "The Other Half" in the autumn Runners often begin really pushing themselves when they get near the finish line, leading to cardiac events commonly occurring near or at the finish line In 2005, there were two heart attacks at the finish line of the Canyonlands Half Marathon and one of the patients died within minutes In 2011, Moab Regional Hospital provided a medical tent with an emergency room physician and several nurses at the finish line Nearly a dozen nurses were stationed along the last part of the finish line looking for patients in duress Patients with a variety of issues from dehydration to blisters were also treated there, by addressing many of the issues at the finish line, it kept the emergency room from becoming overwhelmed Cost $5,000Community Health Fair Moab is an isolated rural community located over 100 miles away from a major city As such, many people don't have easy access to health information and providers not located in our small town In February 2011, Moab Regional Hospital provided a health fair that brought together a variety of health providers from around the region to set up booths and provide information to community members who attended Low cost blood draws and screening tests were offered the month prior to the health fair, and around 300 participants picked up their tests at the event Cost $3,650Skinny Tire Festival and Century Tour Aid Station Skinny Tire Events organized several long-distance bike events to raise money for cancer research and cancer survivorship programs Moab Regional Hospital set up aid stations where bikers could re-fuel on food and water and address any medical or mechanical issues Cost $2,400Scholarships for Graduating Seniors Pursuing a Career in Health Care Moab Regional Hospital gave away two $1,500 scholarships to two graduating high-school seniors from the local high school who are pursuing a career in health care Cost $3,300 (Scholarships $3,000, salaries to administer scholarship $300)Dinner with a Doc Moab Regional Hospital hosted a free "Dinner with a Doc" event on the topic of avoiding and dealing with the Flu Cost $1,200Volunteers at Events Moab Regional Hospital providers volunteer at a variety of local community sporting events Cost $3,500

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Moab Valley Healthcare Inc

Employer identification number
87-0543342

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Roy Barraclough	(i)	150,010	0	0	9,001	15,331	174,342	0
	(ii)	0	0	0	0	0	0	0
(2) Gary Slavens	(i)	176,132	0	0	0	16,859	192,991	0
	(ii)	0	0	0	0	0	0	0
(3) Lionel Weeks	(i)	303,167	0	0	0	16,859	320,026	0
	(ii)	0	0	0	0	0	0	0
(4) Juan C Vasquez	(i)	290,018	0	0	0	16,859	306,877	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 5	The physicians receive a production based bonus If the production or revenue billed is above the set thresholds in their contracts they are compensated between 40% and 50% of those additional revenues

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Moab Valley Healthcare Inc

Employer identification number
87-0543342

Identifier	Return Reference	Explanation
Changes in Program Services	Form 990, Part III, line 3	Long term residential care under the "swingbed" program was discontinued 1/20/11 All residents residing in AMH Extended Care Facility (ECF) at that time were moved over to the Canyonlands Care Center The Hospital also improved its mammography services from analog to digital in February of 2011 and began providing room service as a diatary option of patients in the Med-Surg
	Form 990, Part VI, Section A, line 8b	There are no committees that have the broad authority to act on the behalf of the governing board
	Form 990, Part VI, Section B, line 11	The Form 990 is reviewed and signed by the CEO It is reviewed by the Finance Committee of the board of directors The Form 990 was also provided to the governing board prior to it being filed with the IRS
	Form 990, Part VI, Section B, line 12	Moab Valley Healthcare reviews known conflicts on an as needed basis but does not "regularly and consistently" monitor or enforce compliance The organization requires board members to disclose potential conflicts for determination if a conflict exists, and conflicts are reviewed at that time
	Form 990, Part VI, Section B, line 15	Compensation of the CEO is set by the independent, volunteer board of directors CEO compensation range is derived from the Utah Hospital Association salary surveys and other regional compensation surveys Additionally, CEO compensation is determined under a yearly performance evaluation This practice is also followed for the CFO position The annual deliberation and decision process is substantiated
	Form 990, Part VI, Section C, line 19	Moab Valley Healthcare does not make governing documents, conflicts of interest policy or financial statements available to the public
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -2,196

Financial Statements
December 31, 2011 and 2010

Moab Valley Healthcare, Inc. d/b/a Moab Regional Hospital

Moab Regional Hospital
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December 31, 2011 and 2010

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Moab Valley Healthcare, Inc
d/b/a Moab Regional Hospital
Moab, Utah

We have audited the accompanying balance sheets of Moab Valley Healthcare, Inc , d/b/a Moab Regional Hospital (Hospital) as of December 31, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and the 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 financial statements referred to above present fairly, in all material respects, the financial position of Moab Valley Healthcare, Inc , d/b/a Moab Regional Hospital as of December 31, 2011 and 2010, and the results of its operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

In accordance with *Government Auditing Standards*, we have also issued a report dated August 20, 2012 on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

Eide Bailly LLP

Fargo, North Dakota
August 20, 2012

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	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 114,386	$ 1,319,544
Receivables		
Patient, net of estimated uncollectibles of $2,708,000 in 2011 and $1,808,000 in 2010	5,738,001	2,971,303
Estimated third-party settlements	-	110,000
Pledges	-	121,644
Other	321,094	39,750
Prepaid expenses	108,987	84,161
Supplies	506,338	546,509
Total current assets	6,788,806	5,192,911
Assets Limited as to Use		
Internally designated for retirement contributions	232,158	248,075
By board for expansion and replacement	1,130,458	787,341
Scholarship fund	10,902	10,898
Total assets limited as to use	1,373,518	1,046,314
Property and Equipment	31,397,655	26,386,417
Other Assets		
Pledges receivable	-	49,791
Deferred financing costs, net of accumulated amortization of $113,348 in 2011	1,710,674	-
Beneficial interest in charitable remainder trust	236,532	238,728
Total other assets	1,947,206	288,519
Total assets	$ 41,507,185	$ 32,914,161

See Notes to Financial Statements

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Note payable to bank	$ 150,000	$ -
Current maturities of long-term debt	789,944	540,106
Estimated third-party payor settlements	80,000	-
Accounts payable		
Trade	1,289,045	383,244
Construction payable	840,878	-
Accounts receivable credit balances	36,926	86,436
Accrued expenses		
Salaries and wages	369,831	226,954
Paid time off	239,829	198,216
Interest	147,558	-
Payroll taxes and other	130,328	3,184
Health insurance	306,756	120,194
Retirement	307,326	282,015
Total current liabilities	4,688,421	1,840,349
Long-Term Debt, Less Current Maturities	29,590,581	22,772,021
Total liabilities	34,279,002	24,612,370
Net Assets		
Unrestricted	6,991,651	7,605,677
Temporarily restricted	236,532	696,114
Total net assets	7,228,183	8,301,791
Total liabilities and net assets	$ 41,507,185	$ 32,914,161

Moab Regional Hospital
Statements of Operations
Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenue	$ 20,284,778	$ 15,080,550
Other revenue	1,070,927	30,737
Total revenues, gains, and other support	21,355,705	15,111,287
Expenses		
Salaries and wages	7,632,631	5,827,850
Employee benefits	1,526,872	1,609,322
Supplies and other	5,360,546	2,970,643
Purchased services	2,027,561	2,219,517
Provision for bad debts	1,727,659	1,740,602
Depreciation and amortization	2,275,917	291,969
Insurance	372,878	196,578
Interest	1,553,448	43,016
Total expenses	22,477,512	14,899,497
Operating Income (Loss)	(1,121,807)	211,790
Other Income (Expense)		
Contribution revenue	41,118	50,644
Loss on disposal of equipment	(87,684)	-
Investment income	321	2,386
Other income	95,480	153,493
Other income, net	49,235	206,523
Revenues in Excess of (Less Than) Expenses	(1,072,572)	418,313
Net Assets Released from Restrictions for Property and Equipment	458,546	968,054
Contributions for Long-Lived Assets	-	32,097
Increase (Decrease) in Unrestricted Net Assets	$ (614,026)	$ 1,418,464

Moab Regional Hospital
Statements of Changes in Net Assets
Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Revenues in excess of (less than) expenses	$ (1,072,572)	$ 418,313
Net assets released from restrictions for property and equipment	458,546	968,054
Contributions for long-lived assets	-	32,097
Increase (decrease) in unrestricted net assets	(614,026)	1,418,464
Temporarily Restricted Net Assets		
Change in interest in charitable remainder trust	(2,196)	42,906
Restricted contributions	1,160	58,375
Net assets released from restrictions for property and equipment	(458,546)	(968,054)
Decrease in temporarily restricted net assets	(459,582)	(866,773)
Increase (decrease) in Net Assets	(1,073,608)	551,691
Net Assets, Beginning of Year	8,301,791	7,750,100
Net Assets, End of Year	$ 7,228,183	$ 8,301,791

Moab Regional Hospital
Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	$ (1,073,608)	$ 551,691
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	2,275,917	291,969
Contributions for long-lived assets	-	(32,097)
Contributions restricted by donors	(1,160)	(58,375)
Change in interest in charitable remainder trust	2,196	(42,906)
Change in allowances for pledges receivable	111,287	-
Loss on disposal of equipment	87,684	-
Provision for bad debts	1,727,659	1,740,602
Changes in assets and liabilities		
Patient and other accounts receivable	(4,775,701)	(1,803,325)
Estimated third-party payor settlements	190,000	(440,000)
Prepaid expenses	(24,826)	(84,161)
Supplies	40,171	(106,664)
Accounts payable	905,801	137,018
Accrued expenses	671,065	40,009
Accounts receivable with credit balances	(49,510)	(3,524)
Net Cash From Operating Activities	86,975	190,237
Investing Activities		
Proceeds from sale of assets limited as to use	-	126,879
Purchase of assets limited as to use	(327,204)	-
Decrease in pledges receivable, net	60,148	130,360
Purchase and construction of property and equipment	(5,615,874)	(18,264,740)
Net Cash Used For Investing Activities	(5,882,930)	(18,007,501)
Financing Activities		
Proceeds from notes payable	150,000	-
Payments on long-term debt	(184,145)	(106,428)
Proceeds from issuance of long-term debt	6,447,804	17,619,209
Increase in deferred financing costs	(1,824,022)	-
Contributions for long-lived assets	-	32,097
Contributions restricted by donors	1,160	58,375
Net Cash From Financing Activities	4,590,797	17,603,253
Net Decrease in Cash and Cash Equivalents	(1,205,158)	(214,011)
Cash and Cash Equivalents, Beginning of Year	1,319,544	1,533,555
Cash and Cash Equivalents, End of Year	$ 114,386	$ 1,319,544
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of amount capitalized of $160,328 in 2011 and $807,147 2011 in 2010	$ 1,405,890	$ 43,016
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Equipment financed through capital lease arrangements	$ 804,739	$ -

See Notes to Financial Statements

Note 1 - Organization and Significant Accounting Policies

Organization

Moab Valley Healthcare, Inc , d/b/a Allen Memorial Hospital (Hospital) is a not-for-profit critical access hospital located in Moab, Utah The Hospital provides inpatient, outpatient, and emergency care services for residents in northeastern Utah The Hospital also operates several doctors' clinics The Hospital is licensed to operate a 25-bed acute care facility and all beds are licensed for long-term swing bed patients The articles of incorporation provide that upon the dissolution of the corporation, all remaining assets will be distributed to Grand County Hospital Service District or to Grand County The Hospital is governed by a Board of Directors The Board and Executive Officers exercise all oversight responsibility including, but not limited to, personnel, management, finances, and budget

Income Taxes

The Hospital is organized as a Utah not-for-profit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, the Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose The Organization files an Exempt Organization Business income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income

The Hospital believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements The Hospital would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred The Hospital's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2007

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 Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Fair Value Measurements

The Hospital has determined the fair value of certain assets and liabilities in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides a framework for measuring fair value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity

has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Cash and Cash Equivalents

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

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Pledges Receivable

Pledges are recorded as receivables and temporarily restricted support in the year the pledge is made, unless the donor explicitly states that the gift is to support current activities. The fair value of the pledges receivable is discounted over the period of collection. Pledges receivable expected to be collected in the next year are classified as current assets in the balance sheet.

Pledges Receivable – Fair Value Election

Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in a year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Hospital elected that measure. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market.

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the effective interest method. Amortization is included in depreciation and amortization in the financial statements.

Investments and Investments Income

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

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board for future capital improvements, employee scholarships, and funds designated by management for employer matching contributions for the Hospital's retirement plan, over which the Board retains control and may at its discretion subsequently use for other purposes

Property and Equipment

Property and equipment acquisitions in excess of $5,000 are capitalized and recorded at cost Depreciation is provided over the estimated useful life of each depreciable asset and is computed on the straight-line method Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Amortization is included in depreciation in the financial statements Estimated useful lives are as follows

Buildings and improvements	5-25 years
Equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets and are excluded from revenues in excess of (less than) expenses, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service

Beneficial Interest in Charitable Remainder Trust

A donor established a trust with a local bank naming the Hospital as the remainder beneficiary of a charitable remainder trust Under the terms of the split-interest agreement, the Hospital is to receive the remaining assets in the trust at the end of the agreement's fifteen-year term, which will end in August 2022 During the fifteen-year term, the beneficiary is to receive annual amounts of approximately 14% of the current value of the trust The portion of the trust attributable to the present value of the future benefit to be received by the Hospital was $236,532 and $238,728 as of December 31, 2011 and 2010

Self-Funded Health Insurance

The Hospital has a self-funded health insurance plan Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims, and claims incurred but not yet reported

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 At December 31, 2011 and 2010, the Hospital did not have any permanently restricted net assets

Revenues in Excess of (Less Than) Expenses

Revenues in excess of (less than) expenses excludes unrealized gains and losses on investments other than trading securities, transfers of assets to and from related parties for other than goods and services, and contributions for long-lived assets, including assets acquired using contributions which were restricted by donors

Net Patient Service Revenue

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

Management Fee Revenue

Included in other revenue are management fees collected by the Hospital from Canyon Lands Care Center The management fee was $992,640 and $ - for the years ended December 31, 2011 and 2010, respectively

Charity Care

To fulfill its mission of community service, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations

Advertising Costs

The Hospital expenses advertising costs as incurred

Note 2 - Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Because the Hospital does not pursue collections of amounts determined to qualify as charity care, they are not reported as revenue The amount of charges forgone for services provided under the Hospital's charity care policy were approximately $1,164,167 and $673,509 for the years ended December 31, 2011 and 2010 Total estimated direct and indirect costs related to these forgone charges were $951,000 and $521,000 at December 31, 2011 and 2010, based on an average ratio of costs to gross charges

Note 3 - Net Patient Service Revenue

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

Medicare The Hospital is licensed as a critical access hospital (CAH) The Hospital is reimbursed for most inpatient and outpatient services at cost plus 1% with final settlement determined after submission of annual cost reports by the Hospital subject to audits thereof by the Medicare intermediary The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2009 Services provided as part of the Hospital's home health program are paid on a prospectively determined rate per episode of care or visit, depending on the services provided Clinical services are paid on a fixed fee schedule or on a cost related basis for rural health clinic services

Medicaid Inpatient acute care services and nonacute services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are paid under a cost reimbursement methodology

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

Laws and regulations governing the Medicare, Medicaid, and other 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

A summary of patient service revenue and contractual adjustments for the years ended December 31, 2011 and 2010 is as follows

	2011	2010
Total patient service revenue	$ 26,216,657	$ 19,204,435
Contractual adjustments		
Medicare	(2,026,186)	(1,802,236)
Medicaid	(615,130)	(791,828)
Blue Cross	(922,799)	(697,119)
Other	(2,367,764)	(832,702)
Total contractual adjustments	(5,931,879)	(4,123,885)
Net patient service revenue	$ 20,284,778	$ 15,080,550

Note 4 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2011 and 2010, is shown in the following table Cash equivalents and certificates of deposit are stated at cost plus accrued interest

	2011	2010
By Board for scholarship fund		
Cash and cash equivalents	$ 902	$ 898
Certificate of deposit	10,000	10,000
	10,902	10,898
By Board for expansion and replacement		
Cash and cash equivalents	1,130,458	787,341
Internally designated for retirement contributions		
Cash and cash equivalents	232,158	248,075
Total assets limited as to use	$ 1,373,518	$ 1,046,314

Investment Income

Investment income, primarily interest income on cash equivalents and assets limited as to use for the years ended December 31, 2011 and 2010 was

	2011	2010
Other Income		
Interest income	$ 321	$ 2,386

Note 5 - Property and Equipment

A summary of property and equipment at December 31, 2011 and 2010 follows

	2011		2010	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and improvements	$ 2,924,828	$ 186,585	$ 500,000	$ -
Buildings and improvements	24,487,125	1,189,824	43,861	23,433
Equipment	6,661,095	1,299,091	1,452,857	666,727
Construction in progress	-	-	25,079,859	-
	$ 34,073,048	2,675,500	$ 27,076,577	690,160
Net property and equipment		$ 31,397,548		$ 26,386,417

The cost of assets accounted for as capital leases at December 31, 2011 and 2010 was $804,739 and $264,675 The accumulated depreciation related to the capital leased equipment was $122,946 and $97,844 as of December 31, 2011 and 2010

Note 6 - Leases

The Hospital leases certain medical and other equipment under operating leases having terms of more than one year Total operating lease expense for the years ended December 31, 2011 and 2010 was $394,661 and $456,665 The Hospital also leases certain equipment under non-cancelable long-term lease agreements which have been recorded as capital leases (Notes 5 and 7)

Minimum future lease payments for the capital and operating leases are as follows

Year Ending December 31,	Capital Leases	Operating Leases
2012	$ 164,640	$ 328,115
2013	164,640	328,115
2014	164,640	193,967
2015	164,730	193,967
Thereafter	178,268	121,565
Total minimum lease payments	836,918	$ 1,165,729
Less interest	(134,409)	
Total	$ 702,509	

Note 7 - Notes Payable and Long-Term Debt

Notes payable consists of a 5 45% note initiated on August 17, 2011 for $200,000 to be paid in monthly installments until fully paid on August 17, 2012 As of December 31, 2011, the outstanding notes payable balance is $150,000

Long-term debt consists of

	2011	2010
5 7% mortgage note payable to U S Bank National Association, due in, 300 monthly installments beginning after the construction loan closes, secured by the building (1)	$ 28,195,659	$ 23,247,855
7 48% mortgage note payable to U S Bank National Association, due in monthly installments beginning March 2011, secured by other debt (1)	1,482,357	-
Capital lease obligations, with varying rates of interest, secured by leased equipment	702,509	64,272
	30,380,525	23,312,127
Less current maturities	(789,944)	(540,106)
Long-term debt, less current maturities	$ 29,590,581	$ 22,772,021

(1) This loan is federally insured by U S Department of Housing and Urban Development The revenue note indenture also places limits on the incurrence of additional borrowings and requires that the Hospital satisfy certain measures of financial performance as long as the notes are outstanding

*The following long-term debt maturity schedule includes the maximum amount the Hospital can draw on the construction loan, which is $29,857,000 Long-term debt maturities, assuming the construction loan is fully drawn, are as follows

Year Ending December 31,	Amount
2012	$ 789,944
2013	838,783
2014	890,665
2015	945,869
2016	1,004,331
Thereafter	25,910,933
*Total	$ 30,380,525

Note 8 - Pledges Receivable

The Hospital has received pledges from organizations and individuals Certain pledges are receivable over a period of time The following is a summary of pledges receivable

	2011	2010
Current pledges receivable	$ -	$ 181,189
Amounts receivable in one to five years	111,287	111,287
Discount for present value and uncollectible amounts	(111,287)	(121,041)
	$ -	$ 171,435

Note 9 - Temporarily Restricted Net Assets

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

	2011	2010
Beneficial interest in charitable remainder trust	$ 236,532	$ 238,728
Contributions for use related to the building project	-	457,386
Total	$ 236,532	$ 696,114

In 2011 and 2010, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $458,546 and $968,054 These amounts are included in net assets released from restrictions in the accompanying financial statements

Note 10 - Pension Plan

The Hospital has a defined contribution 403(b) tax deferred annuity plan that covers substantially all employees that have completed three months of service at the Hospital, are at least 18 years of age, worked more than 1,000 hours of service per year, and are employed at the Hospital on the last day of the year The Hospital has discretion as to the amount it contributes to the Plan each year During the years ended December 31, 2011 and 2010, the Hospital contributed approximately $307,317 and $282,020 to this plan

Note 11 - Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of who are insured under third-party payor agreements The mix of receivables from patients and third-party payors for 2011 and 2010 was as follows

	2011	2010
Medicare	22%	27%
Medicaid	7%	6%
Other third-party payors	48%	29%
Patients	14%	27%
Accounts placed with collection agencies	9%	11%
	100%	100%

The Hospital's cash balances are maintained in various bank deposit accounts At various times during the year, the balances of these deposits may be in excess of federally insured limits

Note 12 - Functional Expenses

The Hospital provides healthcare services to residents within its geographic location Expenses related to providing these services by functional classification for the years ended December 31, 2011 and 2010 are as follows

	2011	2010
Patient health care services	$ 18,131,640	$ 11,962,048
General and administrative	4,345,872	2,937,449
	$ 22,477,512	$ 14,899,497

Note 13 - Fair Value of Assets and Liabilities

Assets measured at fair value on a recurring basis at December 31, 2011 and 2010 are as follows

	Quoted Prices Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
December 31, 2011			
Beneficial interest in charitable remainder trust	$ -	$ -	$ 236,532

	Quoted Prices Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
December 31, 2010			
Pledges receivable	$ -	$ -	$ 171,435
Beneficial interest in charitable remainder trust	-	-	238,728
	$ -	$ -	$ 410,163

The fair value of pledges receivable is based upon the promises to give amount discounted back to present value using a rate that considers credit and other risk factors and reduced by an estimated uncollectible amount The fair value of the beneficial interest remainder trust is based upon estimated life expectancy, term, payment terms, and estimated rate of return in the trust

The following is a reconciliation of activity for 2011 and 2010 for assets measured at fair value based upon significant unobservable (non-market) information

	Pledges Receivable	Charitable Remainder Trust
Balance, December 31, 2009	$ 301,795	$ 195,822
Pledges collected	(119,407)	-
Change in discount	(10,953)	-
Change in value of charitable remainder trust	-	42,906
Balance, December 31, 2010	171,435	238,728
Pledges collected	(60,148)	-
Change in discount and estimated uncollectible amount	(111,287)	-
Change in value of charitable remainder trust	-	(2,196)
Balance, December 31, 2011	$ -	$ 236,532

Note 14 - Contingencies

Malpractice

The Hospital purchases medical malpractice insurance under a claims-made (or occurrence-basis) policy on a fixed premium basis The limits of the malpractice insurance are $500,000 per claim with an annual aggregate limit of $1 million Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claims cost, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents Based upon the Hospital's claims experience, no such accrual has been made It is reasonably possible that this estimate could change materially in the near future

Litigations, Claims, and Other Disputes

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position of the Hospital

The health care industry is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services Management believes that the Hospital is in substantial compliance with current laws and regulations

Note 15 - Subsequent Events

The Hospital has evaluated subsequent events through August 20, 2012, the date which the financial statements were available to be issued During this period, the Hospital did not have any material recognizable subsequent events

Supplementary Information
December 31, 2011 and 2010

Moab Valley Healthcare, Inc. d/b/a Moab Regional Hospital

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Moab Valley Healthcare, Inc.,
d/b/a Allen Memorial Hospital
Moab, Utah

We have audited the financial statements of Moab Valley Healthcare, Inc., d/b/a Moab Regional Hospital (Hospital) as of and for the year ended December 31, 2011, and have issued our report thereon dated August 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Hospital is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered Moab Regional Hospital's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moab Regional Hospital's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Moab Regional Hospital's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, responses, and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a significant deficiency, or a combination of deficiencies, in internal control that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Hospital's internal control. We consider deficiencies 11-1, 11-2, and 11-3 described in the accompanying schedule of audit findings, responses, and questioned costs to be material weaknesses in internal control over financial reporting.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moab Regional Hospital's financial statements are free of material misstatement, we performed tests of the its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Moab Regional Hospital's responses to the findings identified in our audit are disclosed in the accompanying schedule of findings, responses, and questioned costs We did not audit Moab Regional Hospital's response and, accordingly, we express no opinion on it

This report is intended solely for the information and use of management and the Board of Directors, and the U S Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties

Eide Bailly LLP

Fargo, North Dakota
August 20, 2012

Findings - Financial Statement Audit – Internal Controls Over Financial Reporting

Material Weaknesses

Finding 11-1 Limited Size of Office Staff

Condition – Moab Regional Hospital has a lack of segregation of duties in certain areas due to limited staff

Criteria – A good system of internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion

Effect of Condition – Inadequate segregation of duties could adversely affect Moab Regional Hospital's ability to detect misstatements in amounts that would be material to the financial statements in a timely period by employees in the normal course of performing their assigned functions

Recommendation – While we recognize that Moab Regional Hospital's staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal accounting control, all accounting functions should be reviewed to determine if additional segregation is feasible and to improve the efficiency and effectiveness of the financial management of Moab Regional Hospital

Response – Due to cost constraints, there will be no further administrative employees added In addition, management has adopted review procedures at the board level to mitigate some of this risk

Finding 11-2 Preparation of Financial Statements

Condition – Moab Regional Hospital does not have an internal control system designed to provide for the preparation of the financial statements being audited As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements

Criteria – A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements

Effect – This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected

Recommendation – This circumstance is not unusual in an organization of your size It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations

Response – Due to cost constraints, Moab Regional Hospital will continue to have the auditors draft the financial statements and accompanying notes to the financial statements

Finding 11-3 Material Adjusting Journal Entries

Condition – It is important that management exercises effective oversight and review of general ledger account reconciliations by accounting staff to identify and prevent potential misstatements

Criteria – Management should review significant reconciliations and transactions, such as for construction in progress related to the new building project, to ensure accurate accounting, reporting, and reconciliation to the general ledger

Effect – Failure to periodically review account balances can result in errors on interim financial statements and represents a weakness in internal control in the accounting system

Recommendation – Management should review all general ledger account reconciliations on a monthly basis and trace the detail to the general ledger activity to ensure that significant entries are not necessary at month-end and at year-end

Response – Management agrees with the finding The Organization's accountant and Chief Financial Officer will work collectively to ensure reconciliation of all general ledger accounts on an interim basis

Additional Data

Software ID:
Software Version:
EIN: 87-0543342
Name: Moab Valley Healthcare Inc

Form 990, Special Condition Description:

Special Condition Description

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

4d. Other program services

(Code) (Expenses $ 20,268 including grants of $) (Revenue $ 426,703)

Moab Regional's new physical plant includes space and technologic accommodations for an Infusion Therapy Service Under the direction of local nurses and technicians, and with oversight by visiting Oncologists from Grand Junction Colorado, local and regional cancer patients are spared the difficult experience of having to drive two to four hours one way to a large hospital for their chemotherapy and other intravenous treatments This also allows them to stay in their own homes when receiving therapy The community has lauded this service as a most welcome addition to the hospital's services Pharmacy and other support services have made this program viable if not profitable As with all other programs offered at Moab Regional, patients requiring this treatment are provided service without consideration to nationality, circumstance or ability to pay