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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

2011Open to Public
Inspection**A For the 2011 calendar year, or tax year beginning** 10/01, 2011, and ending 06/30, 2012**B** Check if applicable

- ☒ Address change
- ☒ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization **AVEDIS FOUNDATION**

F/K/A COMMUNITY HEALTH PARTNERS INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

3903 N. HARRISON

Room/suite

City or town, state or country, and ZIP + 4

SHAWNEE, OK 74804

F Name and address of principal officer **MICHELLE BRIGGS**

3903 N. HARRISON SHAWNEE, OK 74804

D Employer identification number

73-1347360

E Telephone number

(405) 878-8113

G Gross receipts \$ 54,980,990.**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)

I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (insert no) ☐ 4947(a)(1) or ☐ 527**J** Website: WWW.UNITHEALTHCENTER.COM**H(c)** Group exemption number ▶**K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation 1989 **M** State of legal domicile OK**Part I Summary**

Activities & Governance		Prior Year	Current Year
1	Briefly describe the organization's mission or most significant activities TO POSITIVELY IMPACT HUMAN LIFE THROUGH EXCEPTIONAL HEALTH CARE. OUR CORE VALUES ARE THE FOLLOWING: COMPASSIONATE CARE, CLINICAL EXCELLENCE, PEOPLE FIRST, RESOURCE STEWARDSHIP, AND COMMUNITY OUTREACH		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	761
6	Total number of volunteers (estimate if necessary)	6	102
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	451,008.	335,075.
9	Program service revenue (Part VIII, line 2g)	64,801,919.	52,472,211.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,286,661.	908,514.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	980,561.	889,711.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	67,520,149.	54,605,511.
Expenses		Prior Year	Current Year
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	45,305.	26,346.
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)	34,229,978.	27,192,329.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	25,881,937.	20,240,719.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	60,157,220.	47,459,394.
19	Revenue less expenses Subtract line 18 from line 12	7,362,929.	7,146,117.
Net Assets or Fund Balances		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	100,301,234.	163,008,223.
21	Total liabilities (Part X, line 26)	16,604,413.	68,979,110.
22	Net assets or fund balances Subtract line 21 from line 20	83,696,821.	94,029,113.

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

Signature of officer

Type or print name and title

Date

Paid Preparer Use Only

Print/Type preparer's name

ANNE M. ADAMS

Preparer's signature

Date

5-13-13

Check ☐ if self-employed

PTIN

P00887943

Firm's name ▶ BKD, LLP

Firm's EIN ▶ 44-0160260

Firm's address ▶ 6120 S. YALE, #1400 TULSA, OK 74136-4223

Phone no 918-584-2900

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2011)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☒ **X**

1 Briefly describe the organization's mission

TO POSITIVELY IMPACT HUMAN LIFE THROUGH EXCEPTIONAL HEALTH CARE. OUR
CORE VALUES ARE THE FOLLOWING: COMPASSIONATE CARE, CLINICAL
EXCELLENCE, PEOPLE FIRST, RESOURCE STEWARDSHIP, AND COMMUNITY
OUTREACH.

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 \$ 11,604,847 including grants of \$ _____) (Revenue \$ 9,817,629)
ACUTE AND INTENSIVE CARE

4b (Code _____) (Expenses \$ 8,716,295 including grants of \$ _____) (Revenue \$ 17,441,231)
EMERGENCY CARE AND URGENT CARE CLINIC

4c (Code _____) (Expenses \$ 12,724,536 including grants of \$ _____) (Revenue \$ 21,535,183)
SURGERY

4d Other program services (Describe in Schedule O) **ATTACHMENT 1**
(Expenses \$ 6,200,038 including grants of \$ _____) (Revenue \$ 4,435,226)

4e Total program service expenses **▶** 39,245,716.

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 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 X	
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	X
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	X
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	X
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	X
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	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
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	X
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	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a X	
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 X	
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	X
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	X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e X	
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	X
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	X
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 X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
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, Parts I and IV	14b	X
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 United States? If "Yes," complete Schedule F, Parts II and IV	15	X
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 United States? If "Yes," complete Schedule F, Parts III and IV	16	X
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 (see instructions)	17	X
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	X
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	X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b X	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
24 b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24 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?		
24 d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
25 b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
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)		
28 a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
28 b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
28 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 direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35 b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
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.	X	

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.	96	
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
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.	761	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
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, securities account, or other financial account)?		X
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?		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
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?		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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?		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?		
b Did the organization make a distribution to a donor, donor advisor, or related person?		
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. See the instructions for additional information the organization must report on Schedule O	13a	
b Enter the 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 amount of reserves on hand	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		X
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 line 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. ☒ X

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. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 14		
b Enter the number of voting members included in line 1a, above, who are independent.	1b 13		
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	X	
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		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
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		X
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		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
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		X

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		X
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	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a	X	
12a Did the organization have a written conflict of interest policy? If "No," go to line 13.	12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
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	X	
b Other officers or key employees of the organization	15b	X	
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	X	
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		X

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed OK,

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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 during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. THE ORGANIZATION 3903 N HARRISON SHAWNEE, OK 74804 (405) 878-8110

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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. 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, and 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 organization compensated any current 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) MICHELLE BRIGGS CHAIR	1.00	X		X				12,000.	0	0
(2) J. MICHAEL ADCOCK DIRECTOR	1.00	X						9,000.	0	0
(3) DARRELL COKER DIRECTOR	1.00	X						5,850.	0	0
(4) MARK FINLEY DIRECTOR	1.00	X						20,598.	0	0
(5) SUDHIR GUPTA, M.D. DIRECTOR	40.00	X						958,120.	0	20,102.
(6) CHRIS HOWARD DIRECTOR	1.00	X						5,200.	0	0
(7) KELLI KOONS, M.D. DIRECTOR	1.00	X						9,000.	0	0
(8) KATHLEEN LASTER, PH.D. DIRECTOR	1.00	X						9,000.	0	0
(9) LINDA PRAYTOR DIRECTOR	1.00	X						7,800.	0	0
(10) JOHN ROBINSON, M.D. DIRECTOR	1.00	X						20,478.	0	0
(11) CHARLES SHIELDS DIRECTOR	1.00	X						9,000.	0	0
(12) STEPHEN TROTTER, M.D. DIRECTOR	1.00	X						7,800.	0	0
(13) MICHAEL WARWICK GOVERNANCE COMMITTEE CHAIR	1.00	X						21,092.	0	0
(14) ABBOT LAWRENCE STSYSZEN DIRECTOR	1.00	X						8,450.	0	0

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			
15) CHARLES SKILLINGS CEO, PRESIDENT	40.00			X			328,365.	0	13,107.
16) THOMAS KELLER COO, EXEC VICE-PRESIDENT	40.00			X			238,802.	0	10,237.
17) LINDA E. BROWN SR. VICE-PRESIDENT (BOARD SECR)	40.00			X			144,621.	0	6,696.
18) KENA JONES VP INT	40.00			X			137,913.	0	5,162.
19) ANGI MOHR SENIOR VP NURSING	40.00			X			136,858.	0	6,374.
20) MICHAEL SPEARS VP HUMAN RESOURCES	40.00			X			108,718.	0	1,368.
21) JANA MCQUAIN VP QUALITY IMPROVEMENT/HIM	40.00			X			112,339.	0	5,445.
22) DAVID HADLEY, M.D. HOSPITALIST	40.00					X	256,445.	0	9,938.
23) GAYNELL ANDERSON, M.D. HOSPITALIST	40.00					X	249,356.	0	9,800.
24) LARA MASHEK, M.D. HOSPITALIST	40.00					X	237,816.	0	9,629.
25) CRAIG SUMMERS, M.D. PHYSICIAN	40.00					X	1,109,028.	0	0
1b Sub-total							1,103,388.	0	20,102.
c Total from continuation sheets to Part VII, Section A							3,561,114.	0	85,003.
d Total (add lines 1b and 1c)							4,664,502.	0	105,105.

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 **14**

- 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
- 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
- 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

	Yes	No
3	X	
4	X	
5		X

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
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **39**

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			
26) GREGORY KONRATH PHYSICIAN	40.00					X		334,393.	0	0
27) MELISSA WALKER SR. VICE PRESIDENT	40.00						X	166,460.	0	7,247.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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 ► 14

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶

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	335,075			
	g	Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f				335,075			
Program Service Revenue				Business Code			
	2a	NET PATIENT SERVICE REVENUE	621300	52,390,746	52,390,746		
	b	RENT REVENUE FROM SPECIALTY CLINIC	531120	81,465	81,465		
	c						
	d						
	e						
	f	All other program service revenue					
	g Total. Add lines 2a-2f			52,472,211			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		890,857			890,857
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
			293,886 99,250				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)		375,479			
	d	Net gain or (loss)		293,886 -276,229			
				17,657			17,657
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
9a	Gross income from gaming activities See Part IV, line 19	a					
b	Less direct expenses	b					
c	Net income or (loss) from gaming activities		0				
10a	Gross sales of inventory, less returns and allowances	a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue				Business Code			
11a	NON-PATIENT REVENUE	900099	374,082	374,082			
b	GIFT SHOP REVENUE	900099	132,653			132,653	
c	JOINT VENTURE INCOME	900099	262,774	262,774			
d	All other revenue	900099	120,202	120,202			
e	Total. Add lines 11a-11d		889,711				
12	Total revenue. See instructions		54,605,511	53,229,269		1,041,167	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	26,346.	26,346.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	524,189.	429,309.	94,880.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7 Other salaries and wages.	20,888,887.	17,107,933.	3,780,954.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	579,022.	474,217.	104,805.	
9 Other employee benefits.	3,737,157.	3,060,720.	676,437.	
10 Payroll taxes.	1,463,074.	1,198,253.	264,821.	
11 Fees for services (non-employees)	0			
a Management.	204,882.		204,882.	
b Legal.	166,188.		166,188.	
c Accounting.	0			
d Lobbying.	0			
e Professional fundraising services. See Part IV, line 17.	105,737.		105,737.	
f Investment management fees.	5,592,869.	4,580,542.	1,012,327.	
g Other.	158,463.		158,463.	
12 Advertising and promotion.	200,517.	164,223.	36,294.	
13 Office expenses.	241,418.	197,721.	43,697.	
14 Information technology.	0			
15 Royalties.	386,288.	316,369.	69,919.	
16 Occupancy.	32,782.	26,848.	5,934.	
17 Travel.	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	136,305.	136,305.		
19 Conferences, conventions, and meetings.	243,308.		243,308.	
20 Interest.	0			
21 Payments to affiliates.	2,015,614.	1,650,782.	364,832.	
22 Depreciation, depletion, and amortization.	725,231.	593,962.	131,269.	
23 Insurance.				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	5,845,881.	5,845,881.		
b OTHER EXPENSES	2,731,999.	2,237,499.	494,500.	
c DIETARY EXPENSE	522,022.	427,534.	94,488.	
d INVENTORY ADJUSTMENTS	203,610.	166,756.	36,854.	
e All other expenses	727,605.	604,516.	123,089.	
25 Total functional expenses. Add lines 1 through 24e.	47,459,394.	39,245,716.	8,213,678.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	6,642,490.	1	6,869,725.
	2 Savings and temporary cash investments	4,482,751.	2	61,413,081.
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	9,491,460.	4	11,546,686.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	1,729,741.	8	1,850,365.
	9 Prepaid expenses and deferred charges	880,122.	9	928,222.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D 10a 87,150,030.			
	b Less accumulated depreciation 10b 45,040,192.	40,732,027.	10c	42,109,838.
	11 Investments - publicly traded securities	27,505,457.	11	28,222,108.
	12 Investments - other securities See Part IV, line 11	7,203,923.	12	8,557,201.
	13 Investments - program-related See Part IV, line 11	1,554,259.	13	1,510,997.
	14 Intangible assets	0	14	0
	15 Other assets See Part IV, line 11	79,004.	15	0
16 Total assets. Add lines 1 through 15 (must equal line 34)	100,301,234.	16	163,008,223.	
Liabilities	17 Accounts payable and accrued expenses	5,781,402.	17	5,822,998.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	59,122,987.
	20 Tax-exempt bond liabilities	4,630,548.	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	5,939,463.	23	3,413,125.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	253,000.	25	620,000.
	26 Total liabilities. Add lines 17 through 25.	16,604,413.	26	68,979,110.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	83,696,821.	27	94,029,113.
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	83,696,821.	33	94,029,113.
	34 Total liabilities and net assets/fund balances	100,301,234.	34	163,008,223.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI. ☒ **X**

1	Total revenue (must equal Part VIII, column (A), line 12)	1	54,605,511.
2	Total expenses (must equal Part IX, column (A), line 25)	2	47,459,394.
3	Revenue less expenses Subtract line 2 from line 1	3	7,146,117.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	83,696,821.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,186,175.
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	94,029,113.

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 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	X	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate 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?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990-EZ)

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 **AVEDIS FOUNDATION**

F/K/A COMMUNITY HEALTH PARTNERS INC

Employer Identification number

73-1347360

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 described in **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)(vii).** (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?
- (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 supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s)

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 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. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

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 from 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		<input type="checkbox"/>
b 33 1/3% support test - 2010. If the organization did not check a 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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>
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		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 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 section 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b, and Part III, line 12. Also complete this part for any additional information. (See instructions)

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, 8, 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 AVEDIS FOUNDATION

F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number

73-1347360

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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)

<input type="checkbox"/> Preservation of land for public use (e g , recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 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 Tax 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, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

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

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

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

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

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

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

	Amount
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 Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
 b Permanent endowment ▶ _____ %
 c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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		538,372.		538,372.
b Buildings		29,453,076.	9,612,866.	19,840,210.
c Leasehold improvements		320,112.	71,268.	248,844.
d Equipment		50,520,473.	34,819,158.	15,701,315.
e Other		6,317,997.	536,900.	5,781,097.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)).				42,109,838.

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		
(3) Other		
(A) CORPORATE BONDS	8,557,201.	COST
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)	8,557,201.	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must 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
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must 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) Book value
(1) Federal income taxes	
(2) DUE TO THIRD-PARTY PAYERS	620,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	620,000.

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 (ASC 740)

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, 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.

1

SCHEDULE D, PART X, LINE 2

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE

INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED

ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE

FINANCIAL STATEMENTS.

Part XIV Supplemental Information (continued)

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**

► **Attach to Form 990.** ► **See separate instructions.**

Name of the organization **AVEDIS FOUNDATION**

Employer identification number

F/K/A COMMUNITY HEALTH PARTNERS INC

73-1347360

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
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 used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		X
b If "Yes," did the organization make it available to the public?		

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheet 1)			99,122.		99,122.	.21
b Medicaid (from Worksheet 3, column a)			5,598,227.	7,176,136.		
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			5,697,349.	7,176,136.	99,122.	.21
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j.			5,697,349.	7,176,136.	99,122.	.21

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule H (Form 990) 2011

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		
2 Enter the amount of the organization's bad debt expense	2	10,156,163.	
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	14,242,861.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	14,172,125.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	70,736.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X
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	

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 SHAWNEE SURGICAL	OWNS BUILDING THAT HOUSES OP	63.62470	3.09811	27.08101
2 REALTY LLC	SURGERY DEPARTMENT			
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

1 COMMUNITY HEALTH PARTNERS, INC.
1102 W. MACARTHUR
SHAWNEE OK 74801

Licensed hospital

General medical & surgical

Children's hospital

Teaching hospital

Critical access hospital

Research facility

ER-24 hours

ER-other

Other (describe)

X

X

X

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

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: COMMUNITY HEALTH PARTNERS, INC.

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

Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 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 line 8.
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 the community health 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

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

5 Did the hospital facility make its Needs Assessment widely available to the public?
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)

- a** ☐ 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** ☐ Participation in the development of a community-wide community benefit plan
- d** ☐ Participation in the execution of a 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 Needs Assessment
- g** ☐ Prioritization of health needs in its 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 and the reasons why it has not addressed such needs

Financial Assistance Policy

Did the hospital facility have in place during the tax year a written financial assistance policy that

8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?

9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?
If "Yes," indicate the FPG family income limit for eligibility for free care %
If "No," explain in Part VI the criteria the hospital facility used

	Yes	No
1		
3		
4		
5		
7		
8	X	
9	X	

Part V Facility Information (continued) COMMUNITY HEALTH PARTNERS, INC.

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted</i> care?	10 X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>1</u> <u>0</u> <u>1</u> %		
If "No," explain in Part VI the criteria the hospital facility used		
11 Explained the basis for calculating amounts charged to patients?	11 X	
If "Yes," indicate the factors used in determining such amounts (check all that apply)		
a <input checked="" type="checkbox"/> Income level		
b <input checked="" type="checkbox"/> Asset level		
c <input type="checkbox"/> Medical indigency		
d <input type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input checked="" type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	12 X	
13 Included measures to publicize the policy within the community served by the hospital facility?	13 X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a <input type="checkbox"/> The policy was posted on the hospital facility's website		
b <input type="checkbox"/> The policy was attached to billing invoices		
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input type="checkbox"/> 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 X	
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 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	X
If "Yes," check all actions in which the hospital facility or a third party engaged		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply)		
a <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information (continued) COMMUNITY HEALTH PARTNERS, INC.

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care 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	

Schedule H (Form 990) 2011

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 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any 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 hospitals 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

1

SCHEDULE H, PART V, SECTION B, LINE 19D

THE PATIENT WAS CHARGED GROSS CHARGES AND ONCE THE BILL WAS FINALIZED AND DROPPED THE PATIENT RECEIVED AN ADJUSTMENT OF 15%, WHICH WAS THE AVERAGE OF THE MANAGED CARE CONTRACTS. ONCE THE PATIENT APPLIED FOR THE FINANCIAL ASSISTANCE PROGRAM A DETERMINATION WAS MADE UPON WHAT THE DISCOUNT AMOUNT WAS THEY QUALIFIED FOR. THE AMOUNTS THE ELIGIBLE INDIVIDUALS WERE ELIGIBLE RANGED FROM 100, 80, TO 67.5%.

2

SCHEDULE H, PART I, LINE 3C

THE ORGANIZATION USES THE FEDERAL POVERTY GUIDELINES IN DETERMINING THOSE ELIGIBLE FOR CHARITY CARE. THE INCOME AS A PERCENTAGE OF THE FEDERAL POVERTY LEVEL AND CHARITY PERCENTAGE ALLOWED IS ON A SLIDING SCALE.

100 & BELOW POVERTY LEVEL = 100% DISCOUNT

101 - 200% OF POVERTY LEVEL = 75% DISCOUNT

201 - 300% OF POVERTY LEVEL = 50% DISCOUNT

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

3

SCHEDULE H, PART III, LINE 4

UNITY HEALTH CARE HAS APPLIED THE COST TO CHARGE RATIO TO BAD DEBT
EXPENSE FOR THE CURRENT TAX YEAR.

4

SCHEDULE H, PART VI, LINE 2

COMMUNITY PARTNERS UTILIZES INTERNAL PATIENT DATA TO BETTER UNDERSTAND
WHAT TYPES OF HEALTH ISSUES AND SOCIETAL TRENDS ARE PRESENT IN OUR
COMMUNITY. THE EMERGENCY DEPARTMENT PROVIDES A GREAT DEAL OF INFORMATION
DISEASES, ACCIDENTS AND OTHER HEALTH RELATED CHALLENGES FACED BY OUR
POPULATION. WE ALSO PARTICIPATE IN OUR LOCAL COMMUNITY TO REPRESENT THE
HOSPITAL AND TO GAIN AN UNDERSTANDING OF THE OPPORTUNITES FOR COMMUNITY
BUILDING ACTIVITIES. MANY OF OUR PROFESSIONAL AND CLININCAL STAFF ARE
ACTIVE IN THEIR RELEVANT PROFESSIONAL ORGANIZATIONS AND IN THIS WAY THE
HOSPITAL CAN DETERMINE WHAT EDUCATIONAL PROGRAMS OR SERVICES IT WILL
SPONSOR. IT IS OUR INTENT TO PERFORM A FORMAL COMMUNITY NEEDS ASSESSMENT
IN THE UPCOMING FISCAL YEAR.

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

5

SCHEDULE H, PART VI, LINE 3

COMMUNITY HEALTH PARTNERS USES AN OUTSIDE COMPANY TO REVIEW ALL PATIENTS SEEN IN THE HOSPITAL THAT DO NOT HAVE INSURANCE OR OTHER COVERAGE FOR THEIR CARE. ACCOUNTS ARE REVIEWED AND POTENTIAL ELIGIBILITY IS DETERMINED BY THIS COMPANY WHO THEN WORKS WITH THE PATIENT TO COMPLETE ANY NECESSARY PAPERWORK. IF IT APPEARS THERE ARE NO OTHER PROGRAMS AVAILABLE TO THE PATIENT, THE OUTSIDE COMPANY EDUCATES THE PATIENT ABOUT THE CHARITY POLICY OF THE HOSPITAL AND PROVIDES THE NECESSARY APPLICATION.

6

SCHEDULE H, PART VI, LINE 4

COMMUNITY HEALTH PARTNERS SERVES A POPULATION OF WHICH 19% IS OVER AGE 65 ACCORDING TO 2008 CENSUS INFORMATION., ADDITIONALLY WE ARE A DISPROPORTIONATE SHARE HOSPITAL SO MANY OF OUR CONSTITUENTS ARE LOWER INCOME INDIVIDUALS. A SIGNIFICANT PORTION OF OUR SERVICE AREA IS RURAL AND IT'S POPULATION IS DISPERSED GEOGRAPHICALLY.

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

7

SCHEDULE H, PART VI, LINE 5

COMMUNITY HEALTH PARTNERS' STAFF PARTICIPATE IN MANY COMMUNITY BUILDING ACTIVITIES SUCH AS SHAWNEE ECONOMIC DEVELOPMENT FOUNDATION, THE POLICE FOUNDATION, CHAMBER OF COMMERCE AND UNITED WAY. BY STAYING INVOLVED IN THE COMMUNITY WE UNDERSTAND WHAT PROGRAMS THE HOSPITAL COULD OFFER OR SUPPORT TO IMPROVE THE HEALTH STATUS OF OUR COMMUNITY. ONE RECENT NEED THAT WAS IDENTIFIED IN OUR COMMUNITY WAS A PLACE TO HOUSE AND CARE FOR THE HOMELESS IN SHAWNEE. THE HOSPITAL SECURED A BUILDING FOR THE SHAWNEE RESCUE MISSION AND MAINTAINS TO BE A CRITICAL SUPPORT ROLE IN THIS ENDEAVOR. OTHER INFORMATION: COMMUNITY HEALTH PARTNERS' BOARD OF DIRECTORS INCLUDE MEMBERS FROM SHAWNEE AND ITS SURROUNDING COMMUNITIES AS WELL AS MEMBERS OF THE HOSPITAL'S MEDICAL STAFF. ANY SURPLUS FUNDS ARE DIRECTED BACK TO THE HOSPITAL TO PURCHASE EQUIPMENT, UPDATE THE FACILITIES OR PROVIDE FOR OPERATIONAL SUPPORT. COMMUNITY HEALTH PARTNERS SPONSOR AND SUPPORT A VARIETY OF HEALTH PROGRAMS IN THE COMMUNITY. PROGRAMS THE HOSPITAL OFFERS INCLUDE: EDUCATION PROGRAMS: BETTER BREATHERS CLUB, CHILDBIRTH CLASSES, DIABETES EDUCATION, PROSTATE

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

SCREENING, SKIN CANCER SCREENING, BREAST CANCER EDUCATION PROGRAMS, HEART
DISEASE EDUCATION PROGRAMS. FOR PROFESSIONALS: CPR TRAINING COMMUNITY
OUTREACH: CANADIAN VALLEY HEALTH INFORMATION BOOTH, SHAWNEE MILLING
WELLNESS, SHAWNEE HOME & GARDEN EVENT PROVIDING INFORMATION ON BACK
SAFETY AND SUN SAFETY, PHYSICAL THERAPY EDUCATION TO AREA BUSINESSES AND
SCHOOLS, CANCER INFORMATION TO CIVIC ORGANIZATION, UNITED WAY OF
POTTAWATOMIE COUNTY, SALVATION ARMY, VOLUNTEER FREE CLINIC

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2011

Open to Public
Inspection

Name of the organization AVEDIS FOUNDATION
F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number

73-1347360

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States ☒ Yes ☐ No

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000 ☒

Part II can be duplicated if additional space is needed

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2011)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

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

1

SCHEDULE I, PART 1, LINE 2

THE ORGANIZATION GRANTED MONEY DURING THE FISCAL YEAR TO VARIOUS TAX-EXEMPT ORGANIZATION. THE ORGANIZATION MAINTAINS RECORDS WHICH SHOW THE AMOUNT OF MONEY GIVEN TO THE VARIOUS ORGANIZATIONS, ALONG WITH THE PURPOSE OF WHY THE MONEY WAS GRANTED. THE ORGANIZATION MAKES A DETERMINATION OF WHICH ORGANIZATIONS WILL RECEIVE GRANT MONEY DURING THE YEAR AND DONATES THE FUNDS ACCORDINGLY.

**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, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization **AVEDIS FOUNDATION**
F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- ☐ First-class or charter travel
☐ Travel for companions
☐ Tax indemnification and gross-up payments
☐ Discretionary spending account

- ☐ Housing allowance or residence for personal use
☐ Payments for business use of personal residence
☐ Health or social club dues or initiation fees
☐ Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

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?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- ☒ Compensation committee
☐ Independent compensation consultant
☐ Form 990 of other organizations
☒ Written employment contract
☐ Compensation survey or study
☒ 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?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations 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?
b Any related organization?
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?
b Any related organization?
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.

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Part III Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is 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, applicable column (D) and (E) amounts 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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 CHARLES SKILLINGS	(i) 293,590. (ii) 0	0	34,775. 0	11,739. 0	1,368. 0	341,472. 0	0 0
2 THOMAS KELLER	(i) 221,476. (ii) 0	0	17,326. 0	8,869. 0	1,368. 0	249,039. 0	0 0
3 LINDA E. BROWN	(i) 130,590. (ii) 0	0	14,031. 0	5,328. 0	1,368. 0	151,317. 0	0 0
4 MELISSA WALKER	(i) 145,442. (ii) 0	0	21,018. 0	5,879. 0	1,368. 0	173,707. 0	0 0
5 DAVID HADLEY, M.D.	(i) 256,445. (ii) 0	0	0 0	9,938. 0	0 0	266,383. 0	0 0
6 GAYNELL ANDERSON, M.D.	(i) 249,356. (ii) 0	0	0 0	9,800. 0	0 0	259,156. 0	0 0
7 LARA MASHEK, M.D.	(i) 237,816. (ii) 0	0	0 0	9,629. 0	0 0	247,445. 0	0 0
8 CRAIG SUMMERS, M.D.	(i) 100,980. (ii) 0	0	1,008,048. 0	0 0	0 0	1,109,028. 0	0 0
9 SUDHIR GUPTA, M.D.	(i) 958,120. (ii) 0	0	0 0	20,102. 0	0 0	978,222. 0	0 0
10 GREGORY KONRATH	(i) 259,393. (ii) 0	75,000. 0	0 0	0 0	0 0	334,393. 0	0 0
11	(i) 0 (ii) 0	0	0	0	0	0	0
12	(i) 0 (ii) 0	0	0	0	0	0	0
13	(i) 0 (ii) 0	0	0	0	0	0	0
14	(i) 0 (ii) 0	0	0	0	0	0	0
15	(i) 0 (ii) 0	0	0	0	0	0	0
16	(i) 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, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

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 990-EZ 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 **AVEDIS FOUNDATION**
F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

1

FORM 990, PART VI, LINE 11

THE FORM 990 IS PREPARED AND REVIEWED BY AN OUTSIDE ACCOUNTING FIRM. THE
RETURN IS THEN REVIEWED INTERNALLY BY MANAGEMENT PRIOR TO FILING WITH THE
IRS.

2

FORM 990, PART VI, LINE 12C

CONFLICT OF INTEREST STATEMENTS ARE COMPLETED AND REVIEWED BY THE BOARD
ON AN ANNUAL BASIS. OFFICERS, DIRECTORS OR TRUSTEES AND KEY EMPLOYEES
COMPLETE THE FORMS.

3

FORM 990, PART VI, LINE 15

COMPARABILITY DATA FROM INDEPENDENT SOURCES IS USED TO DETERMINE THE
CEO'S COMPENSATION. EXECUTIVE COMPENSATION SURVEYS AND THE COMPENSATION
SURVEY DONE BY OHA IS USED FOR SETTING COMPENSATION FOR OFFICERS AND
OTHER KEY EMPLOYEES. THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
REVIEWS COMPARABILITY AND OTHER DATA AND APPROVES COMPENSATION
ADJUSTMENTS.

4

FORM 990, PART VI, LINE 19

DOCUMENTS HAVE NOT HISTORICALLY BEEN MADE AVAILABLE TO THE PUBLIC.

Name of the organization AVEDIS FOUNDATION
F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

5

FORM 990, PART VI, LINE 2

STEPHEN TROTTER AND JOHN ROBINSON HAVE A BUSINESS RELATIONSHIP.

6

FORM 990, PART XI, LINE 5

UNREALIZED GAINS \$3,142,562

FOUNDATION NET ASSET ELIMINATION \$43,613

TOTAL \$3,186,175

ATTACHMENT 1

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
WOMEN'S CENTER		6,200,038.	4,435,226.
TOTALS		<u>6,200,038.</u>	<u>4,435,226.</u>

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
SIEMENS MEDICAL SOLUTIONS USA, INC 186 WOOD AVENUE SOUTH ISELIN, NJ 08830-0401	MAINT. CONTRACTS	458,325.
CLINICAL PARTNERS PA 7032 COLLECTION CENTER DR. CHICAGO, IL 60693	ANESTHESIA BILLING	1,262,670.

Name of the organization AVEDIS FOUNDATION
F/K/A COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

ATTACHMENT 2 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
HGA 420 5TH STREET NORTH SUITE 100 MINNEAPOLIS, MN 55401	ARCH FEES AND DESIGN	1,045,000.
SODEXO, INC. & AFFILIATES 500 ROSS ST. 154-0455 PITTSBURGH, PA 15262	DIETARY	963,723.
MEDICAL INFORMATION TECHNOLOGY INC MEDITECH CIRCLE WESTWOOD, MA 02090	SOFTWARE MAINTENANCE	435,322.
	TOTAL COMPENSATION	<u>4,165,040.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2011

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

Open to Public
Inspection

Name of the organization AVEDIS FOUNDATION

Employer identification number

F/K/A COMMUNITY HEALTH PARTNERS INC

73-1347360

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

(1)	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(2)						
(3)						
(4)						
(5)						
(6)						

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

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(2)	UNITY HEALTH FOUNDATION 1102 W. MACARTHUR SHAWNEE, OK 74804 73-1421425	SUPPORT ORG	OK	501(C)(3)	11A	N/A	X
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) SHAWNEE SURGICAL REALTY, LLC 2801 N. SARATOGA	RENTAL INCOME	OK	N/A	RENTAL INCOME	62,096	805,938		X			X	63 6247
(2) _____	_____	_____	_____	_____	_____	_____			_____			_____
(3) _____	_____	_____	_____	_____	_____	_____			_____			_____
(4) _____	_____	_____	_____	_____	_____	_____			_____			_____
(5) _____	_____	_____	_____	_____	_____	_____			_____			_____
(6) _____	_____	_____	_____	_____	_____	_____			_____			_____
(7) _____	_____	_____	_____	_____	_____	_____			_____			_____

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

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

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		1a X
b Gift, grant, or capital contribution to related organization(s)		1b X
c Gift, grant, or capital contribution from related organization(s)		1c X
d Loans or loan guarantees to or for related organization(s)		1d X
e Loans or loan guarantees by related organization(s)		1e X
f Sale of assets to related organization(s)		1f X
g Purchase of assets from related organization(s)		1g X
h Exchange of assets with related organization(s)		1h X
i Lease of facilities, equipment, or other assets to related organization(s)		1i X
j Lease of facilities, equipment, or other assets from related organization(s)		1j X
k Performance of services or membership or fundraising solicitations for related organization(s)		1k X
l Performance of services or membership or fundraising solicitations by related organization(s)		1l X
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		1m X
n Sharing of paid employees with related organization(s)		1n X
o Reimbursement paid to related organization(s) for expenses		1o X
p Reimbursement paid by related organization(s) for expenses		1p X
q Other transfer of cash or property to related organization(s)		1q X
r Other transfer of cash or property from related organization(s)		1r X

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds				
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII **Supplemental Information**

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

**Community Health Partners, Inc.
d/b/a Unity Health Center**

**Accountants' Report and Consolidated Financial Statements
June 30, 2012 and September 30, 2011**



Community Health Partners, Inc.
d/b/a Unity Health Center
June 30, 2012 and September 30, 2011

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Independent Accountants' Report

Board of Directors
Community Health Partners, Inc.
d/b/a Unity Health Center
Shawnee, Oklahoma

We have audited the accompanying consolidated balance sheets of Community Health Partners, Inc. d/b/a Unity Health Center (the Health Center) as of June 30, 2012 and September 30, 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the 9-month period ended June 30, 2012 and the year ended September 30, 2011. These financial statements are the responsibility of the Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Health Partners, Inc. d/b/a Unity Health Center as of June 30, 2012 and September 30, 2011, and the results of its operations, the changes in its net assets and its cash flows for the 9-month period ended June 30, 2012 and the year ended September 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

January 28, 2013

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Balance Sheets
June 30, 2012 and September 30, 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	\$ 6,943,439	\$ 6,651,497
Assets limited as to use – current	-	1,149,340
Patient accounts receivable, net of allowance; 2012 – \$8,561,000, 2011 – \$7,438,000	9,985,155	7,885,578
Other receivables	1,561,531	1,605,882
Supplies	1,850,365	1,729,741
Prepaid expenses and other	928,219	880,122
Assets held for sale	42,109,838	-
	<u>63,378,547</u>	<u>19,902,160</u>
Total current assets		
	<u>63,378,547</u>	<u>19,902,160</u>
Assets Limited as to Use		
Internally designated	98,192,390	36,995,291
Held by trustee	-	2,196,840
	<u>98,192,390</u>	<u>39,192,131</u>
Less amount required to meet current obligations	-	1,149,340
	<u>98,192,390</u>	<u>38,042,791</u>
Property and Equipment, at Cost		
Property and equipment	-	83,845,633
Less accumulated depreciation	-	43,113,606
	<u>-</u>	<u>40,732,027</u>
Other Assets		
Deferred financing costs, net	-	79,004
Investment in joint venture	727,866	771,128
Investment in Heartland	783,131	783,131
	<u>1,510,997</u>	<u>1,633,263</u>
Total assets	<u>\$ 163,081,934</u>	<u>\$ 100,310,241</u>

Liabilities and Net Assets

	2012	2011
Current Liabilities		
Current maturities of long-term debt	\$ 185,622	\$ 1,566,262
Accounts payable	972,792	1,681,862
Accrued salaries and withholding	1,123,328	803,452
Estimated amounts due to third-party payers	620,000	253,000
Accrued interest payable	-	109,225
Accrued paid days off	1,265,712	1,262,232
Other accrued expenses	2,461,166	1,924,631
Deferred revenue	59,122,987	-
Total current liabilities	65,751,607	7,600,664
 Long-Term Debt	 3,227,503	 9,003,749
Total liabilities	68,979,110	16,604,413
 Unrestricted Net Assets	 94,102,824	 83,705,828
Total liabilities and net assets	<u>\$ 163,081,934</u>	<u>\$ 100,310,241</u>

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Statements of Operations and Changes in Net Assets
9-Month Period Ended June 30, 2012 and the Year Ended September 30, 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Patient service revenue, net of contractual allowances and discounts	\$ 62,748,631	\$ 75,068,673
Provision for uncollectible accounts	(10,156,163)	(12,809,558)
Net patient service revenue less provision for uncollectible accounts	52,592,468	62,259,115
Other	725,477	3,476,350
Total unrestricted revenues, gains and other support	53,317,945	65,735,465
Expenses and Losses		
Salaries and wages	21,227,447	26,117,153
Employee benefits	6,078,459	8,213,288
Purchased services and professional fees	4,603,134	6,048,304
Supplies and other	13,416,991	14,853,824
Depreciation and amortization	2,018,174	4,520,589
Interest	97,374	316,022
Loss on sale of property and equipment	276,229	18,878
Total expenses and losses	47,717,808	60,088,058
Operating Income	5,600,137	5,647,407
Other Income (Expense)		
Contributions	458,451	636,376
Investment return	4,221,568	600,552
Gain on investment in joint venture and Heartland	262,774	366,945
Loss on extinguishment of debt	(145,934)	-
Total other income (expense)	4,796,859	1,603,873
Excess of Revenues over Expenses and Increase in Unrestricted Net Assets	10,396,996	7,251,280
Unrestricted Net Assets, Beginning of Period	83,705,828	76,454,548
Unrestricted Net Assets, End of Period	<u>\$ 94,102,824</u>	<u>\$ 83,705,828</u>

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Statements of Cash Flows
9-Month Period Ended June 30, 2012 and the Year Ended September 30, 2011

	2012	2011
Operating Activities		
Change in net assets	\$ 10,396,996	\$ 7,251,280
Items not requiring (providing) cash		
Loss on sale of property and equipment	276,229	18,878
Noncash portion of extinguishment of debt	(62,081)	-
Depreciation and amortization	2,018,174	4,520,589
Provision for uncollectible accounts	10,156,163	12,809,558
Amortization of bond premium	(75,672)	(41,146)
Income from joint venture and Heartland	(262,774)	(366,945)
Change in realized and unrealized (gains) losses on investments	(3,436,448)	406,799
Changes in		
Patient accounts receivable, net	(12,255,740)	(13,552,451)
Estimated amounts due to third-party payers	367,000	209,747
Accounts payable and accrued expenses	560,046	(165,060)
Other current assets and liabilities	(124,370)	(921,146)
Net cash provided by operating activities	<u>7,557,523</u>	<u>10,170,103</u>
Investing Activities		
Purchase of internally designated funds	(75,008,939)	(25,136,096)
Proceeds from sale of internally designated funds	17,248,288	24,077,961
Net change in trustee held funds	2,196,840	(12,861)
Distributions from joint venture and Heartland	306,036	415,796
Purchase of property and equipment	(4,256,073)	(5,739,579)
Proceeds from sale of property and equipment	99,250	12,630
Advance on proceeds from sale of assets	59,122,987	-
Net cash used in investing activities	<u>(291,611)</u>	<u>(6,382,149)</u>
Financing Activities		
Principal payments on long-term debt	(6,973,970)	(1,480,350)
Net cash used in financing activities	<u>(6,973,970)</u>	<u>(1,480,350)</u>
Increase in Cash and Cash Equivalents	291,942	2,307,604
Cash and Cash Equivalents, Beginning of Period	<u>6,651,497</u>	<u>4,343,893</u>
Cash and Cash Equivalents, End of Period	<u><u>\$ 6,943,439</u></u>	<u><u>\$ 6,651,497</u></u>
Supplemental Cash Flows Information		
Interest paid, net of amount capitalized	\$ 221,787	\$ 328,191
Property and equipment in accounts payable	\$ -	\$ 518,450

**Community Health Partners, Inc.
d/b/a Unity Health Center**

**Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011**

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

Nature of Operations

Community Health Partners, Inc. d/b/a Unity Health Center (the Health Center) is located in Shawnee, Oklahoma. The Health Center is licensed to operate 102 acute care and 12 rehabilitation beds. The Health Center primarily earns revenues by providing inpatient, outpatient, emergency, skilled nursing and rehabilitation care services to patients in Pottawatomie County, Oklahoma.

As discussed in *Note 15*, the Health Center entered into an Asset Purchase Agreement to sell substantially all of the assets owned by the Health Center in connection with its operations and transfer substantially all non-bond debt liabilities effective July 1, 2012. Therefore, the accompanying consolidated financial statements for 2012 are as of and for the 9-month period ended June 30, 2012.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Health Center and the Unity Health Foundation (the Foundation). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

The Health Center considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At June 30, 2012 and September 30, 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At June 30, 2012, the Health Center's cash accounts did not exceed federally insured limits.

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

Community Health Partners, Inc. d/b/a Unity Health Center

Notes to Consolidated Financial Statements June 30, 2012 and September 30, 2011

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investments in joint venture and Heartland are recorded under the equity method of accounting (cost plus equity in the joint venture's undistributed net income or loss since acquisition). Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

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

Assets Limited as to Use

Assets limited as to use include assets held by trustees and assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Health Center are included in current assets.

Patient Accounts Receivable

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

For receivables associated with services provided to patients who have third-party coverage, the Health Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health Center records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

**Community Health Partners, Inc.
d/b/a Unity Health Center**

**Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011**

The Health Center's allowance for doubtful accounts for self-pay patients increased from 80% of self-pay accounts receivable at September 30, 2010, to 85% of self-pay accounts receivable at September 30, 2011. This increase was the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2011.

Supplies

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

Property and Equipment

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

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

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

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

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

	2012	2011
Interest costs capitalized	\$ 219,000	\$ 196,000
Interest costs charged to expense	<u>97,374</u>	<u>316,022</u>
Total interest incurred	<u><u>\$ 316,374</u></u>	<u><u>\$ 512,022</u></u>

Deferred Financing Costs

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

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011

Assets Held for Sale

Assets are classified as held for sale when their carrying value will be recovered principally through a sales transaction rather than through continuing use. At June 30, 2012, the Health Center has classified all of the property and equipment as held for sale due to the pending transaction discussed in *Note 15*.

Net Patient Service Revenue

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

Charity Care

The Health Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Health Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Contributions

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Income Taxes

The Health Center and Foundation have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Health Center and Foundation are subject to federal income tax on any unrelated business taxable income.

The Health Center and Foundation file tax returns in the U.S. federal jurisdiction. With a few exceptions, the Health Center and Foundation are no longer subject to U.S. federal examinations by tax authorities for years before 2008.

**Community Health Partners, Inc.
d/b/a Unity Health Center**

**Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011**

Excess of Revenues over Expenses

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

Transfers Between Fair Value Hierarchy Levels

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

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to four years based on a statutory formula, as determined by the State, which is approved by the Centers for Medicare and Medicaid Services (CMS). Payments under both programs are contingent on the Health Center continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Health Center recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

In 2011, the Health Center completed the first-year requirements under both the Medicare and Medicaid programs and continued to meet meaningful use objectives in 2012. For the 9-month period ended June 30, 2012 and the year ended September 30, 2011, the Health Center has recorded revenue of approximately \$650,000 and \$2,240,000, respectively, which is included in other revenue within operating revenues in the accompanying consolidated statements of operations and changes in net assets. No revenue was recognized by the Health Center for the 9-month period ended June 30, 2012, for the Medicare incentive program as the Health Center did not attest to meeting meaningful use for the year ended September 30, 2012.

**Community Health Partners, Inc.
d/b/a Unity Health Center**

**Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011**

Supplemental Hospital Offset Payment Program (SHOPP)

On January 17, 2012, CMS approved the State of Oklahoma's Supplemental Hospital Offset Payment Program (SHOPP). The SHOPP program is retroactive back to July 1, 2011, and is currently scheduled to sunset on December 31, 2014. The SHOPP program is designed to assess Oklahoma hospitals a supplemental hospital offset fee which will be placed in pools after receiving federal matching funds. The total fees and matching funds will then be allocated to hospitals as directed by legislation.

During the 9-month period ended June 30, 2012, the Health Center received approximately \$3,186,000 in SHOPP funds and paid approximately \$1,685,000 in SHOPP assessment fees, which are the estimated annual amounts to be received and paid by the Health Center over the term of the SHOPP program. The SHOPP revenue is recorded as part of net patient service revenue and the SHOPP assessment fees are recorded as part of other expenses on the accompanying consolidated statements of operations and changes in net assets.

Reclassifications

Certain reclassifications have been made to the September 30, 2011, financial statements to conform to the June 30, 2012, financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

Note 2: Net Patient Service Revenue

The Health Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Health Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health Center records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the accompanying consolidated statements of operations and changes in net assets as a component of net patient service revenue.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011

The Health Center has agreements with third-party payers that provide for payments to the Health Center at amounts different from its established rates. These payment arrangements include:

- **Medicare** – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Health Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Health Center and audits thereof by the Medicare administrative contractor. The Health Center's Medicare cost reports have been audited by the Medicare administrative contractor through September 30, 2010.
- **Medicaid** – Inpatient and outpatient services provided to the State's Medicaid program beneficiaries are reimbursed on a prospective per-discharge method with no retroactive adjustments. Outpatient services are reimbursed on a fee schedule basis with no retroactive adjustments. These payment rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

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

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the 9-month period ended June 30, 2012 and the year ended September 30, 2011, was approximately:

	2012	2011
Medicare	\$ 22,863,000	\$ 27,979,000
Medicaid	9,067,000	8,171,000
Other third-party payers	22,719,000	29,101,000
Self-pay	<u>8,099,000</u>	<u>9,818,000</u>
Total	<u><u>\$ 62,748,000</u></u>	<u><u>\$ 75,069,000</u></u>

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
June 30, 2012 and September 30, 2011

Note 3: Concentration of Credit Risk

The Health Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at June 30, 2012 and September 30, 2011, is:

	2012	2011
Medicare	43%	32%
Medicaid	6%	7%
Other third-party payers	38%	47%
Patients	13%	14%
	<u>100%</u>	<u>100%</u>

Note 4: Investments and Investment Return

Assets Limited as to Use

At June 30, 2012 and September 30, 2011, investments consisted of the following:

	2012	2011
Internally designated		
Certificates of deposit	\$ 3,473,740	\$ 3,457,550
Money market mutual funds	57,939,341	1,025,201
Corporate bonds	8,557,201	7,203,923
U.S. government and agencies securities	9,028,472	9,160,027
Equity securities		
Technology sector	2,994,030	2,586,327
Services sector	2,936,082	2,568,269
Materials sector	1,792,497	1,705,482
Health care sector	2,094,097	1,656,745
Other sectors	9,224,333	7,456,731
Interest receivable	152,597	175,036
	<u>98,192,390</u>	<u>36,995,291</u>
Held by trustee under indenture agreement		
Money market mutual funds	<u>-</u>	<u>2,196,840</u>
	<u>\$ 98,192,390</u>	<u>\$ 39,192,131</u>

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Total investment return is comprised of the following:

	2012	2011
Interest and dividend income	\$ 785,120	\$ 1,007,351
Gain on investment in joint venture and Heartland	262,774	366,945
Realized gains on sale of securities, net	293,886	161,847
Unrealized gains (losses) on trading securities, net	3,142,562	(568,646)
	<u>\$ 4,484,342</u>	<u>\$ 967,497</u>

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

	2012	2011
Investment return	\$ 4,221,568	\$ 600,552
Gain on investment in joint venture and Heartland	262,774	366,945
	<u>\$ 4,484,342</u>	<u>\$ 967,497</u>

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

Note 5: Investments in Joint Ventures

Heartland Healthcare Reciprocal Risk Retention Group (Heartland)

The Health Center is a subscriber (member) of Heartland and has an approximate 12% ownership (equity) interest in Heartland. Heartland was formed as an unincorporated association approved by the State of Vermont to provide hospital professional liability and general liability coverage to its subscribers. The Health Center's investment in Heartland amounted to approximately \$783,000 at both June 30, 2012 and September 30, 2011.

The Health Center purchases its professional liability (medical malpractice) and general liability insurance coverage from Heartland (see *Note 6*). For the 9-month period ended June 30, 2012 and the year ended September 30, 2011, the Health Center paid approximately \$629,000 and \$676,000, respectively, to Heartland for the coverage.

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Financial position and results of operations summarized from Heartland's audited financial statements for the fiscal years ended December 31, 2011 and 2010, are shown below:

	2011	2010
Cash and cash equivalents	\$ 1,343,003	\$ 1,498,473
Investments at fair value	11,598,785	12,842,373
Other assets	543,541	389,226
Total assets	13,485,329	14,730,072
Unpaid losses and loss adjustment expenses	5,120,702	5,392,522
Other liabilities	240,717	382,042
Total liabilities	5,361,419	5,774,564
Subscribers' surplus	<u>\$ 8,123,910</u>	<u>\$ 8,955,508</u>
Revenues	<u>\$ 3,694,714</u>	<u>\$ 3,681,912</u>
Net income	<u>\$ 1,156,919</u>	<u>\$ 1,835,714</u>

Complete financial statements of Heartland may be obtained by contacting the Health Center's management at 405.878.8110.

Shawnee Surgical Realty, LLC (SSR)

SSR owns an outpatient surgery facility in Shawnee, Oklahoma. SSR earns revenue by leasing the facility to the Health Center. In April 2006, the Health Center entered into a lease agreement with SSR effective August 2007. The lease term is for 17 years and covers all of the space in the outpatient surgery facility owned by SSR.

The Health Center has an approximate 25% ownership in SSR and receives approximately 25% of the gain or loss of SSR. Based on the operating agreement, the Health Center appoints one of the five board members of SSR. The Health Center's investment in SSR amounted to approximately \$728,000 and \$771,000 at June 30, 2012 and September 30, 2011, respectively.

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Financial position and results of operations summarized from SSR's unaudited financial statements as of and for the fiscal years ended December 31, 2011 and 2010, are shown below:

	<u>2011</u>	<u>2010</u>
Current assets	\$ 101,110	\$ 52,442
Property and other long-term assets, net	<u>2,777,615</u>	<u>2,968,260</u>
Total assets	2,878,725	3,020,702
Total liabilities	<u>1,530,402</u>	<u>1,695,829</u>
Members' equity	<u>\$ 1,348,323</u>	<u>\$ 1,324,873</u>
Revenues	<u>\$ 447,112</u>	<u>\$ 419,758</u>
Net income	<u>\$ 248,385</u>	<u>\$ 201,593</u>

Complete financial statements of SSR may be obtained by contacting the Health Center's management at 405.878.8110.

Note 6: Medical Malpractice Coverage and Claims

The Health Center is a member of Heartland, an entity approved by the State of Vermont to provide hospital professional liability and general liability coverage to its subscribers. Heartland was formed in order to stabilize the cost and availability of hospital professional and general liability insurance by taking advantage of the self-funding capabilities of a homogenous group of health care providers. Heartland members are provided hospital professional and general liability insurance under claims-made policies on a fixed premium basis. See *Note 5* for additional information about Heartland.

The Health Center purchases medical malpractice insurance under a claims-made policy. Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered. The Health Center also purchases excess umbrella liability coverage, which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy.

In 2012, the Health Center adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without consideration to insurance recoveries. Expected recoveries are presented separately. Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claims costs for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer. There was no material impact of the ASU adoption to the Health Center's financial statements.

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Based on the Health Center's claims experience, an accrual has been made for the Health Center's portion of medical malpractice costs under its malpractice insurance policy, amounting to approximately \$100,000 and \$0 as of June 30, 2012 and September 30, 2011, respectively. It is reasonably possible this estimate could change materially in the near term.

Note 7: Property and Equipment

Property and equipment as of June 30, 2012 and September 30, 2011, were as follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 538,372	\$ 538,372
Land improvements	2,086,752	2,086,752
Buildings and improvements	29,773,188	30,309,949
Fixed equipment	1,990,136	1,985,425
Major moveable equipment	48,530,337	44,222,784
Construction in progress	4,231,245	4,702,351
	<u>87,150,030</u>	<u>83,845,633</u>
Less accumulated depreciation	<u>45,040,192</u>	<u>43,113,606</u>
	<u>\$ 42,109,838</u>	<u>\$ 40,732,027</u>

Due to the sales transaction discussed in *Note 15*, the Health Center reclassified all property and equipment as of April 2012 to assets held for sale and ceased depreciating these assets.

Note 8: Long-Term Debt

	<u>2012</u>	<u>2011</u>
Revenue bonds (A)	\$ -	\$ 4,630,548
Note payable, bank (B)	-	2,380,287
Capital lease obligation (C)	3,413,125	3,559,176
	<u>3,413,125</u>	<u>10,570,011</u>
Less current maturities	<u>185,622</u>	<u>1,566,262</u>
	<u>\$ 3,227,503</u>	<u>\$ 9,003,749</u>

- (A) Series 2004 Hospital Revenue Refunding Bonds (the Bonds) consist of Hospital Revenue Bonds in the original amount of \$10,475,000 dated February 1, 2004, which bear interest at 3.375% to 5%. The Bonds are payable in annual installments through October 1, 2014. The Health Center is required to make monthly deposits to the debt service fund of approximately \$105,000. Due to the anticipated sales proceeds (see *Note 15*), the Bonds were paid in full on June 29, 2012.

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The Oklahoma Development Finance Authority (the Authority) issued the Bonds on behalf of the Health Center. The Bonds are secured by the net revenues and accounts receivable of the Health Center and the assets restricted under the bond indenture agreement. The Bonds have not been guaranteed by the Authority.

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

When the Bonds were issued, they were sold at a premium of approximately \$465,000. The outstanding balance of the Bonds at June 30, 2012 and September 30, 2011, is as follows:

	2012	2011
Principal amount	\$ -	\$ 4,490,000
Plus unamortized premium	-	140,548
Net amount outstanding	<u>\$ -</u>	<u>\$ 4,630,548</u>

- (B) Note payable to bank, due November 2018; payable monthly, including interest at 75% of the prime rate (2.44% at June 30, 2012 and 2011); secured by Health Center revenues. This note was paid in full on June 29, 2012.

The note agreement requires the Health Center to comply with certain restrictive covenants, including maintaining a historical debt service coverage ratio of at least 1.25 to 1.00 and a minimum net worth requirement.

- (C) Capital lease obligation at a 6.991% rate of imputed interest, due monthly through August 2024; collateralized by building and land. Land, buildings and improvements include the following assets under capital lease:

	2012	2011
Land	\$ 153,000	\$ 153,000
Buildings and improvements	<u>4,015,498</u>	<u>4,015,498</u>
	4,168,498	4,168,498
Less accumulated depreciation	<u>1,082,610</u>	<u>984,191</u>
	<u>\$ 3,085,888</u>	<u>\$ 3,184,307</u>

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Payments on the capital lease obligation at June 30, 2012, are:

2013	\$ 419,758
2014	419,758
2015	419,758
2016	419,758
2017	419,758
Thereafter	<u>2,988,328</u>
	5,087,118
Less amount representing interest	<u>1,673,993</u>
Present value of future minimum lease payments	3,413,125
Less current maturities	<u>185,622</u>
Noncurrent portion	<u><u>\$ 3,227,503</u></u>

Note 9: Self-Insured Plans

The Health Center sponsors a health care plan for its employees. This plan is self-insured to the extent of the deductible amounts under the excess risk insurance policies the Health Center has obtained. Accruals for unpaid claims in the amounts of approximately \$550,000 and \$350,000 are included in other accrued expenses on the accompanying consolidated balance sheets at June 30, 2012 and September 30, 2011, respectively.

The Health Center sponsors a workers' compensation plan that is self-insured to the extent of the deductible amounts under the excess risk insurance policies the Health Center has obtained. The Health Center has obtained a letter of credit for \$850,000, as required by state law, to support this self-insured program. Accruals for unpaid claims in the amounts of approximately \$1,741,000 and \$1,543,000 are included in other accrued expenses on the accompanying consolidated balance sheets at June 30, 2012 and September 30, 2011, respectively.

Note 10: Charity Care and Other Community Benefits

In support of its mission, the Health Center voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. Because the Health Center does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue.

The Health Center's estimated cost to provide charity care, based upon cost as determined by the Health Center's most recent Medicare cost-to-charge ratio, for the 9-month period ended June 30, 2012 and the year ended September 30, 2011, is approximately \$312,000 and \$842,000, respectively.

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In addition to uncompensated charges, the Health Center also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screening and assessments, prenatal education and care, community educational services and various support groups.

Note 11: Functional Expenses

The Health Center provides health care services primarily to residents within its geographic location, including acute inpatient, emergency care, outpatient diagnostic, skilled nursing and outpatient surgery. Expenses related to providing these services are summarized as health care services. General and administrative expenses include interest expense.

	2012	2011
Health care services	\$ 39,413,959	\$ 49,211,930
General and administrative	<u>8,303,849</u>	<u>10,876,128</u>
	<u><u>\$ 47,717,808</u></u>	<u><u>\$ 60,088,058</u></u>

Note 12: Pension Plans

Defined Contribution Plan

The Health Center has a defined contribution pension plan covering substantially all employees who have at least one year of service and are age 21 or older. The Board of Directors annually determines the amount, if any, of the Health Center's contributions to the plan. Pension expense was approximately \$579,000 and \$706,000 for the 9-month period ended June 30, 2012 and the year ended September 30, 2011, respectively.

Deferred Compensation Agreement

The Health Center has a deferred compensation agreement for the sole purpose of retaining physicians under Section 457(f) of the Internal Revenue Code. The agreement is funded by investments held by the Health Center. This deferred compensation agreement was terminated during the year ended September 30, 2011, and all funds were paid to the physicians.

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Note 13: Disclosures About Fair Value of Assets and Liabilities

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

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market mutual funds, exchange-traded equity securities and corporate bonds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of investments with similar characteristics or discounted cash flows and are classified within Level 2 of the valuation hierarchy. Level 2 investments include U.S. government and agencies securities and certificates of deposit. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. There were no Level 3 investments as of June 30, 2012 or September 30, 2011.

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The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2012 and September 30, 2011:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Fair Value		
2012				
Certificates of deposit	\$ 3,473,740	\$ -	\$ 3,473,740	\$ -
Money market mutual funds	\$ 57,939,341	\$ 57,939,341	\$ -	\$ -
Corporate bonds	\$ 8,557,201	\$ 8,557,201	\$ -	\$ -
U.S. government and agencies securities	\$ 9,028,472	\$ -	\$ 9,028,472	\$ -
Equity securities				
Technology sector	\$ 2,994,030	\$ 2,994,030	\$ -	\$ -
Services sector	\$ 2,936,082	\$ 2,936,082	\$ -	\$ -
Materials sector	\$ 1,792,497	\$ 1,792,497	\$ -	\$ -
Health care sector	\$ 2,094,097	\$ 2,094,097	\$ -	\$ -
Other sectors	\$ 9,224,333	\$ 9,224,333	\$ -	\$ -
2011				
Certificates of deposit	\$ 3,457,550	\$ -	\$ 3,457,550	\$ -
Money market mutual funds	\$ 3,222,041	\$ 3,222,041	\$ -	\$ -
Corporate bonds	\$ 7,203,923	\$ 7,203,923	\$ -	\$ -
U.S. government and agencies securities	\$ 9,160,027	\$ -	\$ 9,160,027	\$ -
Equity securities				
Technology sector	\$ 2,586,327	\$ 2,586,327	\$ -	\$ -
Services sector	\$ 2,568,269	\$ 2,568,269	\$ -	\$ -
Materials sector	\$ 1,705,482	\$ 1,705,482	\$ -	\$ -
Health care sector	\$ 1,656,745	\$ 1,656,745	\$ -	\$ -
Other sectors	\$ 7,456,731	\$ 7,456,731	\$ -	\$ -

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

Cash and Cash Equivalents

The carrying amount approximates fair value.

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Long-Term Debt (Excluding Capital Lease Obligation)

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

The following table presents estimated fair values of the Health Center's financial instruments at June 30, 2012 and September 30, 2011:

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	\$ 6,943,439	\$ 6,943,439	\$ 6,651,497	\$ 6,651,497
Certificates of deposit	\$ 3,473,740	\$ 3,473,740	\$ 3,457,550	\$ 3,457,550
Money market mutual funds	\$ 57,939,341	\$ 57,939,341	\$ 3,222,041	\$ 3,222,041
Corporate bonds	\$ 8,557,201	\$ 8,557,201	\$ 7,203,923	\$ 7,203,923
U.S. government and agencies securities	\$ 9,028,472	\$ 9,028,472	\$ 9,160,027	\$ 9,160,027
Equity securities				
Technology sector	\$ 2,994,030	\$ 2,994,030	\$ 2,586,327	\$ 2,586,327
Services sector	\$ 2,936,082	\$ 2,936,082	\$ 2,568,269	\$ 2,568,269
Materials sector	\$ 1,792,497	\$ 1,792,497	\$ 1,705,482	\$ 1,705,482
Health care sector	\$ 2,094,097	\$ 2,094,097	\$ 1,656,745	\$ 1,656,745
Other sectors	\$ 9,224,333	\$ 9,224,333	\$ 7,456,731	\$ 7,456,731
Financial liabilities				
Long-term debt	\$ -	\$ -	\$ 7,010,835	\$ 7,225,230

Note 14: Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

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

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Note 6*

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Admitting Physicians

The Health Center is served by three physician groups whose patients each comprise over 10% of the Health Center's gross patient service revenue.

Litigation

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

Current Economic Conditions

The current protracted economic decline continues to present hospitals with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair values of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The accompanying consolidated financial statements have been prepared using values and information currently available to the Health Center.

Current economic conditions, including the high unemployment rate, have made it difficult for certain of the Health Center's patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Health Center's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the accompanying consolidated financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts receivable that could negatively impact the Health Center's ability to meet debt covenants or maintain sufficient liquidity.

Note 15: Subsequent Event

On April 3, 2012, the Health Center entered into the "Asset Purchase Agreement" with SSM Health Care of Oklahoma, Inc. (SSM) to sell substantially all of the assets owned by the Health Center in connection with its operations (exclusive of cash, investments and patient accounts receivable). As a result of the signing of the Asset Purchase Agreement (APA), the Health Center reclassified all of its property and equipment to assets held for sale and ceased depreciation of those assets (see *Note 7*).

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The APA was effective July 1, 2012. The purchase price was remitted by SSM to the Health Center on June 29, 2012, and is reflected as deferred revenue on the accompanying consolidated balance sheets. Effective July 1, 2012, the Health Center reorganized and changed its name to Avedis Foundation (the Foundation).

The following table summarizes the approximate amounts paid by SSM for the purchase and the approximate amounts of the assets sold and liabilities assumed recognized at the sale date.

Purchase Price (Cash Paid by SSM)	<u>\$ 59,100,000</u>
Recognized Amounts of Identifiable Assets Sold and Liabilities Assumed by SSM	
Current assets	2,800,000
Property and equipment, net	42,000,000
Other non-current assets	700,000
Current liabilities	(2,300,000)
Long-term liabilities	<u>(3,400,000)</u>
Total	<u>\$ 39,800,000</u>

As part of the APA, the Health Center and SSM can adjust the purchase price paid based on changes in the estimated amount of working capital included in the APA compared to the actual amounts as of June 30, 2012. The proposed adjustment to the purchase price is not expected to be significant.

The Foundation has also pledged to match 75% of any approved capital expenditure made by SSM at the hospital facility as part of the APA. This conditional pledge by the Foundation is limited to \$15,000,000 of matching funds and will not begin until SSM first spends \$20,000,000 for approved capital expenditures. The matching funds are eligible through July 1, 2019.