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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

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

C Name of organization
Pleasant Valley Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2520 Valley Drive

City or town, state or country, and ZIP + 4
Pt Pleasant, WV 25550

D Employer identification number
55-0440086

E Telephone number
(304) 675-4340

G Gross receipts $ 71,783,453

F Name and address of principal officer
Thomas Schauer
2520 Valley Drive
Pt Pleasant, WV 25550

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www pvalley org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1955

M State of legal domicile WV

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Provide quality inpatient and outpatient healthcare to the community regardless of ability to pay Provide a wellness center to promote community health through fitness programs

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	940
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,300
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	193,897	53,248
	9 Program service revenue (Part VIII, line 2g)	69,702,851	70,786,499
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	96,525	34,913
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	953,340	870,872
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	70,946,613	71,745,532
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	17,997	15,637
	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)	40,775,854	39,867,268
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	32,513,865	33,177,217
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	73,307,716	73,060,122
	19 Revenue less expenses Subtract line 18 from line 12	-2,361,103	-1,314,590

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	41,613,039	40,584,241
	21 Total liabilities (Part X, line 26)	17,709,086	17,965,499
	22 Net assets or fund balances Subtract line 21 from line 20	23,903,953	22,618,742

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

****** | 2013-08-05
Signature of officer | Date

Richard Hogan CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Harry C Harless	Date	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions) P01042847
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Arnett Foster Toothman PLLC P O Box 2629 Charleston, WV 25329			EIN ▶ 55-0486667 Phone no ▶ (304) 346-0441

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

To operate an acute care hospital facility for the citizens of Point Pleasant, West Virginia and the surrounding communities and counties

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 $ 61,251,085 including grants of $ 15,637) (Revenue $ 70,485,060)

The hospital provided 42,598 acute, nursery, and skilled nursing days, 120,817 outpatient visits, 17,359 emergency room visits, 2,178 ambulatory surgeries, 1,446 observation visits, 13,954 home health visits, 1,447 hospice visits, and 56,270 physician office visits

4b (Code) (Expenses $ 119,417 including grants of $) (Revenue $ 222,222)

The hospital operates a wellness center which provides community health education and fitness programs that are available to hospital employees and all residents of the surrounding communities

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 61,370,502

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	48		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	940			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

Richard Hogan CFO
2520 Valley Drive
Point Pleasant, WV 25550
(304) 675-4340

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Mario Liberatore Chairman	3 00	X						0	0	0
(2) Peter Allinder Vice Chairman	3 00	X						0	0	0
(3) Annette Boyles Secretary	3 00	X						0	0	0
(4) Charles Lanham Treasurer	3 00	X						0	0	0
(5) Michael Lieving Trustee	3 00	X						0	0	0
(6) Scott Barnitz Trustee	3 00	X						0	0	0
(7) Mike Bartrum Trustee	3 00	X						0	0	0
(8) Jack Buxton OD Trustee	3 00	X						0	0	0
(9) Clayton Faber Trustee	3 00	X						0	0	0
(10) Randall Hawkins MD Trustee	3 00	X						0	0	0
(11) William Tatterson Trustee	3 00	X						0	0	0
(12) Thomas Willoughby Trustee	3 00	X						0	0	0
(13) C Dallas Kayser Trustee	3 00	X						0	0	0
(14) Dorsel Keefer Trustee	3 00	X						0	0	0
(15) James Lockhart DDS Trustee	3 00	X						0	0	0
(16) William Knight Trustee	3 00	X						0	0	0
(17) James Rossi Trustee	3 00	X						0	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	Former			
(18) R Michael Shaw Trustee	3 00	X						0	0	0
(19) Lanes Williamson Trustee	3 00	X						0	0	0
(20) Thomas Schauer President/CEO	40 00			X				181,400	0	33,309
(21) Hugh Collins President/CEO	40 00			X				165,977	0	27,272
(22) William A Barker Jr Vice President	40 00			X				161,646	0	24,886
(23) Robert Lewis MD Physician	40 00					X		649,027	0	39,507
(24) James Toothman MD Physician	40 00					X		641,052	0	39,517
(25) Ori Tzuk MD Physician	40 00					X		607,439	0	39,517
(26) Clifford Roberson MD Physician	40 00					X		558,355	0	27,902
(27) Stephen Rerych MD Physician	40 00					X		425,879	0	39,517
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								3,390,775	0	271,427

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 ▶ 28

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
NAPS Inc 714 1/2 Lee St Charleston, WV 25301	Anesthesia	550,506
Quest Diagnostics PO Box 740709 Atlanta, GA 30374	Laboratory	542,846
Crest Services 735 Plaza Blvd 210 Coppell, TX 75019	Biomedical	321,598
Comphealth Inc PO Box 972651 Dallas, TX 75019	Healthcare provider staffing	222,900
Ohio Valley Sleep Diagnostice Rt 1 Box 55 Claylick Rd Ripley, WV 25271	Sleep lab	165,800

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 9

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	4,196			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	49,052			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		53,248			
Program Service Revenue			Business Code				
	2a	Patient Services	622110	70,388,546	70,388,546		
	b	Wellness Center	621111	222,222	222,222		
	c	From K-1 Premier Pur	900099	97,814	96,514	1,300	
	d	Electronic health reco	900099	77,917			77,917
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		70,786,499			
	3	Investment income (including dividends, interest and other similar amounts)		34,913			34,913
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	429,410				
	b	Less rental expenses	37,921				
	c	Rental income or (loss)	391,489				
	d	Net rental income or (loss)		391,489			391,489
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Cafeteria & vending	722212	355,155			355,155
	b	Gift shop	453220	50,755			50,755
	c	Purchase discounts	900099	17,304			17,304
	d	All other revenue		56,169			56,169
	e	**Total.** Add lines 11a–11d		479,383			
	12	**Total revenue.** See Instructions		71,745,532	70,707,282	1,300	983,702

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	15,637	15,637		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	415,180	333,057	82,123	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	27,937,690	22,411,615	5,526,075	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	741,334	594,698	146,636	
9	Other employee benefits	8,854,729	7,103,264	1,751,465	
10	Payroll taxes	1,918,335	1,538,888	379,447	
11	Fees for services (non-employees)				
a	Management				
b	Legal	98,836		98,836	
c	Accounting	35,837		35,837	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	4,400,373	3,529,979	870,394	
12	Advertising and promotion	337,754	270,946	66,808	
13	Office expenses	4,869,232	3,901,059	968,173	
14	Information technology	699,283	560,965	138,318	
15	Royalties . .				
16	Occupancy	1,009,279	809,644	199,635	
17	Travel	423,362	339,621	83,741	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	480,824	385,717	95,107	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,858,025	2,292,708	565,317	
23	Insurance	1,677,859	1,345,978	331,881	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Bad debts	9,055,497	9,055,497		
b	Medical supplies	3,513,356	3,513,356		
c	Medicaid provider tax	1,774,109	1,774,109		
d	Repairs & maintenance	1,452,525	1,165,216	287,309	
e					
f	All other expenses	491,066	428,548	62,518	
25	**Total functional expenses.** Add lines 1 through 24f	73,060,122	61,370,502	11,689,620	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		916,195	1	578,367
	2	Savings and temporary cash investments		7,017,663	2	8,628,887
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		11,499,660	4	9,426,373
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		123,040	7	202,913
	8	Inventories for sale or use		1,182,891	8	1,276,175
	9	Prepaid expenses and deferred charges		551,306	9	662,721
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 73,895,356			
	b	Less accumulated depreciation	10b 56,425,222	18,787,759	10c	17,470,134
	11	Investments—publicly traded securities		224,441	11	0
	12	Investments—other securities See Part IV, line 11		162,927	12	138,290
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,147,157	15	2,200,381
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		41,613,039	16	40,584,241
Liabilities	17	Accounts payable and accrued expenses		5,378,062	17	6,435,935
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		7,830,000	20	7,110,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		4,501,024	25	4,419,564
	26	**Total liabilities.** Add lines 17 through 25		17,709,086	26	17,965,499
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		23,903,953	27	22,618,742
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		23,903,953	33	22,618,742
	34	Total liabilities and net assets/fund balances		41,613,039	34	40,584,241

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	71,745,532
2	Total expenses (must equal Part IX, column (A), line 25)	2	73,060,122
3	Revenue less expenses Subtract line 2 from line 1	3	-1,314,590
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	23,903,953
5	Other changes in net assets or fund balances (explain in Schedule O)	5	29,379
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	22,618,742

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,254,831		1,254,831
b Buildings	320,643	24,103,788	15,623,686	8,800,745
c Leasehold improvements		233,667	232,812	855
d Equipment		44,619,887	38,724,408	5,895,479
e Other		3,362,540	1,844,316	1,518,224
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				17,470,134

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

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

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

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

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

(a) Description	(b) Book value
(1) Bond issue costs	15,706
(2) Due from related parties	302,199
(3) Other receivables	1,839,184
(4) Accrued interest	43,292
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	2,200,381

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Capital lease agreements	1,887,232
Estimated third party payor settlements	2,532,332
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	4,419,564

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	71,745,532
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	73,060,122
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,314,590
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	29,379
9	Total adjustments (net) Add lines 4 - 8	9	29,379
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,285,211

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	71,787,148
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	139,430		
e	Add lines **2a** through **2d**			2e	139,430
3	Subtract line **2e** from line **1**			3	71,647,718
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	97,814		
c	Add lines **4a** and **4b**			4c	97,814
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	71,745,532

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

1	Total expenses and losses per audited financial statements			1	73,072,359
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	12,237		
e	Add lines **2a** through **2d**			2e	12,237
3	Subtract line **2e** from line **1**			3	73,060,122
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	73,060,122

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		Income per K-1 Premier Purchasing Partners -97,814 Distribution Premier Purchasing Partners 127,193 Total to Schedule D, Part XI, Line 8 29,379
Part XII, Line 2d - Other Adjustments		Distributions from Premier Purchasing Partners 127,193 Depreciation included in rental expenses on 990 12,237
Part XII, Line 4b - Other Adjustments		From K-1 Premier Purchasing Partners 97,814
Part XIII, Line 2d - Other Adjustments		Depreciation included in rental expenses on 990 12,237

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 100.000000000000 %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			346,196		346,196	0 540 %
b Medicaid (from Worksheet 3, column a)			14,719,691	13,316,122	1,403,569	2 190 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			15,065,887	13,316,122	1,749,765	2 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			56,883	6,359	50,524	0 080 %
f Health professions education (from Worksheet 5)			1,131,256		1,131,256	1 770 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			50,116		50,116	0 080 %
j **Total** Other Benefits			1,238,255	6,359	1,231,896	1 930 %
k **Total.** Add lines 7d and 7j			16,304,142	13,322,481	2,981,661	4 660 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development			13,994		13,994	0 020 %
3	Community support			1,107		1,107	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			2,955		2,955	0 %
7	Community health improvement advocacy						
8	Workforce development			154,212		154,212	0 240 %
9	Other			10,112		10,112	0 020 %
10	**Total**			182,380		182,380	0 280 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	3,667,476		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	794,571		
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	11,358,499		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,236,850		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	1,121,649		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Pleasant Valley Hospital 2520 Valley Drive Pt Pleasant, WV 25550	X	X					X		Skilled nursing facility

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: Pleasant Valley Hospital

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 100 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (Describe)
1	Pleasant Valley Hospital Nursing & Rehab 640 Sand Hill Road Point Pleasant, WV 25550	Skilled nursing facility
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		Part I, Line 7 The cost of charity care and unreimbursed Medicaid were estimated using a cost to charge ratio derived from Worksheet 2 of the Schedule H Instructions The cost of (1) community health improvement services and community bnefit operations, (2) health professions education, and (3) cash and in-kind contributions was obtained from the hospital's accounting records

Identifier	ReturnReference	Explanation
		Part I, Line 7, Column (f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is $ 9055497

Identifier	ReturnReference	Explanation
		Part II Our weight loss challenge gives the community the ability to use our wellness services Our wellness services includes cardio and weight lifting machines and certified exercise physiologists Blood pressure, weight, body fat were monitored before the challenge and after the challenge This promotes a healthly lifestyle in the community Mason County is a medically underserved area and the hospital spends money for recruitment for this area The amount shown for workforce development is the amount paid to recruit new physicians to the area

Identifier	ReturnReference	Explanation
How these activities promote the health of the communities served	Part II - Community Building Activities	Representation on boards of coalitions that build community capacity and share ideas

Identifier	ReturnReference	Explanation
		Part III, Line 4 Patient accounts receivable are carried at the original charge less an estimate made for doubtful or uncollectible accounts The allowance is based upon a review of the outstanding balances aged by financial class Management uses collection percentages based upon historical collection experience to determine collectibility Management also reviews, troubled, aged accounts to determine collection potential Patient accounts receivable are written off when deemed uncollectible Recoveries of accounts previously written off are recorded as a reduction to bad debt expense when received Interest is not charged on patient accounts receivable Cost of bad debts was estimated using a cost to charge ratio derived from Worksheet 2 of the Schedule H instructions

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable costs were estimated using Worksheet B of the Schedule H instructions

Identifier	ReturnReference	Explanation
		Part III, Line 9b Pleasant Valley Hospital has a charity care policy and a Collection and Bad Debt policy that discusses qualifying and eligibility for charity care, collection practices and handling of bad debt accounts It is a practice to handle all patient accounts in the same manner/precedent Patients are sent monthly statements - even while applying and pending financial assistance and will continue to receive statements until determination is made Once determination is made the account balance or the % portion of the account balance is adjusted to "Financial Assistance"

Identifier	ReturnReference	Explanation
Pleasant Valley Hospital		Part V, Section B, Line 13g The policy is discussed with patients before they are discharged Copy of the policy is provided to patients prior to discharge

Identifier	ReturnReference	Explanation
Pleasant Valley Hospital		Part V, Section B, Line 19d Charges to bill patients are based on income level, asset level, and medical indigency These were for patients who qualified for financial assistance The Hospital also gave self-pay patients prompt pay discounts of of gross charges Pateints were not denied financial assistance because the applications were incomplete The applications were put on hold until the missing information was obtained

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Hospital participates in the State of West Virginia Abeyance program We prepare reports for this probran identifying our community benefit programs This information is reported to the West Virginia Healthcare Authority which makes its records available to the publice

Identifier	ReturnReference	Explanation
		Part VI, Line 3 The process in place offers the uninsured and underinsured patient the ability to apply for charity care through a formal application process established by reviewing both income and expense to make a final determination of eligibility It requires proper verification of income through a pay stub, tax return, etc It is also verified that the patient is not eligible for a state assisted program via a denial letter from the program or verification through the state caseworker The patient will either be contacted by the Business Office or will contact the Business Office during the collection and statement process to discuss financial arrangements regarding their patient account All options of payments will be discussed and charity care offered as an alternative option after screening the patient's financial ability to make payment

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Pleasant Valley Hospital is a rural hospital in Point Pleasant, WV Pleasant Valley Hospital serves mainly the people of Mason and Jackson County, WV and Meigs and Gallia County, OH We are a federally designated medically underserved area Mason County has 27,179 residents, the median household income is $36,468, and 17 8% are below poverty levels Jackson County has 29,234 residents, the median household income is $43,191, and 16 7% are below poverty levels Meigs County has 23,593 residents, the median household income is $33,708, and 21 3% are below poverty levels Gallia County has 30,708 residents, the median household income is $36,918 and 20% are below poverty levels Medicaid patients made up 23 8% of our total discharges and 16 3% of our total outpatient visits in FY 2012 Uninsured patients made up 4 6% of our total discharges and 4 3% of our total outpatient visits in FY 2012 There is one other not-for-profit hospital within 15 miles of PVH They serve many of the same areas that we do

Identifier	ReturnReference	Explanation
		Part VI, Line 5 The majority of the organization's governing body is comprised of persons who reside in the organization's primary service area, who are neither employees or contractors of the organization, nor family members thereof The hospital extends medical staff privileges to all qualified physicians in its community The hospital provides a 24 hour emergency room and is available to all regardless of the ability to pay All the services provided by the hospital are provided regardless of the ability to pay The hospital has an auxiliary that helps our patients and visitors if they need a wheelchair when they arrive or if they need dirctions on where to go within the Hospital The hospital provides Breast Cancer Screenings/Mammograms free to patients who cannot pay for the service The hospital has a fitness center for the community and it also conducts many health fairs throughout the year The hospital provides many health screenings throughout the year in addition to a nutritional program Our SNF provides transportation for its residents to health facilities The hospital has support groups for members of the community The hospital donates money to the community for various projects

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Mason County Board of Education1200 Main Street Point Pleasant, WV 25550	55-6000353	501(c)(3)	10,000				High school athletic program support

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

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

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

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

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

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2011

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Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Thomas Schauer	(i)	180,903	101	396	15,088	19,019	215,507	0
	(ii)	0	0	0	0	0	0	0
(2) Hugh Collins	(i)	40,979	0	124,998	15,125	12,512	193,614	0
	(ii)	0	0	0	0	0	0	0
(3) William A Barker Jr	(i)	161,149	101	396	6,665	19,019	187,330	0
	(ii)	0	0	0	0	0	0	0
(4) Robert Lewis MD	(i)	435,911	213,062	54	21,296	19,501	689,824	0
	(ii)	0	0	0	0	0	0	0
(5) James Toothman MD	(i)	157,198	483,794	60	21,296	19,187	681,535	0
	(ii)	0	0	0	0	0	0	0
(6) Ori Tzuk MD	(i)	525,000	82,301	138	21,296	20,359	649,094	0
	(ii)	0	0	0	0	0	0	0
(7) Clifford Roberson MD	(i)	524,992	32,601	762	21,296	8,743	588,394	0
	(ii)	0	0	0	0	0	0	0
(8) Stephen Rerych MD	(i)	425,016	101	762	21,296	19,878	467,053	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

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2011

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Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	The County Commission of Mason County WV	55-6000352	575194BM6	06-17-2003	7,805,000	To refund Series 1993 bonds		X		X		X
B	The County Commission of Mason County WV	55-6000352	575194CH6	10-12-2006	3,895,000	Capital improvements & equipment acquisition		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,630,000	1,960,000		
2	Amount of bonds defeased				
3	Total proceeds of issue	7,805,000	3,895,000		
4	Gross proceeds in reserve funds	7,021,907	389,500		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	156,100	77,900		
8	Credit enhancement from proceeds	626,993			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		3,427,600		
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2003	2008		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

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2011

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Employer identification number
55-0440086

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 55-0440086
Name: Pleasant Valley Hospital

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction $	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Lee Anne Kayser	Family member of C Dallas Kayser, Hospital Trustee	50,245	Wages		No
Carrie Dillard MD	Family member of James Lockhart, Hospital trustee	150,111	Wages		No
Heather Lloyd	Family member of James Lockhart, Hospital Trustee	34,892	Fees for service-independent contractor		No
Jane Zirkle	Family member of Mike Lieving, Hospital Trustee	23,103	Wages		No
Wes Lieving DO	Family member of Mike Lieving, Hospital Trustee	229,027	Wages		No
Peoples Bank	James Lockhart, Hospital Trustee, is a board member of the bank	832	Interest bearing checking accounts		No
Peoples Bank	Dorsal Keefer, Hospital Truste, is a board member of the bank	832	Interest bearing checking accounts		No
Peoples Bank	R Michael Shaw, Hospital Trustee, is a board member of the bank	832	Interest bearing checking accounts		No
Ohio Valley Bank	Mario Liberatore, Hospital Trustee, is an officer of the bank	30,629	Interest on certificates of deposit		No
Ohio Valley Bank	Lannes Williamson, Hospital Trustee, is a board member of the bank	30,629	Interest on certificates of deposit		No
Farmers Bank	Michael Lieving, Hospital Trustee, is an officer of the bank	3,034	Interest on certificates of deposit		No
Carrie Dillard MD	Family member of James Lockhart, Hospital Trustee	10,000	Matching grant funds received to pay student loans The hospital is in a federally designated medically underserved area To aid in physician recruitment, the hospital received grant funds The grant funds were paid directly to the educatinal institution		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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2011

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Pleasant Valley Hospital

Employer identification number
55-0440086

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 2	Dallas Kayser, Charles Lanham, and Michael Shaw have a business relationship Mario Liberatore and Lannes Williamson have a business relationship Dallas Kayers's spouse and James Rossi have a business relationship
	Form 990, Part VI, Section B, line 11	The 990 is prepared by the Hospital's independent accountants It is then reviewed by the CFO and CEO and a copy is provided to the governing board before it is filed with the IRS
	Form 990, Part VI, Section B, line 12c	Each board member fills out a questionnaire at the end of the fiscal year The questionnaire has questions on it that determine independence status and other relationships between board members and between the board member and the hospital This helps in determining possible conflicts that may arise In addition, the board members must sign a conflict of interest policy that requires them with due diligence to state that they have a conflict of interest when that conflict arises The board member must leave the board meeting during discussions and voting
	Form 990, Part VI, Section B, line 15	The compensation committee is made up of independent board members These members are appointed by the board The compensation committee decides the compensation of the CEO and VPs The compensation committee consults with an independent consultant to determine a fair compensation for the CEO and VPs based on peer data The Compensation committee has used this study to determine base salary for the CEO and VPs The CEO contract is taken back to the board for final approval
	Form 990, Part VI, Section C, line 19	These documents are available upon request for inspection at the hospital or by mailing a copy upon request
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Income per K-1 Premier Purchasing Partners -97,814 Distribution Premier Purchasing Partners 127,193 Total to Form 990, Part XI, Line 5 29,379

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Pleasant Valley Hospital

Employer identification number
55-0440086

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Pleasant Valley Hospital Foundation Inc 2420 Valley Dr Pt Pleasant, WV 25550 20-0120079	Fundraising	WV	501(c)(3)	Line 9	N/A		No
(2) Pleasant Valley Hospital Health Foundation Inc 2420 Valley Dr Pt Pleasant, WV 25550 55-0649849	Scholarships/Healthcare	WV	501(c)(3)	Line 11b, II	N/A		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Pleasant Valley Home Medical Equipment Viand St Pt Pleasant, WV 25550 55-0653315	Retail - Medical equipment sales & rental	WV	N/A	C	328,688	1,636,801	100 000 %

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

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

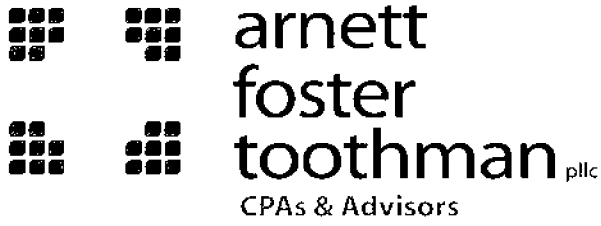
Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	

PLEASANT VALLEY HOSPITAL, INC.
AND SUBSIDIARIES

Consolidated
Financial Report

September 30, 2012



CONTENTS

arnett foster toothman pllc
CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Trustees
Pleasant Valley Hospital, Inc
and subsidiaries
Point Pleasant, West Virginia

We have audited the accompanying consolidated balance sheets of Pleasant Valley Hospital, Inc and subsidiaries (the Company) as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Company's management Our responsibility is to express an opinion on these financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pleasant Valley Hospital, Inc and subsidiaries as of September 30, 2012 and 2011, and the results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

ARNETT FOSTER TOOTHMAN PLLC

Arnett Foster Toothman PLLC

Charleston, West Virginia
January 18, 2013

101 Washington Street East | P O Box 2629
Charleston, WV 25301
304 346 0441 | 800 642 2601

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
September 30, 2012 and 2011

ASSETS	2012	2011
Current Assets		
Cash and cash equivalents	**$ 5,390,414**	$ 4,831,709
Investments	**2,016,633**	1,984,512
Patient accounts receivable, net of allowance for doubtful accounts of $5,770,923 in 2012, $7,145,999 in 2011	**10,311,009**	12,155,828
Other receivables	**2,121,376**	647,332
Supplies inventories	**1,645,088**	1,534,062
Prepaid expenses and other assets	**681,823**	556,126
Assets limited as to use	**461,952**	486,673
Total current assets	**22,628,295**	22,196,242
Assets Limited as to Use, net of current portion	**3,010,874**	2,864,328
Property and Equipment, net	**18,052,786**	19,318,203
Other Assets		
Bond issue costs, net of accumulated amortization	**15,706**	47,193
Other	**138,290**	162,927
Total other assets	**153,996**	210,120
Total assets	**$ 43,845,951**	$ 44,588,893
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term obligations	**$ 1,246,308**	$ 1,433,482
Accounts payable	**1,738,848**	1,546,854
Employee compensation, payroll withholdings and taxes payable	**1,728,451**	1,879,341
Accrued expenses	**1,227,720**	929,528
Estimated third-party payor settlements	**1,987,288**	1,253,576
Total current liabilities	**7,928,615**	7,042,781
Long-Term Obligations, less current portion	**7,750,924**	9,098,922
Estimated Third-Party Payor Settlements	**545,044**	545,044
Other Accrued Expenses	**1,932,788**	1,198,977
Total liabilities	**18,157,371**	17,885,724
Net Assets, Unrestricted	**25,688,580**	26,703,169
Total liabilities and net assets	**$ 43,845,951**	$ 44,588,893

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted revenues, gains and other support:		
Net patient service revenue	**$ 72,937,273**	$ 71,785,401
Investment income	**116,356**	120,775
Contributions	**94,216**	74,693
Other	**1,582,082**	1,671,428
Total revenues, gains and other support	**74,729,927**	73,652,297
Expenses:		
Salaries	**28,808,059**	29,536,236
Employee benefits	**11,762,804**	11,929,858
Supplies and other expenses	**22,426,049**	20,426,436
Interest	**480,824**	468,567
Depreciation and amortization	**3,099,628**	3,385,739
Provision for bad debts	**9,167,152**	10,104,307
Total expenses	**75,744,516**	75,851,143
Deficiency of revenues, gains and other support over expenses and decrease in unrestricted net assets	**(1,014,589)**	(2,198,846)
Unrestricted net assets, beginning of year	**26,703,169**	28,902,015
Unrestricted net assets, end of year	**$ 25,688,580**	$ 26,703,169

See Notes to Consolidated Financial Statements

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Decrease in unrestricted net assets	**$ (1,014,589)**	$ (2,198,846)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by operating activities		
Depreciation and amortization	**3,099,628**	3,385,739
Provision for bad debts	**9,167,152**	10,104,307
Gain on sale of property and equipment	**-**	(8,471)
Change in assets and liabilities		
(Increase) decrease in patient accounts receivables	**(7,322,333)**	(9,998,822)
(Increase) decrease in other receivables	**(1,474,044)**	188,081
(Increase) decrease in supplies inventory	**(111,026)**	(20,581)
(Increase) decrease in prepaid expenses and other assets	**(69,573)**	67,877
Increase (decrease) in accounts payable	**191,994**	110,903
Increase (decrease) in employee compensation, withholdings and taxes payable	**(150,890)**	(708,262)
Increase (decrease) in accrued expenses	**298,192**	(327,454)
Increase (decrease) increase in estimated third-party payor settlements	**733,712**	1,532,987
Increase (decrease) increase in other accrued expenses	**733,811**	(634,659)
Net cash provided by operating activities	**4,082,034**	1,492,799
Cash flows from investing activities		
Purchases of property and equipment	**(1,804,211)**	(2,162,762)
Sale of assets whose use is limited and investments	**(2,104,809)**	(1,863,096)
Purchase of assets whose use is limited and investments	**1,950,863**	2,103,308
Net cash used in investing activities	**(1,958,157)**	(1,922,550)
Cash flows from financing activities		
Principal payments on long-term debt	**(1,565,172)**	(1,270,089)
Net cash used in financing activities	**(1,565,172)**	(1,270,089)
Net increase (decrease) in cash and cash equivalents	**558,705**	(1,699,840)
Cash and cash equivalents, beginning of year	**4,831,709**	6,531,549
Cash and cash equivalents, end of year	**$ 5,390,414**	$ 4,831,709
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	**$ 452,947**	$ 445,995
Cash payments for taxes	**$ 146,458**	$ 325,147

Supplemental Schedule of Noncash Investing and Financing Activities:

The Hospital entered into capital lease obligations for new equipment of $30,000 in 2012

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: Pleasant Valley Hospital, Inc and subsidiaries (the Company) are located in Point Pleasant, West Virginia Pleasant Valley Hospital, Inc (the Hospital) is a not-for-profit healthcare entity The Hospital provides residents of Mason County and surrounding areas acute inpatient, outpatient, emergency care, physician care, skilled and intermediate care, home health care, home medical equipment, rehab and wellness services

Pleasant Valley Home Medical Equipment, Inc , a wholly-owned subsidiary of Pleasant Valley Hospital, Inc , sells and rents durable medical equipment and supplies to residents of Mason County and surrounding areas

Pleasant Valley Hospital Health Foundation, Inc (the Health Foundation) was formed on January 7, 1985, for the purpose of furthering the development of new and existing health care services in Mason County, West Virginia and surrounding areas The Health Foundation accomplishes this by granting scholarships, grants and loans to persons pursuing health care education The Hospital is the sole corporate member of the Health Foundation and the entities have some common board members Upon dissolution of the Health Foundation, the remaining assets of the Health Foundation, after satisfaction of all liabilities, shall be conveyed to the Hospital

Pleasant Valley Hospital Foundation, Inc (the Foundation) was activated in 2004 to further the development of new and existing health care services in Mason and other surrounding counties in West Virginia, and to provide for and carry on such other charitable work in connection therewith as may be consistent with the history and purpose of the corporation The Foundation accomplishes this by providing funds to the Hospital for capital projects The Hospital is the sole corporate member of the Foundation, and the entities have common board members

Principles of consolidation: The accompanying financial statements include the account balances and activity of Pleasant Valley Hospital, Inc (the Hospital), Pleasant Valley Home Medical Equipment, Inc (HME), Pleasant Valley Hospital Foundation, Inc (the Foundation) and Pleasant Valley Hospital Health Foundation, Inc (the Health Foundation)

All intercompany account balances and transactions have been eliminated in these consolidated financial statements

A summary of significant accounting policies is as follows:

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates used in preparing these financial statements include those used in determining the allowance for uncollectibles, estimated third-party payor settlements and accrued malpractice liabilities It is at least reasonably possible that the significant estimates will change within the next year

Cash and cash equivalents: The Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Patient accounts receivable: Patient accounts receivable are carried at the original charge less an estimate made for doubtful or uncollectible accounts The allowance is based upon a review of the outstanding balances aged by financial class Management uses collection percentages based upon historical collection experience to determine collectibility Management also reviews troubled, aged accounts to determine collection potential Patient accounts receivable are written off when deemed uncollectible Recoveries of accounts previously written off are recorded as a reduction to bad debt expense when received Interest is not charged on patient accounts receivable

Supplies inventory: Supplies inventory is stated at lower of cost (first-in, first-out method) or market

Assets limited as to use: Assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes Amounts required to meet current liabilities of the Company have been reclassified in the balance sheet at September 30, 2012 and 2011

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

Property and equipment: Property and equipment acquisitions are recorded at cost Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method with half year convention Equipment under capital lease obligations is amortized on the straight-line method with half-year convention over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the financial statements Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

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

Bond issue costs: Bond issue costs are amortized over the remaining life of the bonds using the straight-line method, which approximates the interest method

Net assets: Unrestricted net assets are those assets presently available for use by the Company at the discretion of the Board of Trustees

Temporarily restricted net assets (none at September 30, 2012 and 2011) are those assets which have been contributed with donor imposed time or purpose restrictions

Permanently restricted assets (none at September 30, 2012 and 2011) are resources subject to donor imposed restrictions that they be maintained permanently by the Company

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Revenue from the Medicare and Medicaid programs accounted for approximately 27 percent and 16 percent, respectively, of the Hospital's net patient revenue for the year ended 2012, and approximately 29 percent and 13 percent, respectively, of the Hospital's net patient revenue for the year ended 2011 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Charity care: The Hospital maintains a written charity care plan for which the purpose is the provision of health services to individuals who have demonstrated the inability to pay for all or part of the services Records are maintained to identify and monitor the level of charity care provided by the Hospital These records include the amount of regular charges foregone for services and supplies furnished under the charity care plan and the estimated cost of those services and supplies The Hospital's policy is not to pursue collection of amounts determined to qualify as charity care if the patient has an annual income equal to or below 150% of the Federal Poverty Income levels Accordingly, the Hospital does not report these amounts in net revenues or in the allowance for doubtful accounts Charity care services, as measured by gross charges foregone were $874,345 and $1,634,818 for the years ended September 30, 2012 and 2011, respectively Of the Company's total expenses reported for the years ended September 30, 2012 and 2011, an estimated $381,000 and $695,000, respectively, arose from providing services to qualified charity patients The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients The ratio of cost to charges is calculated based on the Company's total expenses less provision for bad debts, divided by gross patient service revenue

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

Estimated malpractice costs: The provision for estimated medical malpractice claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported

Income taxes and unrelated business income tax: The Hospital, Foundation and Health Foundation are exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes relating to not-for-profit organizations In addition, the Foundation and the Health Foundation have been classified as organizations other than a private foundation meaning of Section 509(a) of the Internal Revenue Code

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pleasant Valley Home Medical Equipment, Inc , the wholly-owned subsidiary corporation, is not exempt from Federal and state income taxes Income tax expense, when incurred, is based upon reported income, with deferred income taxes provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment Temporary differences result primarily from using accelerated depreciation methods and from reporting bad debts when incurred for tax purposes

There is currently very little guidance in the IRS Code on what activities should be subject to unrelated business income tax (UBIT) The IRS has indicated that they are studying the issue and may issue additional guidance As a result, at this time, there is uncertainty regarding whether the Company should pay income tax on certain types of net taxable income from activities that may be considered by taxing authorities as unrelated to the purpose for which the Company was granted non-taxable status In the opinion of management, any liabilities resulting from taxing authorities imposing income taxes on the net taxable income from activities deemed to be unrelated to the Company's non-taxable status is not expected to have a material effect on the Company's financial position or results of operations

The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress The management of the Company believes it is no longer subject to income tax examinations for years prior to the fiscal year ended September 30, 2009

Statement of operations: For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as revenues and expenses Peripheral or incidental transactions are reported as nonoperating revenues and expenses

Subsequent events: The Company has evaluated subsequent events through January 18, 2013, the date on which the financial statements were available to be issued

New or recent accounting pronouncements: Health Care Entities Topic 954 (Accounting Standards Update No 2010-23) of the FASB Accounting Standards Codification *Measuring Charity Care for Disclosure* is effective for fiscal years beginning after December 15, 2010 and must be applied retrospectively Management's policy for providing charity care, as well as the level of charity care provided, shall be disclosed in the financial statements Such disclosure shall be measured based on the provider's costs of providing charity care services If costs cannot be specifically attributed to services provided to charity care patients (for example, based on a cost accounting system), management may estimate the costs of those services using reasonable techniques The Company adopted the amended disclosures on September 30, 2012 This note presents the amended disclosures under the charity care caption Since the new guidance amends disclosure requirements only, its adoption did not impact the Company's consolidated balance sheets, statements of operations and changes in net assets or cash flows

Health Care Entities Topic 954 (Accounting Standards Update No 2010-24) of the FASB Accounting Standards Codification *Presentation of Insurance Claims and Related Insurance Recoveries* is effective for fiscal years beginning after December 15, 2010 A health care entity should not net insurance recoveries for medical malpractice claims against a related medical malpractice claim liability Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries A cumulative-effect adjustment should be recognized in opening net assets in the period of adoption if a difference exists between any liability and insurance receivables recorded as a result of application The Company adopted Topic 954 (No 2010-24) requirements on October 1, 2011 Implementation of this standard did not impact the consolidated financial statements

In July 2011, the FASB issued ASU 2011-07, Health Care Entities (Topic 954) *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* The amendments in this Update, which become effective for fiscal years ending after December 15, 2012, require certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The Company will be required to adopt Topic 954 (No 2011-07) in its 2013 annual financial statements Management does not believe this new standard will have a material impact on the consolidated financial statements

In May 2011, the FASB issued *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04) ASU 2011-04 amends Accounting Standards Codification (ASC) Section 820 to provide for common fair value measurement and disclosure requirements for financial statements in accordance with accounting principles generally accepted in the United States of America as with those prepared under International Financial Reporting Standards Consequently, the amendments of the ASU change the wording used to describe many of the requirements of accounting principles generally accepted in the United States of America for measuring fair value and for disclosing information about fair value measurements For many of the requirements, the FASB did not intend for the amendments in this ASU to result in a change in the application of the requirements in ASC Section 820 This ASU is effective on a prospective basis for fiscal years beginning after December 15, 2011, with early adoption not permitted Management does not believe that the adoption of this ASU will materially impact the Company's financial reporting

In December 2011, the FASB issued *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* (ASU 2011-11) The objective of ASU 2011-11 is to provide enhanced disclosures that will enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities within the scope of this ASU The amendments require enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either offset in accordance with existing provisions and requirements of the ASC or subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with existing provisions and requirements of the Accounting Standards Codification An entity is required to apply the amendments of this ASU for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented Management does not believe that the adoption of this ASU will materially impact the Company's financial reporting

Note 2. Cash Concentrations

The Company maintains cash in demand deposit accounts with Federally insured banks At times the balance in these accounts may be in excess of Federally insured limits In management's opinion, the amounts in excess of FDIC limits do not pose a significant risk to the Company

PLEASANT VALLEY HOSPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Property and Equipment

A summary of property and equipment follows

	2012	2011
Land and land improvements	$ 3,385,699	$ 3,379,570
Building	24,477,099	24,247,535
Equipment	47,621,255	45,472,809
Construction in progress	1,231,672	1,884,287
	76,715,725	74,984,201
Less accumulated depreciation and amortization	(58,662,939)	(55,665,998)
	$ 18,052,786	$ 19,318,203

Total rental property, net of accumulated depreciation, included in property, plant and equipment at September 30, 2012 and 2011, was $194,099 and $206,336, respectively

Capital lease assets at September 30, 2012 and 2011, included in property and equipment are as follows

	2012	2011
Equipment	$ 5,400,748	$ 5,893,795
Less accumulated amortization	(3,731,250)	(3,561,354)
	$ 1,669,498	$ 2,332,441

Note 4. Assets Limited As To Use and Investments

Assets limited as to use and investments: The composition of assets limited as to use and investments at September 30, 2012 and 2011 is as follows with investments stated at fair value

	2012	2011
Held by trustee under indenture agreement		
Debt service funds		
Cash and cash equivalents	$ 1,017,602	$ 1,017,602
Principal and interest funds		
Cash and cash equivalents	461,952	486,673
	1,479,554	1,504,275
Internally designated		
By Board for scholarships, grants and loans		
Cash and cash equivalents	200	200
Certificates of deposit	894,917	892,530
Mutual funds	287,196	224,441
Equity securities	1,302	1,302
	1,183,615	1,118,473
Medical malpractice reserve fund		
Certificates of deposit	798,500	708,044
	798,500	708,044
Held in trust for long-term care residents		
Cash and cash equivalents	11,157	20,209
Total assets limited as to use	3,472,826	3,351,001
Less portion required for current obligations	(461,952)	(486,673)
	$ 3,010,874	$ 2,864,328

Investments: Investments at September 30, 2012 and 2011 consist of the following

	2012	2011
Certificates of deposit	$ 2,016,633	$ 1,984,512

Other: Other investments at September 30, 2012 and 2011, consist of the following

	2012	2011
Other than trading		
Premier common stock, at fair market value	$ 138,290	$ 162,927

Investment income and gains for assets limited as to use, cash equivalents and other investments are comprised of the following for the years ending September 30, 2012 and 2011

	2012	2011
Investment income		
Interest and dividend income	$ 116,356	$ 120,775

Note 5. Note Payable - Line of Credit

The Hospital had available a line of credit of $500,000 with a local financial institution at September 30, 2012 with interest rate approximating prime plus 75%, or 4% (current prime rate is 3 25%) No amounts were outstanding at September 30, 2012 or 2011

Note 6. Long-Term Obligations

A summary of long-term obligations is as follows

	2012	2011
Notes payable, Series 2003 Revenue Bonds, principal maturing in varying annual amounts, starting January 2005 with final maturity January 2023, interest at varying amounts of 1 9% to 4 9%, interest payable semiannually, secured by a pledge of the Company's revenues	$ 5,175,000	$ 5,545,000
Notes payable, Series 2006 Revenue Bonds, principal maturing in varying annual amounts, starting July 2007 with final maturity July, 2021, interest at varying amounts of 3 8% to 4 5%, interest payable semi-annually, secured by a deed of trust for a portion of the Hospital facilities and equipment	1,935,000	2,285,000
Capital lease obligations with interest rates ranging from 88% to 12 11% due in monthly installments ranging from $1,946 to $16,481 through 2017, secured by related property and equipment	1,887,232	2,702,404
	8,997,232	10,532,404
Less current maturities of long-term obligations	(1,246,308)	(1,433,482)
Long-term obligations	$ 7,750,924	$ 9,098,922

On June 1, 2003, Mason County, West Virginia, acting by and through the County Commission of Mason County, West Virginia, issued $7,805,000 Hospital Refunding Revenue Bonds The proceeds of the sale of the 2003 bonds were loaned by the issuer to Pleasant Valley Hospital, Inc under the terms of agreement requiring the Hospital to make payments sufficient to pay principal and interest on the 2003 bonds as they become due

In October 2006 Mason County, West Virginia, acting by and through the County Commission of Mason County, West Virginia, issued $3,895,000 Hospital Revenue Bonds The proceeds of the sale of the 2006 bonds were loaned by the issuer to Pleasant Valley Hospital, Inc under the terms of an agreement requiring the Hospital to make payments sufficient to pay principal and interest as they become due The proceeds of the bonds will be used for capital expenditures and renovation and improvements to the Hospital and physician offices

Under the terms of the 2003 and 2006 revenue notes, the Hospital is required to maintain certain deposits with a trustee Such deposits are included with assets limited as to use in the financial statements The documents relating to the revenue bonds also place limits on additional borrowings and require that the Hospital satisfy certain measures of financial performance as long as the bonds are outstanding At September 30, 2012, the Hospital was in compliance with these covenants

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows

	Long-Term Debt	Capital Lease Obligations
2013	$ 750,000	$ 528,971
2014	575,000	565,122
2015	590,000	490,131
2016	615,000	283,437
2017	640,000	84,800
Thereafter	3,940,000	-
	7,110,000	1,952,461
Less amount representing interest under capital lease obligations	-	(65,229)
	$ 7,110,000	$ 1,887,232

Note 7. Net Patient Service Revenue, Supplemental Medicaid Funding and Other Receivables

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

- **Medicare**

  Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors including regional wage variation Inpatient non-acute services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary

  Outpatient services are paid on a prospective payment system (PPS) based on Ambulatory Payment Classifications (APCs) The outpatient payment amounts are adjusted for regional wage differences and additional payments may be made for high cost and new technology procedures

  The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization The Centers for Medicare and Medicaid Services (CMS) selects a random sample of paid claims from the common working file, which is the file for determining eligibility for Medicare, for testing by the peer review organization The peer review organization reviews the claims and makes adjustments as necessary The peer review organization sends a copy of the adjustments to the respective hospital as well as to Medicare

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- **Medicaid**

  Inpatient services are reimbursed based on prospectively determined rates per discharge Medicaid outpatient services are reimbursed based upon the lesser of the Hospital's charge or predetermined fee schedules amount

  Medicaid classification of patients under the program is done by pre-admission/pre-certification for all inpatient claims West Virginia Medical Institute, Inc is the peer review organization for the West Virginia Medicaid Program

- **Commercial Insurance Carriers**

  The Hospital also entered into payment agreements with certain commercial insurance carriers The basis for payment to the Hospital under these agreements include various discounts from established charges

- **West Virginia Health Care Authority**

  The Legislature of the State of West Virginia has created the Health Care Authority to regulate the Hospital's gross patient revenue based on limitation orders compiled from rate schedules and budgets submitted by the Hospital on a periodic basis If a hospital's charges are held to be excessive or unreasonable, the Health Care Authority may require rebates to consumers or adjustments to subsequent year revenue limits

A summary of gross and net patient service revenue for all payors for the years ended September 30, 2012 and 2011

	2012	2011
Gross patient service revenue	**$ 152,936,019**	$ 154,695,135
Supplemental Medicaid funding	**2,267,143**	-
Less provisions for		
Contractual adjustments under third-party reimbursement agreements	**(81,391,544)**	(81,274,916)
Charity care (based on charges foregone)	**(874,345)**	(1,634,818)
Net patient service revenue	**$ 72,937,273**	$ 71,785,401

Included in net patient service revenue is Medicaid disproportionate share revenues of approximately $153,000 and $139,000 for the years ended September 30, 2012 and 2011 Future receipt of these funds will be strictly dependent upon the continuation of applicable Federal and state laws and regulations

As disclosed in Note 8 in the accompanying financial statements, the Hospital has recorded amounts for cost report settlements with Medicare and Medicaid The 2012 and 2011 net patient service revenue increased (decreased) approximately $60,000 and ($1 1) million as a result of settlements at amounts different than originally estimated

Supplemental Medicaid Funding: In 2012, the Federal Department of Health and Human Services Centers for Medicare and Medicaid Services approved a State of West Virginia Medicaid Plan Amendment The Plan amendment provides for supplemental Medicaid payments to the Hospital These supplemental payments will be made for medical services provided to Medicaid recipients The program is limited to state fiscal years 2012 and 2013

The approved supplemental payment methodology implements a provider tax as an expansion of the health care provider tax The new revenues produced will be used as the state contribution toward drawing down additional federal matching dollars for Medicaid to enhance current hospital payment rates under a new Upper Payment Limit (UPL) program In addition to the current tax of 2 5% currently imposed on providers of inpatient and outpatient hospital services, there is an additional tax of eighty-eight one hundredths of one percent (0 88%) on the gross receipts The tax provisions expire on July 1, 2013 and are being implemented retroactively to July 1, 2011 Amounts charged to expense for the additional tax imposed amounted to $409,333 and $0 for the years ended September 30, 2012 and 2011, respectively

The supplemental payments for services provided are being implemented through quarterly installments to the Hospital The Hospital recorded revenue totaling $2,267,143 and $0 for the supplemental Medicaid payments for the years ended September 30, 2012 and 2011, respectively Of this amount $1,360,287 is included as Other Receivables in the accompanying balance sheet at September 30, 2012

Note 8. Estimated Third-Party Payor Settlements

Estimated third-party payor settlements consist of amounts due from/to the Medicare and Medicaid programs for settlement of current and prior year cost reports and disproportionate share payments These estimated settlements by program are as follows

	2012	2011
Medicare	**$ (1,520,244)**	$ (786,532)
Medicaid – Enhanced Payment Program Settlement	**(1,090,088)**	(1,090,088)
Medicaid Disproportionate Share	**78,000**	78,000
	$ (2,532,332)	$ (1,798,620)

Note 9. Employee Benefit Plans

The Hospital has a money purchase defined contribution retirement plan (the Plan) covering substantially all its employees Under the provisions of the Plan, the Hospital is required to make contributions for each participant in the amount of 3% of each covered employees' compensation up to $110,100 and 6% of compensation above that level up to $250,000 Participants are 100% vested in the Hospital's contributions after three years The Hospital has a Thrift Plan where employees can defer compensation The Hospital had a discretionary match to the employee deferrals The Hospital stopped the match January 1, 2012 Employees are immediately vested Pension expense was $758,057 in 2012 and $1,388,889 in 2011

Note 10. Rental Expense

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred

Future minimum lease payments under operating leases as of September 30, 2012 that have initial or remaining lease terms in excess of one year are as follows

2013	$ 134,416
2014	110,612
2015	74,146
2016	13,750
	$ 332,924

Total rental expense in 2012 and 2011 for all operating leases was $573,479 and $516,042, respectively

Note 11. Contingencies and Medical Malpractice Insurance

The Hospital is partially self-insured with respect to medical malpractice claims The Hospital carries claims-made insurance coverage for claims in excess of $250,000 up to a cap of $1,000,000 per claim and a $3,000,000 annual aggregate

The accrued malpractice costs, included in other accrued expenses, are based upon information provided by risk managers, legal counsel, actuaries and past experience and represents management's best estimate The ultimate amount of claims is dependent upon future events It is reasonably possible that a change in estimate will occur in the near term Adjustments, if any, to estimates recorded are reflected in operations in the periods such adjustments are known Amounts accrued for estimated malpractice costs were approximately $1,933,000 and $1,199,000 at September 30, 2012 and 2011, respectively

The Hospital is involved in litigation arising in the ordinary course of business Claims alleging malpractice have been asserted against the Hospital and its physicians and are currently in various stages of litigation It is the opinion of management, however, that estimated malpractice costs accrued at September 30, 2012 and 2011, are adequate to provide for potential losses resulting from pending or threatened litigation as well as claims arising from unknown incidents from services provided to patients that may be asserted

Note 12. Health Insurance Plan

The Hospital is partially self-insured with respect to employee health insurance claims Claims are submitted to a third party administrator for payment of actual claims Claims in excess of $200,000 are covered by an excess coverage insurance policy The Hospital has recorded a liability of approximately $609,000 and $486,000 at September 30, 2012 and 2011, respectively, for the estimated cost of claims incurred, but not yet paid Total health insurance expense for the years ended September 30, 2012 and 2011, was approximately $8,504,000 and $7,948,000, respectively

Note 13. Concentrations of Credit Risk

The Hospital is located in Point Pleasant, West Virginia The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net receivables from the Hospital's patients, third-party payors, and the physician clinics' patients is as follows

	2012	2011
Medicare	**18%**	13%
Medicaid	**14%**	13%
Other third-party payors	**29%**	35%
Private pay	**39%**	39%
	100%	100%

Note 14. Functional Expenses

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

	2012	2011
Health care services	**$ 63,625,393**	$ 63,381,215
General and administrative	**12,071,732**	12,418,428
Fund raising	**47,391**	51,500
	$ 75,744,516	$ 75,851,143

Note 15. Advertising Expense

The Company expenses costs for advertising as they are incurred Advertising costs included in expenses were approximately $289,000 and $325,000 for 2012 and 2011, respectively

Note 16. Health Care Legislation and Regulation

The health care industry is subject to numerous laws and regulations of Federal, state and local governments Government activity has increased with respect to investigations and allegations concerning possible violations of various statutes and regulations by health care providers Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs

Note 17. Income Tax Matters

Pleasant Valley Home Medical Equipment, Inc , a consolidated wholly-owned subsidiary, is a taxable entity for Federal and state income tax purposes The Company has temporary differences between book and tax income, however, such amounts and the deferred tax liabilities are immaterial

The provision for income taxes charged to continuing operations for the years ended September 30, 2012 and 2011 was $53,200 and $(23,648), respectively

Note 18. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements

This Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date This Topic also establishes 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 The Topic describes three levels of inputs that may be used to measure fair value

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date

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

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability

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Fair Value Measurements

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

Investments and Assets Limited as to Use: Investment securities and assets limited as to use are recorded at fair value on a recurring basis Fair value measurement is based upon quoted prices, if available If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating Level 1 securities include those traded by dealers or brokers in active over-the-counter markets and money market funds A substantial amount of the Company's investments consist of short-term interest bearing accounts with financial institutions whose carrying value at cost plus accrued interest approximates fair value

Assets at Fair Value on a Recurring Basis

The table below presents the recorded amount of assets measured at fair value on a recurring basis

	Total at September 30, 2012	Fair Value Measurements Using Level 1	Level 2	Level 3
Assets:				
Assets limited as to use and investments				
Cash and cash equivalents	$ 1,490,911	$ 1,490,911	$ -	$ -
Certificates of deposit	3,710,050	-	3,710,050	-
Mutual funds	287,196	287,196	-	-
Other	1,302	1,302	-	-
	$ 5,489,459	$ 1,779,409	$ 3,710,050	$ -

	Total at September 30, 2011	Fair Value Measurements Using Level 1	Level 2	Level 3
Assets:				
Assets limited as to use and investments				
Cash and cash equivalents	$ 1,524,684	$ 1,524,684	$ -	$ -
Certificates of deposit	3,585,086	-	3,585,086	-
Mutual funds	224,441	224,441	-	-
Other	1,302	1,302	-	-
	$ 5,335,513	$ 1,750,427	$ 3,585,086	$ -

Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

The Company has no assets or liabilities that are recorded at fair value on a nonrecurring basis