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Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

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1

Briefly describe the organization's mission

FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER'S (FCH&MC'S) MISSION IS TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY AND TO PROMOTE MEDICAL EDUCATION

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 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 \$ 1,136,509,278 including grants of \$ 5,763,650) (Revenue \$ 1,325,125,312)

FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER OPERATES THREE ACUTE HOSPITALS AND NUMEROUS OUTPATIENT CENTERS, CLINICS AND OTHER SERVICES WHICH MEET THE HEALTHCARE NEEDS OF THE COMMUNITY SEE SCHEDULE O FOR ADDITIONAL DETAILS - COMMUNITY REGIONAL MEDICAL CENTER CRMC IS A TERTIARY ACUTE CARE FACILITY THAT PROVIDES THE PRIMARY SERVICE AREA AND SECONDARY SERVICE AREA WITH THE FOLLOWING SERVICES (I) THE CENTRAL VALLEY'S ONLY LEVEL I TRAUMA CENTER, (II) THE COMMUNITY REGIONAL BURN CENTER, (III) A LEVEL III NEONATAL INTENSIVE CARE UNIT, (IV) COMPREHENSIVE INPATIENT AND OUTPATIENT SERVICES, INCLUDING TECHNOLOGICALLY ADVANCED MEDICAL/SURGICAL SPECIALTIES SUCH AS CARDIOVASCULAR, NEUROSCIENCE, ORTHOPEDICS AND WOMEN'S AND CHILDREN'S SERVICES, (V) THE COMMUNITY FAMILY BIRTH CENTER, (VI) GENERAL AND SPECIALTY INTENSIVE CARE UNITS, (VII) THE LEON S PETERS REHABILITATION CENTER, (VIII) INPATIENT AND OUTPATIENT CANCER TREATMENT, (IX) PATHOLOGY AND CLINICAL LABORATORY SERVICES, (X) DIALYSIS TREATMENT FACILITIES, (XI) DIAGNOSTIC RADIOLOGY SERVICES, (XII) SHORT STAY SURGERY SERVICES, (XIII) A CARDIOVASCULAR CARE UNIT, AND (XIV) 24 HOUR EMERGENCY SERVICES CRMC IS ALSO A TEACHING HOSPITAL THAT IS AFFILIATED WITH UCSF THE MAIN CAMPUS OF CRMC CONSISTS OF A HOSPITAL BUILDING WITH FIVE AND 10-STORY WINGS, CONNECTED TO A FIVE STORY TRAUMA AND CRITICAL CARE BUILDING CRMC ALSO PROVIDES (I) BEHAVIORAL HEALTH SERVICES AT A FREESTANDING FACILITY IN NORTHERN FRESNO KNOWN AS THE COMMUNITY BEHAVIORAL HEALTH CENTER ("CBHC"), (II) SUBACUTE AND SKILLED NURSING SERVICES AT A FREESTANDING FACILITY IN NORTHERN FRESNO KNOWN AS THE COMMUNITY SUBACUTE AND TRANSITIONAL CARE CENTER ("CSTCC"), (III) OUTPATIENT CANCER SERVICES AT ITS TWO-STORY OUTPATIENT CANCER CENTER AT WOODWARD PARK IN NORTHEAST FRESNO, APPROXIMATELY EIGHT MILES FROM THE CRMC MAIN CAMPUS, AND (IV) A VARIETY OF GENERAL AND SPECIALIZED OUTPATIENT HEALTH CLINIC SERVICES AT THE DERAN KOLIGIAN AMBULATORY CARE CENTER LOCATED ON THE CRMC MAIN CAMPUS (THE "FRESNO CAMPUS") - CLOVIS COMMUNITY MEDICAL CENTER CCMC IS LOCATED IN THE CITY OF CLOVIS (WHICH IS CONTIGUOUS TO THE CITY OF FRESNO), WHERE IT SERVES THE PRIMARY SERVICE AREA AND, TO A LESSER DEGREE, THE SECONDARY SERVICE AREA THE CMC CAMPUS IN CLOVIS (THE "CLOVIS CAMPUS") INCLUDES THE MAIN FACILITY, WHICH CONSISTS OF AN ACUTE CARE HOSPITAL WITH A FIVE-STORY TOWER AND A THREE-STORY TOWER CONNECTED TO AN OUTPATIENT SURGERY/ENDOSCOPY/DIAGNOSTIC CENTER THE FACILITY HAS ALL PRIVATE ROOMS THE FACILITY PROVIDES (I) COMPREHENSIVE MEDICAL AND SURGICAL CAPABILITIES, (II) 24-HOUR EMERGENCY CARE, (III) AN INTENSIVE CARE UNIT, (IV) THE COMMUNITY FAMILY BIRTH CENTER, (V) THE MARJORIE E RADIN BREAST CARE CENTER (VI) SHORT STAY AND INPATIENT SURGICAL SERVICES, INCLUDING ROBOTICS AND ADVANCED MINIMALLY INVASIVE SURGERY, (VII) A LEVEL II NEONATAL INTENSIVE CARE UNIT, (VIII) INPATIENT CANCER TREATMENT, (IX) PATHOLOGY AND CLINICAL LABORATORY SERVICES, (X) ADVANCED DIAGNOSTIC AND INTERVENTIONAL RADIOLOGY, AND (XI) INVASIVE AND NON-INVASIVE CARDIAC SERVICES OTHER FACILITIES AND SERVICES PROVIDED ON THE CLOVIS CAMPUS INCLUDE (I) AN OUTPATIENT WOUND CARE CLINIC WITH TWO HYPERBARIC OXYGEN CHAMBERS, (II) AN OUTPATIENT PHYSICAL REHABILITATION CLINIC, INCLUDING LYMPHEDEMA THERAPY AND (III) THE H MARCUS RADIN CONFERENCE CENTER, WHICH OPENED IN 2012 AND PROVIDES A 214-SEAT AUDITORIUM THAT IS FULLY INTEGRATED FOR TRAINING IN CMC'S OPERATING ROOMS AND FOR BROADCASTING OTHER EVENTS, AND TWO STATE-OF-THE-ART COMPUTER TRAINING LABS - FRESNO HEART AND SURGICAL HOSPITAL HEART HOSPITAL IS AN ACUTE CARE FACILITY WITH ALL PRIVATE ROOMS LOCATED IN THE CITY OF FRESNO OVERLOOKING WOODWARD PARK IN NORTHEAST FRESNO THE FACILITY OPENED IN OCTOBER 2003 AND PROVIDES THE PRIMARY AND SECONDARY SERVICE AREAS WITH (I) CARDIOLOGY AND CARDIAC SURGERY SERVICES, (II) VASCULAR SURGERY SERVICES, AND (III) BARIATRIC AND OTHER MINIMALLY INVASIVE SURGERY SERVICES THE ORGANIZATION IS THE PRINCIPAL TEACHING HOSPITAL IN THE CENTRAL VALLEY THROUGH A GRADUATE MEDICAL EDUCATION PROGRAM AFFILIATED WITH THE UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO MEDICAL EDUCATION PROGRAM CMC SUPPORTS A FULLY ACCREDITED EDUCATIONAL PROGRAM WITH CALIFORNIA STATE UNIVERSITY, FRESNO, BY PROVIDING CLINICAL EXPERIENCE TO ITS NURSING, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY AND DIETETIC STUDENTS ADDITIONALLY, THE ORGANIZATION PROVIDES CLINICAL EXPERIENCE TO FRESNO CITY COLLEGE'S NURSING, SURGERY AND RADIOLOGY TECHNOLOGY STUDENTS CMC ALSO PROVIDES CLINICAL EXPERIENCE TO STUDENTS IN THE SAN JOAQUIN VALLEY COLLEGE LVN TO RN PROGRAM, FRESNO ADULT SCHOOL AND CLOVIS ADULT SCHOOL LICENSED VOCATIONAL NURSE PROGRAMS, AS WELL AS STUDENTS IN MANY OTHER PROGRAMS AT AREA COMMUNITY COLLEGES EACH OF THE THREE ACUTE HOSPITALS CONDUCTS EDUCATIONAL PROGRAMS FOR THE BENEFIT OF PHYSICIANS, NURSES, TECHNICIANS, MANAGEMENT PERSONNEL, EMPLOYEES, AND THE PUBLIC IN ADDITION, CMC SPONSORS NUMEROUS HEALTH PROMOTION AND EDUCATION PROGRAMS FOR ITS EMPLOYEES AND MEMBERS OF THE COMMUNITY IN MANY AREAS, INCLUDING ASTHMA, DIABETES, NUTRITION AND WEIGHT CONTROL, STRESS MANAGEMENT, HEALTH AND WELLNESS, AND SMOKING CESSATION THE ORGANIZATION IS AN ACTIVE PARTNER IN SEVERAL COMMUNITY SERVICE PROJECTS SUPPORTING EDUCATION IN HEALTH CAREERS FOR HIGH SCHOOLS AND OTHER COMMUNITY GROUPS TO ADDRESS THE NATION-WIDE NURSING SHORTAGE, THE ORGANIZATION HAS IMPLEMENTED SEVERAL SYSTEM-WIDE INITIATIVES TO INCREASE RECRUITMENT AND RETENTION INCLUDING THE IMPLEMENTATION OF A NURSE RESIDENCY PROGRAM AND CLINICAL LADDER, BOTH DESIGNED TO EXPAND THE EDUCATION OF NEW NURSES AND PROMOTE RETENTION OF A HIGHER PERCENTAGE OF THESE NURSES

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses ▶ 1,136,509,278

Form 990 (2013)

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 for escrow or custodial account liability, 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, line 10? 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 and XII 	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 and XII 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, Parts I and IV 	14b Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts 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 other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts 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 (see instructions)	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 hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b 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 or note to any line in this Part V

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

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 or note to any line 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	15	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	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
10b	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	No
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	No
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed CA
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 Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ROGER FRETWELL 1925 E DAKOTA STE 206 FRESNO, CA 937264821 (559) 459-6000

Check if Schedule O contains a response or note to any line in this Part VII ☐

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, 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 organization compensated any current officer, director, or trustee

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	5,607,459	3,230,768	864,525

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization 555

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	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
CENTRAL CALIFORNIA FACULTY MEDICAL GROUP 445 S CEDAR AVE FRESNO CA 93702	MEDICAL	39,244,256
COMMUNITY HOSPITALIST MEDICAL GROUP 1180 E SHAW AVENUE SUITE 101 FRESNO CA 93710	MEDICAL	17,197,947
COMMUNITY REGIONAL ANESTHESIA 1180 E SHAW AVENUE SUITE 101 FRESNO CA 93710	MEDICAL	11,679,641
PATHOLOGY ASSOCIATES PO BOX 5236 FRESNO CA 93755	MEDICAL	3,983,508
COMMUNITY MEDICAL IMAGING GROUP 1867 EAST FIR AVENUE SUITE 104 FRESNO CA 93720	MEDICAL	2,030,134

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 ▶85

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d	2,789,290			
	e	Government grants (contributions) 1e	1,407,404			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	4,196,694			
Program Service Revenue	2a	MEDICAL SERVICE				
		Business Code 622110	1,314,186,516	1,314,186,516		
	b	PHARMACY SALES	5,085,210	5,085,210		
	c	GRANTS AND CONTRACTS	4,364,657	4,364,657		
	d	INCOME FR PARTNERSHIPS	1,488,929	1,488,929		
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	1,325,125,312			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	19,097,388		-29,932	19,127,320
	4	Income from investment of tax-exempt bond proceeds	1,018,223			1,018,223
	5	Royalties				
	6a	Gross rents	(i) Real	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			112,721,673	598,882		
	b	Less cost or other basis and sales expenses	107,959,878	1,291,379		
	c	Gain or (loss)	4,761,795	-692,497		
	d	Net gain or (loss)	4,069,298			4,069,298
	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	HOSPITAL CAFETERIA REVENUE	722320	5,394,862		5,394,862
	b					
	c					
	d	All other revenue				
	e	Total. Add lines 11a-11d	5,394,862			
	12	Total revenue. See Instructions	1,358,901,777	1,325,125,312	-29,932	29,609,703

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).

Check if Schedule O contains a response or note to any line 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.	5,763,650	5,763,650		
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.	10,094,072		10,094,072	
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.	488,023,783	428,381,356	59,642,427	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	10,060,626	8,652,138	1,408,488	
9	Other employee benefits.	64,593,183	55,550,137	9,043,046	
10	Payroll taxes.	35,134,336	30,215,529	4,918,807	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	8,697		8,697	
c	Accounting.				
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	586,052		586,052	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	183,607,720	157,902,639	25,705,081	
12	Advertising and promotion.	2,494,660		2,494,660	
13	Office expenses.	5,565,731		5,565,731	
14	Information technology.				
15	Royalties.				
16	Occupancy.	16,237,231	13,964,019	2,273,212	
17	Travel.	725,328	623,782	101,546	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	153,524	153,524		
20	Interest.	23,122,000	19,884,920	3,237,080	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	59,143,998	50,863,838	8,280,160	
23	Insurance.	6,957,000	5,983,020	973,980	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a	MEDICAL SUPPLIES	183,034,325	183,034,325		
b	PROVISION FOR BAD DEBT	129,512,773	129,512,773		
c	MINOR EQUIPMENT	23,139,770	23,139,770		
d	MEDI-CAL PROVIDER FEE	15,030,686	15,030,686		
e	All other expenses	26,177,237	7,853,172	18,324,065	
25	Total functional expenses. Add lines 1 through 24e.	1,289,166,382	1,136,509,278	152,657,104	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		31,895,625	2	55,128,103
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		215,301,308	4	189,601,148
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		4,539,303	5	4,871,658
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		9,805,872	8	11,076,335
	9	Prepaid expenses and deferred charges		10,965,729	9	18,686,979
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,243,625,746		
	b	Less accumulated depreciation	10b	458,322,372	10c	785,303,374
	11	Investments—publicly traded securities		288,922,989	11	312,948,546
	12	Investments—other securities See Part IV, line 11		29,828,316	12	29,123,820
	13	Investments—program-related See Part IV, line 11		33,968,715	13	34,130,895
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		172,733,112	15	169,207,237
	16	Total assets. Add lines 1 through 15 (must equal line 34)		1,545,633,355	16	1,610,078,095
Liabilities	17	Accounts payable and accrued expenses		107,937,823	17	124,495,008
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		491,550,905	20	481,148,012
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other 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		29,293,675	23	29,739,741
	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		76,870,539	25	65,260,754
	26	Total liabilities. Add lines 17 through 25		705,652,942	26	700,643,515
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		839,980,413	27	909,434,580
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), 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		839,980,413	33	909,434,580
	34	Total liabilities and net assets/fund balances		1,545,633,355	34	1,610,078,095

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,358,901,777
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,289,166,382
3	Revenue less expenses Subtract line 2 from line 1	3	69,735,395
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	839,980,413
5	Net unrealized gains (losses) on investments	5	-311,160
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	29,932
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	909,434,580

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	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		

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

[illegible]

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.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	Employer identification number 94-1156276
--	--

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

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h

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

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

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

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

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)

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

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)

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

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)

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

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 - Non-functionally integrated

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)

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

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

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

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

(iii)

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

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2013. 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—2012. 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 IIISupport Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. 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—2012. 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. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ 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 education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

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 XIII
- 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 XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b
- Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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 | 11,682,599 | 14,483,541 | | 26,166,140 |
| b Buildings | | 760,170,227 | 181,712,240 | 578,457,987 |
| c Leasehold improvements | | 3,058,444 | 349,600 | 2,708,844 |
| d Equipment | | 411,565,878 | 276,260,532 | 135,305,346 |
| e Other | | 42,665,057 | | 42,665,057 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 785,303,374 |
- Schedule D (Form 990) 2013

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII

Supplemental Information

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

Return Reference	Explanation
FORM 990, SCHEDULE D, PART X, LINE 2	THERE IS NO FOOTNOTE FOR FIN 48 IN THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS DUE TO IMMATERIALITY

[illegible]

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.

► Attach to Form 990. ► See separate instructions.

► Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENT		6,098,918
(2)					
(3)					
(4)					
(5)					
3a Sub-total	0	0			6,098,918
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			6,098,918

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶
- 3 Enter total number of other organizations or entities ▶

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes ☒ No

Additional Data

Software ID:

Software Version:

EIN: 94-1156276

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

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.
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			7,403,000		7,403,000	0 640 %
b Medicaid (from Worksheet 3, column a)			174,211,000	66,213,000	107,998,000	9 310 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			181,614,000	66,213,000	115,401,000	9 950 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			748,000		748,000	0 060 %
f Health professions education (from Worksheet 5)			70,446,000		70,446,000	6 070 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			71,194,000		71,194,000	6 130 %
k Total Add lines 7d and 7j			252,808,000	66,213,000	186,595,000	16 080 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			200,000		200,000	0.020 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			200,000		200,000	0.020 %
7Community health improvement advocacy			200,000		200,000	0.020 %
8Workforce development						
9Other						
10Total			600,000		600,000	0.060 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

Yes

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

129,512,773

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

5,180,000

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

5

788,372,370

6Enter Medicare allowable costs of care relating to payments on line 5.

6

968,648,339

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-180,275,969

8Describe 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

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

9a

Yes

bIf "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 IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—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 1 CA IMAGING INSTITUTE LLC	MEDICAL IMAGING	50.000 %	0 %	50.000 %
2 2 AMI REALTY PARTNERS LP	REAL ESTATE INVESTING	50.000 %	0 %	50.000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

Name, address, primary website address,
and state license number

Schedule H (Form 990) 2013

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)
FACILITY REPORTING GROUP - A

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a ☒ A definition of the community served by the hospital facility		
b ☒ Demographics of the community		
c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d ☒ How data was obtained		
e ☒ The health needs of the community		
f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h ☒ The process for consulting with persons representing the community's interests		
i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j ☒ Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a ☒ Hospital facility's website (list url)		
b ☒ Other website (list url) WWW.HOSPITALCOUNCIL.NET/REPORT/COMMUNITY-HEALT		
c ☒ Available upon request from the hospital facility		
d ☒ Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a ☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b ☒ Execution of the implementation strategy		
c ☒ Participation in the development of a community-wide plan		
d ☒ Participation in the execution of a community-wide 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 its community		
h ☒ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i ☒ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>350 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a ☒ Income level			
b ☒ Asset level			
c ☒ Medical indigency			
d ☒ Insurance status			
e ☒ Uninsured discount			
f ☒ Medicaid/Medicare			
g ☒ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a ☐ The policy was posted on the hospital facility's website			
b ☒ The policy was attached to 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 on admission to the hospital facility			
f ☒ The policy was available upon request			
g ☒ Other (describe in Part VI)			
Billing and Collections			
15 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?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 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 individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	No
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V

Facility Information *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** ☒ Notified individuals of the financial assistance policy on admission
 - b** ☒ Notified individuals of the financial assistance policy prior to discharge
 - c** ☒ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
 - d** ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
 - e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

	Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	Yes	
a ☐ 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)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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 its 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)		
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

Part V

Facility Information (continued)

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

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 6

Name and address	Type of Facility (describe)
1 COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO, CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
2 CALIFORNIA CANCER CENTER AT WOODWARD 7257 N FRESNO ST FRESNO, CA 93720	OUTPATIENT CANCER CENTER
3 COMMUNITY HEALTH CENTER-SIERRA 1925 E DAKOTA AVENUE FRESNO, CA 93726	OUTPATIENT SERVICES DIABETES, OUTPATIENT AND PULMONARY REHABILITATION, ETC
4 COMMUNITY MEDICAL CENTER-OAKHURST 48677 VICTORIA LANE OAKHURST, CA 93644	URGENT CARE WITH RADIOLOGY, MAMMOGRAPHY AND DIAGNOSTIC SERVICES
5 DERAN KOLIGIAN AMBULATORY CARE CENTER 290 N WAYTE LANE FRESNO, CA 93701	CLINICS ASTHMA, DENTAL, DIABETES, EYE, FAMILY & ADULT PRACTICE, HIV/AIDS
6 COMMUNITY BEHAVIORAL HEALTH CENTER 7171 N CEDAR FRESNO, CA 93720	PSYCHIATRIC CARE FACILITY
7	
8	
9	
10	

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LINE 6A	THE COMMUNITY BENEFIT REPORT IS ISSUED BY COMMUNITY MEDICAL CENTERS, A DBA USED BY THE THREE HOSPITALS THAT COMPRISE THE ORGANIZATION

Form and Line Reference	Explanation
PART I, LINE 7	COSTING METHODOLOGY CHARITY CARE IS ESTIMATED BY CALCULATING THE RATIO OF COST PER ADJUSTED PATIENT DAY (EXCLUDING BAD DEBTS) AND THEN MULTIPLYING THAT RATIO BY THE ADJUSTED PATIENT DAYS ASSOCIATED WITH CHARITY CARE PATIENTS CMC DOES NOT UTILIZE A COST ACCOUNTING SYSTEM TO ESTIMATE THE COST OF CHARITY CARE

Form and Line Reference	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 \$ 129,512,773

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY SUPPORT (GENERALLY PROGRAMS FOR VULNERABLE POPULATIONS) COMMUNITY REGIONAL PARTNERED WITH THE FRESNO COUNCIL ON CHILD ABUSE PREVENTION TO PRESENT CLASSES ON "INTERNET SAFETY, CYBER-BULLYING AND SEXTING " COMMUNITY REGIONAL AND ITS PEDIATRICS UNIT ALSO CO-SPONSORED BRINGING "THE LISA PROJECT" TO FRESNO THE INTERACTIVE PROJECT FOCUSES ON CHILDREN'S EXPERIENCES WITH CHILD ABUSE THE PROJECT HAD MORE THAN 4,000 VISITS PEDIATRICS STAFF MEMBERS ALSO VOLUNTEERED TO SERVE AT CAMP SUNSHINE DREAMS AT HUNTINGTON LAKE, A CAMP FOR CHILDREN WHO HAVE CANCER AND THEIR PARENTS, 115 CHILDREN PARTICIPATED COMMUNITY REGIONAL'S EMERGENCY DEPARTMENT OPERATES THE SEXUAL ASSAULT FORENSIC EXAMINERS (SAFE) PROGRAM, WHOSE SERVICES INCLUDE COLLECTION, PRESERVATION AND SECURITY OF EVIDENCE THAT IS OBTAINED FROM ADULT AND PEDIATRIC VICTIMS AND SUSPECTS PROGRAM SERVICES ALSO INCLUDE IMMEDIATE COUNSELING SERVICES IN CONJUNCTION WITH RESOURCE COUNSELING SERVICES, COURTROOM TESTIMONY, AND ON-SITE POST-COITAL CONTRACEPTION AND ANTIBIOTICS FOR THE PREVENTION OF SEXUALLY TRANSMITTED DISEASES COMMUNITY REGIONAL'S SAFE PROGRAM WORKS WITH THE CHILDREN'S HEALTH CENTER LOCATED ON THE HOSPITAL'S CAMPUS TO PROVIDE COMPREHENSIVE FOLLOW-UP EVALUATIONS FOR CHILDREN WHO ARE VICTIMS OF SEXUAL ABUSE WE ARE AN ACTIVE PARTICIPANT IN THE SEXUAL ASSAULT RESPONSE TEAM (SART) MONTHLY GENERAL MEETINGS THE PROGRAM ALSO PROVIDES EDUCATION TO LAW ENFORCEMENT, LOCAL COLLEGES, PATIENT ADVOCATES, UCSF RESIDENTS, MEDICAL STAFF, NURSES AND SOCIAL SERVICES THE PROGRAM SEES ABOUT 15 TO 20 PATIENTS PER MONTH THIRTEEN CALIFORNIA-CERTIFIED SAFE NURSES PROVIDE 24/7 COVERAGE, ALONG WITH MEDICAL DIRECTOR, DR JAMES ANDREWS, FOR VICTIMS OF SEXUAL ASSAULT WHO COME TO COMMUNITY REGIONAL, CLOVIS COMMUNITY AND THE VETERANS ADMINISTRATION HOSPITAL COMPLETED HIV, STD EDUCATION IN LOCAL MIDDLE/HIGH SCHOOLS AND COLLEGE CLASSES WORKING WITH CLINICA SIERRA VISTA REGARDING VOLUNTEER TESTING AND COUNSELING FOR HIGH-RISK TEENS AND ADULTS VOLUNTEERS FROM THE CLOVIS COMMUNITY DIALYSIS CENTER, FRESNO OUTPATIENT DIALYSIS CENTER AND OTHER ORGANIZATIONS HELPED COORDINATE THE EIGHTH ANNUAL KIDNEY EARLY EVALUATION PROGRAM (KEEP) ON MAY 3, 2014 AT THE CONSULATE GENERAL OF MEXICO OFFICE IN FRESNO COALITION BUILDING (GENERALLY PROGRAMS THAT EMPHASIZE PARTICIPATION IN COMMUNITY COALITIONS AND OTHER COLLABORATIVE EFFORTS) SERVING AS CO-CHAIR AND MEMBER OF COMMUNITY ACTION COUNCIL THE COUNCIL WAS CREATED TO PROVIDE EFFECTIVE AND COMMUNITY-CENTERED SERVICES TO THOSE IN FRESNO COUNTY AT-RISK, INFECTED AND/OR DIRECTLY AFFECTED BY HIV/AIDS THROUGH COORDINATED SERVICE DELIVERY SERVING AS A PARTNER/LIAISON WITH FRESNO COUNTY HOUSING AUTHORITY TIES SHELTER PLUS CARE PROGRAM, FUNDED BY THE STEWART B MCKINNEY HOMELESS ASSISTANCE ACT THE PROGRAM PROVIDES TENANT-BASED RENTAL ASSISTANCE TO DISABLED, HOMELESS INDIVIDUALS/FAMILIES BASED ON SERIOUS MENTAL DISORDER, CHRONIC ALCOHOL AND DRUG PROBLEMS AND/OR AIDS OR RELATED DISEASES PARTICIPATING AS MEMBER OF THE CALIFORNIA PLANNING GROUP WHICH WORKS WITH THE U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC), THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH AND THE OFFICE OF AIDS TO DEVELOP A COMPREHENSIVE HIV/AIDS SURVEILLANCE, PREVENTION AND CARE PLAN FOR CALIFORNIA PARTICIPATING FOR THE FIFTH YEAR AS A SITE FOR CALIFORNIA MEDICAL MONITORING PROJECT, CONDUCTED BY THE CDC TO COLLECT INFORMATION ON NEEDS/SERVICES INVOLVING HIV PATIENTS PARTICIPATED IN THE 3RD ANNUAL AIDS WALK, PRIDE PARADE AND WORLD AIDS DAY EVENTS PROVIDING A SOCIAL WORKER AND CERTIFIED ENROLLMENT WORKER TO MAKE HOME VISITS TO ASSIST ELIGIBLE PATIENTS IN ENROLLING IN THE AFFORDABLE CARE ACT HEALTH PLANS SPONSORED THE ANNUAL CENTRAL CALIFORNIA WOMEN'S CONFERENCE HELD AT THE FRESNO CONVENTION CENTER, WHICH DREW MORE THAN 3,000 VALLEY WOMEN THE CONFERENCE FOCUSES ON PERSONAL AND PROFESSIONAL DEVELOPMENT FOR WOMEN HOSTED A BOOTH IN THE MARKETPLACE WHERE EDUCATIONAL INFORMATION ABOUT BREAST HEALTH WAS OFFERED PARTICIPATED IN THE ANNUAL SUSAN G KOMEN BREAST CANCER FOUNDATION'S RACE FOR THE CURE HELD EACH YEAR AT CSU FRESNO THE FOCUS OF THE EDUCATIONAL BOOTH AT THE OCTOBER 2013 RACE FOR THE CURE WAS TO PROVIDE EDUCATIONAL INFORMATION AND THE IMPORTANCE OF ANNUAL SCREENING MAMMOGRAMS REGISTERED WITH BABY FRIENDLY USA, AN AGENCY OVERSEEN BY UNICEF/WHO THAT DEVELOPED GUIDELINES AND CRITERIA TO ENABLE HOSPITALS WORLDWIDE TO PROVIDE EVIDENCE-BASED MATERNITY CARE THIS SPECIALIZED CARE EMPHASIZES OPTIMAL INFANT FEEDING LAST FISCAL YEAR COMMUNITY REGIONAL COMPLETED THE FIRST OF THE FOUR PHASES AND ENTERED THE 2ND DEVELOPMENTAL PHASE SKIN-TO-SKIN CONTACT CONTINUES TO BE AN IMPORTANT PART OF MOTHER-BABY CARE THE MAGICAL HOUR FOLLOWING BIRTH IS A SPECIAL TIME FOR A MOTHER AND BABY, BEGINNING IN LABOR AND DELIVERY AND CONTINUING ON TO THE MOTHER/BABY UNIT COMMUNITY REGIONAL IS COMMITTED TO KEEPING MOMS AND BABIES TOGETHER PARTICIPATES WITH THE CENTER FOR BREASTFEEDING MEDICINE (CBM) THE CBM IS A PHYSIC

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	IAN-STAFFED SERVICE TO DIAGNOSE, TREAT AND MANAGE COMPLICATED BREASTFEEDING PROBLEMS IT S EEEKS TO GIVE BEST PRACTICE BREASTFEEDING MEDICINE BY QUALIFIED AND HIGHLY RESPECTED PHYSIC IANS THE CBM RECEIVES REFERRALS FROM THROUGHOUT CALIFORNIA PARTICIPATES AS A MILK DEPOT W ORKING WITH THE MOTHER'S MILK BANK IN SAN JOSE MOTHERS GO THROUGH A BRIEF SCREENING AND O NCE APPROVED BECOME MILK DONORS PROVIDING CRMC PREEMIES WITH MUCH NEEDED NUTRITION MANY O F OUR TINIEST PATIENTS ARE RECEIVING EITHER THEIR MOTHER'S OWN MILK OR BANKED DONOR MILK PLEASE SEE FOLLOWING TABLE ON OUR SERVICES COMMUNITY HEALTH IMPROVEMENT ADVOCACY (GENERALL Y THE COST THAT SUPPORT POLICIES AND PROGRAMS TO SAFEGUARD OR IMPROVE PUBLIC HEALTH) COMMU NITY'S LEADERSHIP TEAM CONTINUES TO PROVIDE CAMPUS TOURS, PARTICIPATE IN FORUMS AND PROVID E ISSUES BRIEFINGS INVOLVING LOCAL, STATE AND FEDERAL ELECTED AND APPOINTED OFFICIALS LAST FISCAL YEAR THAT INCLUDED PARTICIPATING IN A TWO-DAY HEALTH AND POLICY BRIEFING FOR LEGI SLATIVE STAFF THROUGH THE CALIFORNIA LEGISLATIVE STAFF EDUCATION INSTITUTE MEMBERS OF COMM UNITY'S LEADERSHIP TEAM REGULARLY TRAVEL TO SACRAMENTO AND WASHINGTON, D C , TO ADVOCATE F OR THE VALLEY'S HEALTH NEEDS THAT ADVOCACY INCLUDES MEMBERSHIP AND LEADERSHIP POSITIONS I N THE CALIFORNIA HOSPITAL ASSOCIATION (CHA) AND THE PRIVATE ESSENTIAL ACCESS COMMUNITY HOS PITALS INC (PEACH) COMMUNITY IS A MEMBER OF THE MADDY INSTITUTE AT CALIFORNIA STATE UNIVE RSITY, FRESNO, WHICH FOSTERS CIVIC ENGAGEMENT, LEADERSHIP TRAINING AND POLICY ANALYSIS IN THE VALLEY COMMUNITY ALSO SERVES ON THE GOVERNING BOARDS OF FRESNO FIRST STEPS HOME, A NO NPROFIT SEEKING TO PROVIDE HOUSING TO THE HOMELESS, AND THE FRESNO ECONOMIC DEVELOPMENT CO RPORATION, AND ON THE GOVERNMENT AFFAIRS COUNCIL OF THE GREATER FRESNO AREA CHAMBER OF COM MERCE COMMUNITY CONTINUES ITS MULTI-YEAR PARTNERSHIP WITH THE HOSPITAL COUNCIL OF NORTHERN AND CENTRAL CALIFORNIA, AREA HOSPITALS, EMERGENCY SERVICES AND COUNTY STAFF TO ADDRESS TH E GROWING PUBLIC-HEALTH CRISIS BROUGHT ON BY CUTBACKS IN FRESNO COUNTY'S BEHAVIORAL HEALTH SERVICES, INCLUDING THE SO- CALLED "5150" PATIENTS THE COALITION AND ITS MEMBERS HELD MUL TIPLE INDIVIDUAL AND COMMUNITY MEETINGS AND ALSO MADE PRESENTATIONS TO THE FRESNO COUNTY B OARD OF SUPERVISORS THE BOARD, ACKNOWLEDGING THAT MISTAKES WERE MADE IN REDUCTION OF BEHA VIORAL SERVICES, PROMISED IN JANUARY 2011 TO FAST-TRACK THE REOPENING OF A CRISIS INTERVEN TION CENTER SUBEQUENTLY, THE COUNTY CONTRACTED WITH A PRIVATE VENDOR AND, IN MAY 2012, TH E EXODUS RECOVERY CRISIS CENTER OPENED ON THE CAMPUS OF THE FORMER UNIVERSITY MEDICAL CENT ER TOGETHER WITH THE HOSPITAL COUNCIL, COMMUNITY SERVES ON A HEALTHCARE ADVISORY COMMITTEE THAT ASSISTS CALIFORNIA ASSEMBLY MEMBER JIM PATTERSON OF CLOVIS, WHO SITS ON THE ASSEMBLY HEALTH COMMITTEE COMMUNITY, WORKING WITH THE HOSPITAL COUNCIL AND THE FRESNO ECONOMIC DEV ELOPMENT CORPORATION, PUBLISHED AN INDEPENDENTLY RESEARCHED REPORT IN 2013 DETAILING THE I MPORTANT ROLES HOSPITALS IN FRESNO AND MADERA COUNTIES PLAY IN THE REGION'S ECONOMIC WELL- BEING COMMUNITY ALSO CONTINUES TO PROVIDE STRATEGIC LEADERSHIP VIA THE FRESNO HEALTHY COMM UNITIES ACCESS PARTNERS, A NONPROFIT ORGANIZATION CONSISTING OF 12 HEALTH AND COMMUNITY OR GANIZATIONS WORKING TOGETHER TO IMPROVE ACCESS TO HEALTHCARE FOR MEDICALLY UNDERSERVED COM MUNITIES IN FRESNO AND THE VALLEY COLLABORATING WITH HOUSING PROGRAMS SUCH AS 25 CITIES AN D OASIS 25 CITIES IS A NATIONAL INITIATIVE TO END VETERAN AND CHRONIC HOMELESSNESS BY 201 5 CO-SPONSORED BY THE U S DEPARTMENT OF VETERAN AFFAIRS, THE U S DEPARTMENT OF HOUSING A ND URBAN DEVELOPMENT AND THE U S INTERAGENCY COUNCIL ON HOMELESSNESS OASIS IS A LOCAL IN ITIATIVE TO END CHRONIC HOMELESS AND KEEP HIGH-RISK PEOPLE IN MEDICAL CARE

Form and Line Reference	Explanation
COMMUNITY IS PROUD OF ITS ACCOMPLISHMENTS TO DATE, BUT	ALSO MINDFUL OF UNMET CHALLENGES COMMUNITY STAFF AND PHYSICIANS CONTRIBUTE THOUSANDS OF HOURS AS VOLUNTEERS FOR CIVIC, CULTURAL, SOCIAL JUSTICE, RELIGIOUS AND HEALTH GROUPS, OFTEN SERVING IN LEADERSHIP POSITIONS AND AS MENTORS THESE ORGANIZATIONS INCLUDE UNITED WAY OF FRESNO, FRESNO RESCUE MISSION, POVERELLO HOUSE, NATIONAL ALLIANCE FOR THE MENTALLY ILL, FRESNO STATE PROJECT MANAGEMENT INSTITUTE, CENTRAL CALIFORNIA CHAPTER OF THE PROJECT MANAGEMENT INSTITUTE AND FRESNO AND CLOVIS ROTARY CLUBS

Form and Line Reference	Explanation
PART III, LINE 2	BAD DEBT EXPENSE OF \$129,512,773 IS THE CURRENT PERIOD CHARGE FOR ACTUAL OR EXPECTED DOUBTFUL ACCOUNTS RECEIVABLE RESULTING FROM THE EXTENSION OF CREDIT ACCORDINGLY, IT DOES NOT INCLUDE CHARGES ASSOCIATED WITH CHARITY PATIENTS OR CONTRACTUAL ALLOWANCES PATIENT PAYMENTS AND DISCOUNTS ARE NOT INCLUDED IN BAD DEBT EXPENSE ALL APPLICABLE PATIENT PAYMENTS AND DISCOUNTS ARE POSTED TO PATIENT ACCOUNTS BEFORE THEY ARE WRITTEN-OFF

Form and Line Reference	Explanation
PART III, LINE 3	BAD DEBT EXPENSE CMC RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS ALLOWANCE FOR DOUBTFUL ACCOUNTS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, CMC ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD PARTY COVERAGE, CMC ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRDPARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS AND NONCONTRACTED INSURANCE (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL) THE PRIMARY FACTOR USED TO ANALYZE PATIENT ACCOUNT RECEIVABLE BALANCES FOR DOUBTFUL ACCOUNTS (BAD DEBT), IS THE ORGANIZATION'S PREVIOUS, HISTORICAL, WRITE-OFF EXPERIENCE PATIENT SELF-PAY ACCOUNTS WITH UNUSUALLY LARGE BALANCES ARE REVIEWED INDIVIDUALLY PREVAILING ECONOMIC CONDITIONS ARE ALSO CONSIDERED BAD DEBT AND CHARITY CARE DO NOT INCLUDE DISCOUNTS GIVEN TO UNINSURED AND UNDERINSURED PATIENTS IT IS ESTIMATED THAT 4% OR \$5,180,000 OF THE AMOUNT OF CMC'S BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS WHO WOULD HAVE QUALIFIED UNDER ITS CHARITY CARE POLICY HAD THEY COMPLETED THE NECESSARY APPLICATION DOCUMENTS TO DO SO CMC DOES NOT RECOGNIZE ANY PORTION OF ITS BAD DEBT EXPENSE AS A COMMUNITY BENEFIT

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE SHORTFALL THE MEDICARE SHORTFALL IS TREATED AS COMMUNITY BENEFIT BECAUSE (1) NONNEGOTIABLE MEDICARE RATES ARE SOMETIMES OUT-OF-LINE WITH THE TRUE COSTS OF TREATING MEDICARE PATIENTS, AND (2) BY CONTINUING TO TREAT PATIENTS ELIGIBLE FOR MEDICARE, HOSPITALS ALLEVIATE THE FEDERAL GOVERNMENT'S BURDEN FOR DIRECTLY PROVIDING MEDICAL SERVICES COSTING METHODOLOGY INPATIENT CARE SERVICES, SKILLED NURSING SERVICES, REHABILITATION SERVICES, AND CERTAIN OUTPATIENT SERVICES RENDERED TO MEDICARE PROGRAM BENEFICIARIES ARE PAID AT PROSPECTIVELY DETERMINED RATES PER DIAGNOSIS THESE RATES VARY ACCORDING TO A PATIENT CLASSIFICATION SYSTEM THAT IS BASED ON CLINICAL, DIAGNOSTIC, AND OTHER FACTORS CERTAIN INPATIENT NONACUTE SERVICES AND MEDICAL EDUCATION COSTS RELATED TO MEDICARE BENEFICIARIES ARE PAID BASED ON A COST-BASED REIMBURSEMENT METHODOLOGY PROFESSIONAL SERVICES ARE REIMBURSED BASED ON A FEE SCHEDULE

Form and Line Reference	Explanation
PART III, LINE 9B	THOSE PATIENT ELIGIBLE FOR FINANCIAL ASSISTANCE ARE GENERALLY SUBJECT TO THE NORMAL COLLECTION PROCEDURES FOR ALL PATIENTS THE FOLLOWING SPECIAL CIRCUMSTANCES MAY APPLY (1) RYAN WHITE PATIENTS ARE NOT SUBJECT TO COLLECTIONS ACTIVITY (2) FOR PATIENTS WHO LACK HEALTH INSURANCE COVERAGE, HAVE AN APPLICATION PENDING FOR EITHER GOVERNMENT-SPONSORED COVERAGE OR FOR CMCS CHARITY/DISCOUNTED CARE, OR HAVE OTHERWISE INDICATED THEY MAY QUALIFY FOR SUCH PROGRAMS, CMC WILL NOT KNOWINGLY SEND THE BILL TO A COLLECTION AGENCY PRIOR TO 150 DAYS FROM THE INITIAL TIME OF BILLING (3) FOR PATIENTS WHO LACK HEALTH INSURANCE COVERAGE, HAVE AN APPLICATION PENDING FOR EITHER GOVERNMENT-SPONSORED COVERAGE OR FOR CMCS CHARITY/DISCOUNTED CARE, OR HAVE OTHERWISE INDICATED THEY MAY QUALIFY FOR SUCH PROGRAMS, CMC WILL NOT FILE A CIVIL ACTION AGAINST THE PATIENT DUE TO NONPAYMENT UNTIL AFTER 150 DAYS FROM INITIAL BILLING (4) IF A PATIENT QUALIFIES FOR ASSISTANCE UNDER THIS POLICY, AND IS REASONABLY COOPERATING WITH THE HOSPITAL IN AN EFFORT TO SETTLE AN OUTSTANDING BILL, CMC WILL NOT SEND THE UNPAID BILL TO AN OUTSIDE COLLECTION AGENCY IF THE HOSPITAL KNOWS THAT DOING SO MAY NEGATIVELY IMPACT A PATIENTS CREDIT CMC WILL NOT SEND SUCH A PATIENT'S ACCOUNT TO AN OUTSIDE COLLECTION AGENCY WITHOUT A WRITTEN AGREEMENT THAT THE COLLECTION AGENCY WILL COMPLY WITH CMCS COLLECTION POLICIES (5) THE 150-DAY GRACE PERIOD DISCUSSED ABOVE WILL BE EXTENDED IF THE PATIENT HAS A PENDING APPEAL FOR THE COVERAGE OF SERVICES UNTIL A FINAL DETERMINATION OF THAT APPEAL IS MADE, IF THE PATIENT MAKES A REASONABLE EFFORT TO COMMUNICATE WITH THE HOSPITAL ABOUT THE PROGRESS OF ANY PENDING APPEALS PENDING APPEALS INCLUDE (A) GRIEVANCE AGAINST A CONTRACTING HEALTH SERVICE PLAN, (B) AN INDEPENDENT MEDICAL REVIEW UNDER THE CALIFORNIA INSURANCE CODE, (C) FAIR HEARING FOR A REVIEW OF A MEDI-CAL CLAIM PURSUANT TO THE WELFARE AND INSTITUTIONS CODE, AND (D) APPEAL REGARDING MEDICARE COVERAGE CONSISTENT WITH FEDERAL LAW AND REGULATIONS

Form and Line Reference	Explanation
PART VI, LINE 2	AS PART OF THE AFFORDABLE CARE ACT, THE ORGANIZATION PARTNERED WITH THE HOSPITAL COUNCIL OF NORTHERN AND CENTRAL CALIFORNIA AND A DOZEN OTHER VALLEY HOSPITALS TO PUBLISH A COMMUNITY NEEDS ASSESSMENT IN 2013 ADDITIONALLY, EACH OF OUR THREE HOSPITALS DEVELOPED IMPLEMENTATION PLANS TO ADDRESS SOME OF THE KEY NEEDS IDENTIFIED IN THE REPORT BOTH THE REPORT AND THE IMPLEMENTATION PLANS WERE PRESENTED TO AND APPROVED BY OUR BOARD OF TRUSTEES IN JUNE 2013

Form and Line Reference	Explanation
PART VI, LINE 3	COMMUNICATION OF FINANCIAL ASSISTANCE POLICIES WITH PATIENTS AND THE PUBLIC 1 CMC SHALL POST NOTICES REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE TO LOW-INCOME, UNINSURED AND UNDER-INSURED PATIENTS THESE NOTICES WILL BE POSTED IN VISIBLE LOCATIONS THROUGHOUT THE HOSPITAL, INCLUDING BUT NOT LIMITED TO A ADMITTING/REGISTRATION,B CASHIER WINDOWS,C EMERGENCY DEPARTMENT, ANDD OTHER APPROPRIATE OUTPATIENT SETTINGS 2 THESE POSTED NOTICES REGARDING FINANCIAL ASSISTANCE POLICIES SHALL CONTAIN BRIEF INSTRUCTIONS ON HOW TO APPLY FOR CHARITY CARE OR A DISCOUNTED PAYMENT THE NOTICES WILL ALSO INCLUDE A CONTACT TELEPHONE NUMBER THAT A PATIENT OR FAMILY MEMBER CAN CALL TO OBTAIN MORE INFORMATION 3 CMC WILL ENSURE THAT APPROPRIATE STAFF MEMBERS ARE KNOWLEDGEABLE ABOUT THE EXISTENCE OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICIES INCLUDING THE RYAN WHITE PROGRAM TRAINING WILL BE PROVIDED TO STAFF MEMBERS (E G , BILLING OFFICE, FINANCIAL DEPARTMENT, ETC) WHO DIRECTLY INTERACT WITH PATIENTS REGARDING THEIR HOSPITAL BILLS 4 WHEN COMMUNICATING TO PATIENTS REGARDING THEIR FINANCIAL ASSISTANCE POLICIES, EMPLOYEES WILL ATTEMPT TO DO SO IN THE PRIMARY LANGUAGE OF THE PATIENT, OR HIS/HER FAMILY, IF REASONABLY POSSIBLE, AND IN A MANNER CONSISTENT WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS 5 PATIENTS (ADMITTED PATIENTS, AS WELL AS THOSE WHO RECEIVE EMERGENCY OR OUTPATIENT CARE) WILL BE GIVEN WRITTEN NOTICE REGARDING FINANCIAL ASSISTANCE, INCLUDING ELIGIBILITY AND CONTACT INFORMATION THAT IS IN THE PRIMARY LANGUAGE SPOKEN BY THE PATIENT, AS DETERMINED BY CALIFORNIA INSURANCE CODE SECTION 12693 30 (POPULATIONS OVER 5% SERVED BY THE HOSPITAL) AND IN A MANNER CONSISTENT WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS 6 CMC WILL SHARE ITS POLICY WITH APPROPRIATE COMMUNITY HEALTH AND HUMAN SERVICES AGENCIES AND OTHER ORGANIZATIONS THAT ASSIST SUCH PATIENTS 7 THE RYAN WHITE SLIDING FEE SCALE IS UPDATED YEARLY ACCORDING TO THE FEDERAL POVERTY GUIDELINES 8 ALL PATIENTS WHO POTENTIALLY QUALIFY FOR DISCOUNTS FOR SERVICES UNDER RYAN WHITE WILL HAVE THEIR FINANCIAL ELIGIBILITY TESTED EVERY SIX MONTHS

Form and Line Reference	Explanation
PART VI, LINE 4	SERVICE AREA COMMUNITY IS HEADQUARTERED IN FRESNO, PROVIDING THE SAN JOAQUIN VALLEY WITH ACUTE CARE, OUTPATIENT CENTERS, CLINICS, HOME CARE, COMMUNITY EDUCATION, PHYSICIAN GROUPS AND A PHYSICIAN RESIDENCY PROGRAM IN CONJUNCTION WITH THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO (UCSF) WITH MORE THAN 7,000 EMPLOYEES, MORE THAN 1,300 AFFILIATED PHYSICIANS AND MORE THAN 900 VOLUNTEERS, COMMUNITY HAS A 15,000-SQUARE-MILE PRIMARY SERVICE AREA THAT INCLUDES FRESNO, MADERA, KINGS, TULARE AND MARIPOSA COUNTIES THE AREA IS AS LARGE AS RHODE ISLAND, CONNECTICUT AND NEW JERSEY COMBINED COMMUNITY ALSO OPERATES THE ONLY COMBINED BURN AND LEVEL 1 TRAUMA UNITS BETWEEN LOS ANGELES AND SACRAMENTO, PROVIDING CRITICAL CARE AND OTHER SPECIALTY SERVICES TO PATIENTS FROM WELL OUTSIDE THE PRIMARYSERVICE REGION THOSE UNITS ARE LOCATED AT COMMUNITY REGIONAL MEDICAL CENTER (COMMUNITY REGIONAL), WHICH ALSO OPERATES ONE OF THE BUSIEST HOSPITAL EMERGENCY DEPARTMENTS IN THE NATION BOARD OF TRUSTEES COMMUNITY IS GOVERNED BY A VOLUNTEER BOARD OF TRUSTEES COMPRISED OF LOCAL CIVIC LEADERS AND PHYSICIANS THE TRUSTEES PROVIDE VISION AND POLICY DIRECTION THIS PROCESS INCLUDES AN ANNUAL REVIEW OF THE PRIOR FISCAL YEAR AND A COMMUNITY-NEEDS EVALUATION TO PRIORITIZE OPERATIONAL ISSUES AND PROVIDE DIRECTION THE CORPORATE BOARD IS ALSO ACTIVELY INVOLVED IN APPROVING FISCAL APPROPRIATIONS FOR COMMUNITY BENEFITS PROGRAMS, OUTREACH SERVICES AND EDUCATION, AS WELL AS TRADITIONAL CHARITY CARE AND UNPAID COSTS OF PUBLIC PROGRAMS FOR THE MEDICALLY UNDERSERVED CORPORATE BOARD MEMBERS, PHYSICIANS AND COMMUNITY'S LEADERSHIP TEAM HAVE HELPED IDENTIFY AND FUND COMMUNITY BENEFITS PROGRAMS

Form and Line Reference	Explanation
PART VI, LINE 5	1 COMMUNITY HAS HISTORICALLY SPENT MORE ON UNCOMPENSATED COMMUNITY BENEFITS THAN ALL OTHER FRESNO-AREA HOSPITALS COMBINED AND, SOME YEARS, NEARLY DOUBLE THEIR COMBINED TOTAL 2 IT ALSO OPERATES THE ONLY COMBINED BURN AND LEVEL 1 TRAUMA UNITS BETWEEN LOS ANGELES AND SACRAMENTO 3 COMMUNITY CONTINUES TO SEEK THE VIEWS OF HEALTH CARE, SOCIAL JUSTICE, BUSINESS, EDUCATION AND POLITICAL LEADERS THROUGH MEETINGS WITH THE CHIEF EXECUTIVE OFFICER AND SENIOR LEADERSHIP

Form and Line Reference	Explanation
PART VI, LINE 6	N/A

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	CA

Form and Line Reference	Explanation
PART VI, SUPPLEMENTAL INFORMATION	AMONG OTHER ACTIVITIES SERVING A LINGUISTICALLY AND ETHNICALLY DIVERSE REGION, COMMUNITY IS COMMITTED TO HIRING AND RETAINING A TALENTED AND DIVERSE WORKFORCE, AS WELL AS PROVIDING STAFF OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT. OUR WORKFORCE OF ABOUT 7,400 INCLUDES 30% WHO IDENTIFY THEMSELVES AS HISPANIC, 21% ASIAN-AMERICAN AND 4% AFRICAN-AMERICAN. LAST YEAR, WE HIRED MORE THAN 1,400 EMPLOYEES. WE OFFERED EDUCATIONAL REIMBURSEMENT OF UP TO \$2,500 PER YEAR FOR BOOKS AND TUITION FOR FULL-TIME AND PART-TIME EMPLOYEES, SPENDING A TOTAL OF \$749,000 LAST FISCAL YEAR. WE PROVIDED DISCOUNTED TUITION FOR HEALTHCARE-RELATED DEGREE PROGRAMS AT THE UNIVERSITY OF PHOENIX. WE LAUNCHED A NEW PROGRAM PROVIDING FULL REIMBURSEMENT OF THE COSTS OF INITIAL PROFESSIONAL CERTIFICATIONS. WE OFFERED MORE THAN 400 INTERACTIVE, LOW-COST ONLINE CLASSES TO HELP SUPPORT MAINTENANCE OF EMPLOYEES' PROFESSIONAL CERTIFICATIONS. 120 LEADERS ATTENDED PROFESSIONAL DEVELOPMENT WORKSHOPS. COMMUNITY IS A MEMBER OF THE PARTNERSHIP FOR HEALTH PROFESSIONS EDUCATION OF THE UCSF FRESNO LATINO CENTER FOR MEDICAL EDUCATION AND RESEARCH, WHICH ADVANCES DEVELOPMENT OF HEALTH PROFESSIONALS AT THE JUNIOR HIGH, HIGH SCHOOL AND COLLEGE LEVELS. COMMUNITY PROVIDED CLINICAL EXPERIENCE FOR 2,508 STUDENT NURSES. A TOTAL OF 29 RESIDENTS HAVE SUCCESSFULLY COMPLETED THE RESIDENCY PROGRAM, AND COMMUNITY HAS EMPLOYED 15 OF THE 29 FOR A RESIDENCY EMPLOYMENT RATE OF 52%. IN ADDITION, WE ARE FURTHER ENHANCING THE ACADEMIC TEACHING MODEL TO PROMOTE EVIDENCE BASED PHARMACOTHERAPY TO OUR PATIENTS. COMMUNITY REGIONAL'S PHARMACY RESIDENCY PROGRAM ALLOWS RESIDENTS TO LEARN AND EXPAND THEIR CLINICAL KNOWLEDGE BASE BY WORKING WITH THE MOST EXPERIENCED PEOPLE IN A MULTI-DISCIPLINARY HEALTH CARE SYSTEM. OUR PHARMACISTS ALSO SERVE AS PRECEPTORS TO HELP DEVELOP THE RESIDENTS' SKILLS AND KNOWLEDGE BASE, MENTOR THEM WITH VARIOUS PROJECTS THAT BENEFIT PATIENT CARE, AND GIVE POSITIVE EXPOSURE FOR COMMUNITY'S REPUTATION NATIONALLY. THIS IS ACCOMPLISHED BY SHOWCASING COMMUNITY REGIONAL AT PHARMACY RESIDENCY EVENTS, RESEARCH POSTER SESSIONS, AND PRESENTATIONS. OUR PROGRAM ENCOURAGES RESIDENTS TO PARTICIPATE IN RESEARCH PROJECTS THAT DIRECTLY IMPACT PATIENT CARE, PROVIDING COST SAVINGS TO COMMUNITY, OR WORK ON PERFORMANCE IMPROVEMENTS WITHIN PHARMACY SERVICES. EACH RESIDENT IS REQUIRED TO PRESENT THESE FINDINGS AT A NATIONAL CONFERENCE POSTER PRESENTATION EACH DECEMBER, AS A FINAL SUMMATION OF THE PROJECT AT A REGIONAL CONFERENCE TOWARDS THE END OF THE RESIDENCY YEAR, AND AS A "PLAN, DO, STUDY, ACT" PROJECT FOR PHARMACY SERVICES TO HELP WITH PATIENT SATISFACTION, WE CONTINUE THE INITIATIVE CALLED THE "MED CHECK" PROGRAM. PHARMACY RESIDENTS PROVIDE EDUCATION TO HOSPITALIZED PATIENTS ABOUT SIDE EFFECTS ON SELECTED MEDICATIONS IN THE HOSPITAL. THIS INITIATIVE IS BENEFICIAL TO BOTH PHARMACY RESIDENTS AND PATIENTS AS PHARMACY RESIDENTS GAIN EXPERIENCE IN COUNSELING PATIENTS, AND PATIENTS HAVE A BETTER UNDERSTANDING OF THE SIDE EFFECTS OF THE MEDICATIONS THEY ARE TAKING IN THE HOSPITAL. WE ALSO GIVE BACK TO THE PROFESSION OF PHARMACY BY HAVING OUR RESIDENTS AND CLINICAL PHARMACISTS PRECEPT AND MENTOR STUDENTS FROM VARIOUS COLLEGES WITH WHICH WE HAVE AFFILIATIONS. THESE INCLUDE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO (UCSF) AND THOMAS J LONG, UNIVERSITY OF PACIFIC.

Additional Data

Software ID:

Software Version:

EIN: 94-1156276

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
PART V, SECTION B	FACILITY REPORTING GROUP A

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
FACILITY REPORTING GROUP A CONSISTS OF	- FACILITY 1 COMMUNITY REGIONAL MEDICAL CENTER, - FACILITY 2 CLOVIS COMMUNITY MEDICAL CENTER, - FACILITY 3 FRESNO HEART AND SURGICAL HOSPITAL

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 1J	THE TASK FORCE AGREED TO COORDINATE AND COLLABORATE WHEREVER FEASIBLE IN ADDRESSING THE KEY NEEDS AS JOINTLY PRIORITIZED

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 3	FOCUS GROUPS, SURVEYS AND INTERVIEWS WERE CONDUCTED WITH 115 PEOPLE ATTENDING 14 FOCUS GROUPS AND ANOTHER 104 PEOPLE PROVIDING RESPONSES TO THE SAME QUESTIONS ON-LINE INTERVIEWS WERE ALSO CONDUCTED WITH PUBLIC HEALTH DIRECTORS/OFFICERS IN ALL FOUR COUNTIES, THE CEOS OR SENIOR EXECUTIVES OF EIGHT HOSPITALS AND OTHER STAKEHOLDERS THAT PLAY A VARIETY OF ROLES IN THE REGION'S HEALTH SERVICES

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 4	FIFTEEN FACILITIES OVER FOUR CENTRAL VALLEY COUNTIES COLLABORATED ON THIS REPORT IN ADDITION TO COMMUNITY REGIONAL MEDICAL CENTER, THE OTHERS WERE CLOVIS COMMUNITY MEDICAL CENTER, FRESNO HEART & SURGICAL HOSPITAL, ADVENTIST HEALTH/ADVENTIST MEDICAL CENTER - HANFORD, ADVENTIST MEDICAL CENTER - REEDLEY, CORCORAN DISTRICT HOSPITAL, CHILDREN'S HOSPITAL CENTRAL CALIFORNIA, KAISER PERMANENTE FRESNO MEDICAL CENTER, KAWEAH DELTA HEALTH CARE DISTRICT, MADERA COMMUNITY HOSPITAL, SAN JOAQUIN VALLEY REHABILITATION HOSPITAL, SAINT AGNES MEDICAL CENTER AND TULARE REGIONAL MEDICAL CENTER

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 5D	THE REPORT AS WELL AS HOSPITAL-SPECIFIC IMPLEMENTATION PLANS ARE LOCATED ON-LINE AT HTTP //WWW COMMUNITYMEDICAL ORG/NEWS-EVENTS/FACTS-REPORTS-PUBLICATIONS , WHICH IS THE OFFICIAL CORPORATE WEBSITE FOR COMMUNITY MEDICAL CENTERS THE REPORT IS ALSO AVAILABLE AT WEBSITE OF THE HOSPITAL COUNCIL OF NORTHERN AND CENTRAL CALIFORNIA ADDITIONALLY, THE IMPLEMENTATION PLANS ARE AVAILABLE AT OUR INDIVIDUAL HOSPITAL WEBSITES HTTP //WWW COMMUNITYMEDICAL ORG/SITES/DEFAULT/FILES/LIBRARY/FILES/CLOVISCHNAJUNE2013_0 PDF , HTTP //WWW COMMUNITYMEDICAL ORG/SITES/DEFAULT/FILES/LIBRARY/FILES/REGIONALCHNAJUNE2013_0 PDF , HTTP //WWW COMMUNITYMEDICAL ORG/SITES/DEFAULT/FILES/LIBRARY/FILES/FRESNOHEARTCNHAJUNE2013_0 PDF EACH IMPLEMENTATION PLAN ALSO INCLUDES A LINK TO THE COMMUNITY NEEDS ASSESSMENT REPORT

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 6I	THE SCOPE OF THE COMMUNITY MEDICAL CENTERS' COMMUNITY BENEFITS ACTIVITIES IS THE BROADEST OF ANY HOSPITAL OR HOSPITAL SYSTEM IN THE SAN JOAQUIN VALLEY LAST YEAR, WE REPORTED TO THE STATE OF CALIFORNIA, IN COMPLYING WITH SB 697 THAT BECAME LAW IN 1994, THAT AS A CORPORATION COMMUNITY PROVIDED NEARLY \$186 MILLION NET UNCOMPENSATED COMMUNITY BENEFITS IN FY13-14 OUR CALIFORNIA COMMUNITY BENEFITS REPORT, AVAILABLE ON OUR CORPORATE WEBSITE, LISTS MANY OF THOSE SERVICES PROVIDED BEYOND THE SCOPE OF NEEDS IDENTIFIED IN THE FEDERAL COMMUNITY NEEDS ASSESSMENT REPORT

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 7	THE HOSPITAL IS ADDRESSING THE NEEDS IDENTIFIED TO THE BEST OF ITS ABILITIES HOWEVER, AS NOTED IN THE NEEDS REPORT, THE COMPLEX AND CHRONIC NATURE OF THOSE NEEDS REQUIRES COORDINATED ACTION AMONG NOT ONLY HEALTH PROVIDERS BUT ALSO PRIVATE BUSINESSES, SCHOOLS, GOVERNMENTS AND COMMUNITY-BASED ORGANIZATIONS

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 14G	OSHDPD HAS CREATED A WEB-BASED SYSTEM THAT WILL ALLOW USERS TO SEARCH, COMPARE, AND VIEW EACH HOSPITAL'S SUBMITTED CHARITY CARE POLICY, DISCOUNT PAYMENT POLICY, ELIGIBILITY PROCEDURES, REVIEW PROCESS, AND APPLICATION FORM ACCESS OSHPD'S HOSPITAL FAIR PRICING SEARCH SYSTEM AT SYFPHR OSHPD CA GOV

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
FACILITY REPORTING GROUP - A PART V, SECTION B, LINE 20D	UNDER CALIFORNIA LAW (AB 774), THE MAXIMUM THAT A FAP-ELIGIBLE PATIENT MAY BE CHARGED IS THE REIMBURSEMENT RATE OF ANY GOVERNMENT-SPONSORED HEALTH PROGRAMS IN WHICH THE HOSPITAL PARTICIPATES

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

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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. Part II can be duplicated 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) SANTE HEALTH FOUNDATION 1180 EAST SHAW SUITE 101 FRESNO, CA 93710	20-0517238	501(C)(3)	5,147,500				TO SUPPORT EFFORTS TO RECRUIT NEEDED SPECIALISTS AND PRIMARY CARE PHYSICIANS
(2) UCSF FOUNDATION (PLEDGE) 155 N FRESNO STREET FRESNO, CA 93701	94-2829914	501(C)(3)	400,000				FUNDING GENE W KALLSEN, MD ENDOWED CHAIR IN EMERGENCY MEDICINE
(3) FOUNDATION FOR FRESNO'S FUTURE 14444 FULTON STREET FRESNO, CA 93721	46-5294082	501(C)(3)	150,000				PROMOTION OF THE CITY'S GENERAL PLAN
(4) DOWNTOWN FRESNO PARTNERSHIP 845 FULTON MALL FRESNO, CA 93721	94-1457817	501(C)(6)	20,000				MAJOR SPONSOR - ICE RINK SEASON 2013 & 2014
(5) UNITED WAY OF FRESNO COUNTY 1221 FULTON MALL SUITE 104 FRESNO, CA 93721	94-1156514	501(C)(3)	17,000				SPONSOR FLU VACCINATION MEDIA CAMPAIGN
(6) UCSD ESPP 5998 ALCALA PARK SAN DIEGO, CA 92110	95-2544535	501(C)(3)	9,150				CERTIFIED LACTATION EDUCATION PROGRAM

2

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

5

3

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

1

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.
Part III can be duplicated if additional space is needed.

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

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	FCH&MC IS GOVERNED BY A BOARD OF TRUSTEES THAT SETS POLICY AND IS RESPONSIBLE FOR THE REVIEW AND APPROVAL OF GRANTS

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I

Questions Regarding Compensation

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II

Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 4B	TIM JOSLIN, CEO, STEPHEN WALTER, CFO, AND PATRICK RAFFERTY, COO, PARTICIPATE IN A SERP. OTHER EXECUTIVES PARTICIPATE IN A SERP STRUCTURED TO PROMOTE RETENTION. THE FOLLOWING CONTRIBUTIONS WERE MADE DURING OR ATTRIBUTABLE TO 2013: - PATRICK RAFFERTY \$282,571 - STEPHEN WALTER \$137,363 - CRAIG CASTRO \$47,268 - JACK CHUBB \$50,140 - WANDA HOLDERMAN \$37,348 - THOMAS UTECHT \$38,732 - ABDUL KASSIR \$29,515 - MARY CONTRERAS \$27,979
PART I, LINE 5	THE ORGANIZATION'S EXECUTIVE INCENTIVE PLAN IS DESIGNED TO MOTIVATE AND REWARD KEY MEMBERS OF THE EXECUTIVE TEAM FOR MEETING SPECIFIC AND MEASURABLE GOALS AT THE HEALTH SYSTEM AND INDIVIDUAL LEVELS. THE MAIN OBJECTIVES ARE: - MOTIVATE EXECUTIVES AND REWARD THEM FOR IMPROVING CMC'S OPERATIONAL PERFORMANCE, - INCREASE COMMUNITY INVOLVEMENT AND EFFECTIVENESS, - INCREASE EXECUTIVE COMMITMENT TO CMC'S SHORT AND LONG TERM GOALS, - PROVIDE EXECUTIVES WITH COMPETITIVE BUT REASONABLE COMPENSATION, - AND ATTRACT AND RETAIN HIGHLY TALENTED EXECUTIVES THAT ARE CRITICALLY IMPORTANT TO THE SUCCESS OF THE ORGANIZATION.
PART I, LINE 6	SEE RESPONSE FOR QUESTION 5
PART I, LINE 3	THE ORGANIZATION RELIED ON A RELATED ORGANIZATION THAT USED ONE OR MORE OF THE METHODS TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION.

Additional Data

Software ID:

Software Version:

EIN: 94-1156276

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
MICHAEL SYNN MD BOARD MEMBER	(i)	0	0	0	0	0	0	0
	(ii)	282,417	0	0	0	0	282,417	0
PATRICK RAFFERTY EVP CHIEF OPERATIONS OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	611,077	279,856	75,218	224,678	6,166	1,196,995	0
STEPHEN WALTER SVP CHIEF FINANCIAL OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	539,778	221,354	36,813	115,772	10,726	924,443	0
TIM JOSLIN CHIEF EXECUTIVE OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	778,261	305,908	86,836	12,750	6,693	1,190,448	0
ABDUL KASSIR SVP MANAGED CARE	(i)	307,797	121,827	15,323	42,265	10,689	497,901	0
	(ii)	0	0	0	0	0	0	0
CRAIG CASTRO CHIEF EXECUTIVE OFFICER CCMC	(i)	471,496	180,055	14,296	62,568	10,721	739,136	0
	(ii)	0	0	0	0	0	0	0
CRAIG WAGONER CHIEF OPERATIONS OFFICER CRMC	(i)	364,119	125,421	13,016	12,750	10,702	526,008	0
	(ii)	0	0	0	0	0	0	0
JACK CHUBB CHIEF EXECUTIVE OFFICER CRMC	(i)	502,998	197,985	44,243	62,890	10,726	818,842	0
	(ii)	0	0	0	0	0	0	0
MARY CONTRERAS SVP CHIEF NURSING OFFICER	(i)	275,745	105,900	4,021	48,197	7,631	441,494	0
	(ii)	0	0	0	0	0	0	0
THOMAS UTECHT SVP CHIEF QUALITY OFFICER	(i)	372,327	143,624	1,921	51,482	6,319	575,673	0
	(ii)	0	0	0	0	0	0	0
TRACY KIRITANI CHIEF FINANCIAL OFFICER FAC	(i)	271,905	105,945	14,606	15,300	4,240	411,996	0
	(ii)	0	0	0	0	0	0	0
WANDA HOLDERMAN CHIEF EXECUTIVE OFFICER FHSB	(i)	370,284	76,555	28,858	50,098	7,648	533,443	0
	(ii)	0	0	0	0	0	0	0
BRUCE KINDER ASSOC ADMIN AMB- SUPPORT SVC	(i)	216,726	62,694	15,778	15,391	7,621	318,210	0
	(ii)	0	0	0	0	0	0	0
KAREN BUCKLEY VP CHIEF NURSING OFFICER	(i)	244,715	69,876	2,231	12,256	44	329,122	0
	(ii)	0	0	0	0	0	0	0
JOHN KASS VP CHIEF NURSING OFFICER	(i)	212,955	71,669	1,046	8,581	4,230	298,481	0
	(ii)	0	0	0	0	0	0	0
MARK KESTNER CHIEF MEDICAL INNOVATION OFFICER	(i)	262,067	39,100	2,107	0	4,415	307,689	0
	(ii)	0	0	0	0	0	0	0
DANNY VERA ASSOC ADMIN PROF- SUPPORT SVC	(i)	209,987	55,815	10,426	10,303	10,673	297,204	0
	(ii)	0	0	0	0	0	0	0

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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	CALIFORNIA MUNICIPAL FINANCE AUTHORITY	20-1563466	130493BL2	10-08-2009	206,029,314	CONSTRUCT & EQUIP FACILITY		X		X		X
B	CALIFORNIA MUNICIPAL FINANCE AUTHORITY	20-1563466	130493AT6	05-16-2007	330,722,470	CONSTRUCTION		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	15,400,000		21,635,000					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	206,077,695		353,798,592					
4	Gross proceeds in reserve funds	14,394,516		19,270,988					
5	Capitalized interest from proceeds	25,493,130							
6	Proceeds in refunding escrows			265,588,353					
7	Issuance costs from proceeds	4,120,586		4,344,512					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	162,069,463		50,958,244					
11	Other spent proceeds			13,636,495					
12	Other unspent proceeds								
13	Year of substantial completion	2013		2008		YesNoYesNo			
		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 of bond-financed property?		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	0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?	X		X					
c	No rebate due?		X		X				
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X	X					
b	Name of provider			SOCIETE GENERAL					
c	Term of GIC			69 0000000000000					
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?			X					
6	Were any gross proceeds invested beyond an available temporary period?			X					
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
Has 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?		X		X					

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K, PART II, LINE 3, COLUMN A	ISSUE PRICE PLUS PROJECT FUND EARNINGS OF \$48,381 EQUAL PROCEEDS AVAILABLE FOR USE

Return Reference	Explanation
SCHEDULE K, PART II, LINE 3, COLUMN B	ISSUE PRICE \$330,722,470, FUNDS RECEIVED FROM RESERVE FUNDS OF DEFEASANCE ISSUES \$21,760,612, EARNINGS ON PROJECT FUND \$1,315,510

Return Reference	Explanation
SCHEDULE K COMBINED SUPPLEMENTAL INFORMATION	THE ORGANIZATION AND COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA HAVE ESTABLISHED AN OBLIGATED GROUP TO ACCESS CAPITAL MARKETS THE OBLIGATED GROUP MEMBERS ARE JOINTLY AND SEVERALLY LIABLE FOR LONG-TERM DEBT OUTSTANDING UNDER THE OBLIGATED GROUPS MASTER TRUST INDENTURE THE ORGANIZATION IS THE PRIMARY BENEFICIARY OF THE TAX-EXEMPT BOND PROCEEDS AND FILES SCHEDULE K FOR THE BENEFIT OF ALL MEMBERS OF THE OBLIGATED GROUP

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, line 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.
► Information about Schedule L (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2

Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) TIM JOSLIN	OFFICER	SPLIT DOLLAR		X	4,520,093	4,871,658		No	Yes		Yes	
Total ► \$						4,871,658						

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 assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CENTRAL CALIFORNIA FACULTY MEDICAL GROUP	ENTITY OF WHICH MR CHUBB IS AN OFFICER	39,922,705	MEDICAL SERVICES		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
SCH L, PART II, LOANS TO AND/OR FROM INTERESTED PERSONS	(C) PURPOSE OF LOAN THE ORGANIZATION HAS ENTERED INTO A COLLATERAL ASSIGNMENT SPLIT DOLLAR AGREEMENT WITH TIM JOSLIN UNDER TREAS REG SECTION 1 7872-15(E)(5)(II) THE ORGANIZATION HAS INVESTED \$4,520,093 INTO THIS PLAN AND IS ENTITLED TO RECEIVE A RETURN OF THESE FUNDS, PLUS AN INTEREST RATE OF 2 55% UPON THE DEATH OF TIM JOSLIN
SCH L, PART IV, MEDICAL STAFF REPRESENTATION ON BOARD	MEDICAL STAFF REPRESENTATION ON HOSPITAL BOARDS IN EMBODIED IN HOSPITAL ACCREDITATION REQUIREMENTS THE CURRENT JOINT COMMISSION STANDARDS ON LEADERSHIP CALL FOR THE GOVERNING BODY TO PROVIDE THE MEDICAL STAFF WITH THE "OPPORTUNITY TO PARTICIPATE IN GOVERNANCE" AND BE "ELIGIBLE" FOR FULL MEMBERSHIP ON HOSPITAL BOARDS

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.
**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**

OMB No 1545-0047

2013

**Open to Public
Inspection**

Name of the organization FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	Employer identification number 94-1156276
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Return Reference	Explanation
FORM 990, PART V, LINES 1 & 2	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA IS THE COMMON PAY MASTER FOR THE ORGANIZATION, COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, FOUNDATION, AND ITSELF

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA (CHCC) IS THE SOLE MEMBER IT HAS THE SOLE AND EXCLUSIVE RIGHT TO ELECT ALL MEMBERS OF THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	CHCC IS THE SOLE MEMBER IT HAS THE SOLE AND EXCLUSIVE RIGHT TO ELECT ALL MEMBERS OF THE BOARD OF DIRECTORS CHCC IS THE SOLE MEMBER OF THIS ENTITY AS SUCH, IT HAS THE RIGHTS OF MEMBERS CONFERRED BY CHAPTER 3 OF THE NONPROFIT PUBLIC BENEFIT CORPORATION LAW, SECTIONS 5310-5354, WHICH INCLUDES THE RIGHTS TO APPROVE AMENDMENTS TO THE ARTICLES, BYLAWS AND SALE OF ASSETS OUTSIDE THE NORMAL COURSE OF BUSINESS THE MOST RECENT AMENDED ARTICLES OF INCORPORATION PROVIDES THAT UPON DISSOLUTION ALL REMAINING ASSETS WILL BE DISTRIBUTED TO CHCC OR ITS SUCCESSOR

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	CHCC IS THE SOLE MEMBER OF THIS ENTITY AS SUCH, IT HAS THE RIGHTS OF MEMBERS CONFERRED BY CHAPTER 3 OF THE NONPROFIT PUBLIC BENEFIT CORPORATION LAW, SECTIONS 5310 - 5354, WHICH INCLUDES THE RIGHTS TO APPROVE AMENDMENTS TO THE ARTICLES, BYLAWS AND SALE OF ASSETS OUTSIDE THE NORMAL COURSE OF BUSINESS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	UPON COMPLETION OF AN INITIAL REVIEW BY SENIOR MANAGEMENT, THE CHAIRMAN OF THE BOARD OF TRUSTEES FORWARDS THE FORM TO THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES FOR FINAL REVIEW THE FINALIZED FORM 990 THEN BECOMES A RECORD OF THE ORGANIZATION'S BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF COMMITTEE WITH BOARD DELEGATED POWERS SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON 1) HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY , 2) HAS READ AND UNDERSTANDS THE POLICY , 3) HAS AGREED TO COMPLY WITH THE POLICY , AND 4) UNDERSTANDS THAT THE CORPORATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES TO ENSURE THAT THE CORPORATION OPERATES IN A MANNER CONSISTENT WITH ITS CHARITABLE PURPOSES AND THAT IT DOES NOT ENGAGE IN ACTIVITIES THAT COULD JEOPARDIZE ITS STATUS AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX, PERIODIC REVIEWS ARE CONDUCTED THE PERIODIC REVIEWS, AT A MINIMUM, INCLUDE THE FOLLOWING SUBJECTS 1) WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE AND ARE THE RESULT OF ARMS-LENGTH BARGAINING, 2) WHETHER ACQUISITIONS OF PHYSICIAN PRACTICES AND OTHER PROVIDER SERVICES RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT, 3) WHETHER PARTNERSHIP AND JOINT VENTURE ARRANGEMENTS AND ARRANGEMENTS WITH MANAGEMENT SERVICE ORGANIZATIONS AND PHYSICIAN HOSPITAL ORGANIZATIONS CONFORM TO WRITTEN POLICIES, ARE PROPERLY RECORDED, REFLECT REASONABLE PAYMENTS FOR GOODS AND SERVICES, FURTHER THE CORPORATIONS CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT, AND 4) WHETHER AGREEMENTS TO PROVIDE HEALTH CARE AND AGREEMENTS WITH OTHER HEALTH CARE PROVIDERS, EMPLOYEES, AND THIRD PARTY PAYORS FURTHER THE CORPORATIONS CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT FORM 990, PART VI, SECTION B, LINE 15A CHCC, THE SOLE MEMBER OF FCH&MC, ESTABLISHES COMPENSATION FOR THE CEO

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15B	RESPONSIBILITY FOR OVERSIGHT OF EXECUTIVE COMPENSATION RESTS WITH THE BOARD'S EXECUTIVE COMPENSATION SUBCOMMITTEE. THE COMMITTEE WILL "CONSIDER ALL MATTERS INVOLVING COMPENSATION AND BENEFITS OF (I) CORPORATE OFFICERS WHO ARE CLASSIFIED AS "DISQUALIFIED PERSONS" PURSUANT TO INTERNAL REVENUE CODE SECTION 4958, (II) ALL OTHER CORPORATE OFFICERS WHO ARE SENIOR VICE PRESIDENTS AND EXECUTIVE VICE PRESIDENTS AND (III) THE PRESIDENT/CHIEF EXECUTIVE OFFICER " THROUGH THE EXECUTIVE COMPENSATION SUBCOMMITTEE, THE BOARD HAS ENGAGED INTEGRATED HEALTHCARE STRATEGIES (IHS) TO CONDUCT A TOTAL COMPENSATION REVIEW FOR THOSE INDIVIDUALS IDENTIFIED IN THEIR SCOPE OF RESPONSIBILITY

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THE ORGANIZATION CONSOLIDATES THE RESULTS OF ITS FINANCIAL OPERATIONS WITH THOSE OF ITS NONPROFIT AND FOR-PROFIT AFFILIATES TO ISSUE CONSOLIDATED FINANCIAL STATEMENTS UNDER THE BUSINESS NAME COMMUNITY MEDICAL CENTER THESE AUDITED FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE THROUGH ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) AT EMMA.MSRB.ORG GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	PHYSICIAN FEES PROGRAM SERVICE EXPENSES 63,181,986 MANAGEMENT AND GENERAL EXPENSES 10,285,440 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 73,467,426 MD SUPERVISORY FEES PROGRAM SERVICE EXPENSES 8,166,649 MANAGEMENT AND GENERAL EXPENSES 1,329,454 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 9,496,103 MEDICAL - THERAPISTS AND OTHER PROGRAM SERVICE EXPENSES 917,460 MANAGEMENT AND GENERAL EXPENSES 149,354 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,066,814 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 1,988,741 MANAGEMENT AND GENERAL EXPENSES 323,748 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,312,489 CONSULTING & MANAGEMENT FEES PROGRAM SERVICE EXPENSES 144,706 MANAGEMENT AND GENERAL EXPENSES 23,557 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 168,263 LINEN SERVICES PROGRAM SERVICE EXPENSES 1,924,421 MANAGEMENT AND GENERAL EXPENSES 313,278 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,237,699 AMBULANCE SERVICE PROGRAM SERVICE EXPENSES 2,121,348 MANAGEMENT AND GENERAL EXPENSES 345,336 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,466,684 OTHER PURCHASED SERVICES PROGRAM SERVICE EXPENSES 73,328,299 MANAGEMENT AND GENERAL EXPENSES 11,937,165 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 85,265,464 MEDICAL PURCHASED SERVICE PROGRAM SERVICE EXPENSES 6,129,029 MANAGEMENT AND GENERAL EXPENSES 997,749 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,126,778

Return Reference	Explanation
FORM 990, PART XI, LINE 9	UBI FROM PASSTHROUGH INVESTMENTS 29,932

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) 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
(1) FRESNO HEART HOSPITAL 15 E AUDUBON DRIVE FRESNO, CA 93720 77-0513288	HOSPITAL	CA	3,730,000	79,172,000	N/A
(2) DERAN KOLOGIAN AMBULATORY CARE CENTER 2440 TULARE STREET STE 400 FRESNO, CA 93721 26-3813822	LEASING	CA	-1,411,000	21,408,000	N/A

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 entity?	
						Yes	No
(1) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA PO BOX 1232 FRESNO, CA 93715 94-2864615	HOSPITAL	CA	501(C)(3)	LINE 11B, II	N/A		No
(2) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION PO BOX 1232 FRESNO, CA 93715 77-0191730	SUPPORTING ORGANIZATION	CA	501(C)(3)	LINE 11B, II	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA	Yes	
(3) SIERRA HOSPITAL FOUNDATION PO BOX 1232 FRESNO, CA 93715 94-1431181	INACTIVE	CA	501(C)(3)	LINE 3	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) COMMUNITY HEALTH ENTERPRISES INC 789 N MEDICAL CTR DR E CLOVIS, CA 93611 77-0175659	PHARMACY SALES	CA	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C	-1,463,000	3,987,000	100 000 %	Yes	
(2) COMMUNITY CARE HEALTH PLAN INC 789 N MEDICAL CTR DR E CLOVIS, CA 93611 27-3353543	HEALTH CARE PLAN	CA	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C	194,000	6,485,000	100 000 %	Yes	
(3) SANTE HEALTH SERVICES INC 6051 N FRESNO STREET FRESNO, CA 93710 20-0382364	INACTIVE	CA	N/A	C					No
(4) COMMUNITY INSURANCE SERVICES COMPANY 789 N MEDICAL CTR DR E CLOVIS, CA 93611 98-0674776	INSURANCE	CJ	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C	1,129,000	12,984,000	100 000 %	Yes	

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

Yes

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

No

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

No

1s

Yes

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION	C	2,789,290	CASH
(2) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION	D	9,501,232	CASH

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Report of Independent Auditors
and Consolidated Financial Statements
Community Hospitals of Central California
and Affiliated Corporations
dba Community Medical Centers
August 31, 2014 and 2013

MOSS ADAMS LLP

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees

**Community Hospitals of Central California and Affiliated Corporations
dba Community Medical Centers**

We have audited the accompanying consolidated financial statements of Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers (CMC), which comprise the consolidated balance sheets as of August 31, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMC as of August 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 38 through 41 is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Moss Adams LLP

Stockton, California
November 24, 2014

CONSOLIDATED FINANCIAL STATEMENTS

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED BALANCE SHEETS (In thousands)**

ASSETS

	AUGUST 31,	
	2014	2013
Current assets:		
Cash and equivalents	\$ 64,134	\$ 37,984
Short-term investments	3,168	12,056
Patient accounts receivable (less allowance for doubtful accounts of \$83,205 in 2014 and \$125,307 in 2013)	179,114	166,016
Estimated third-party settlements	8,837	-
Due from State of California for supplemental funding	14,700	18,953
Other receivables	4,227	60,194
Inventories	11,714	10,572
Prepaid expenses and other	25,644	15,606
	<u>311,538</u>	<u>321,381</u>
Assets limited as to use:		
Board-designated assets	316,160	295,315
Assets held by trustee for:		
Debt service	35,556	35,600
Self-insurance in captive insurance company	9,864	12,703
Project funds	-	-
Donor-restricted assets	18,137	17,694
	<u>379,717</u>	<u>361,312</u>
Property, plant, and equipment, net	795,796	732,033
Construction in progress	45,308	77,420
Other assets	96,772	74,269
	<u>\$ 1,629,131</u>	<u>\$ 1,566,415</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 70,645	\$ 68,836
Accrued compensation and employee benefits	68,028	61,749
Estimated third-party settlements	-	8,287
Other accrued liabilities and deferred revenue	34,096	33,659
Current maturities of long-term debt	8,301	10,695
	<u>181,070</u>	<u>183,226</u>
Long-term debt, less current maturities	510,735	515,683
Pension benefit obligation	23,203	33,957
Other long-term obligations	60,116	50,714
	<u>775,124</u>	<u>783,580</u>
Net assets:		
Unrestricted	835,870	765,141
Temporarily and permanently restricted	18,137	17,694
	<u>854,007</u>	<u>782,835</u>
	<u>\$ 1,629,131</u>	<u>\$ 1,566,415</u>

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands)**

	YEARS ENDED AUGUST 31,	
	2014	2013
Unrestricted revenues, gains, and other support.		
Net patient service revenues	\$ 1,303,294	\$ 1,401,939
Less. Provision for bad debts	(129,577)	(174,206)
	1,173,717	1,227,733
Premium revenue	1,286	1,342
Investment income	22,237	10,169
Other revenue	48,736	36,887
	1,245,976	1,276,131
Expenses		
Salaries, wages, and benefits	620,342	565,721
Supplies	200,693	198,573
Outside services	204,475	186,546
Insurance	6,334	3,731
Depreciation and amortization	61,026	54,434
Rental and lease	10,422	11,057
Interest	23,255	21,075
Utilities	12,736	11,945
Other	40,718	122,183
	1,180,001	1,175,265
Excess of revenues, gains, and other support over expenses	65,975	100,866
Net change in unrealized gains and losses on investments	(311)	(571)
Net assets released from restrictions for equipment acquisition	2,009	1,426
Change in unfunded accumulated pension benefit obligation	3,056	41,322
Other	-	66
Change in unrestricted net assets	\$ 70,729	\$ 143,109

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (In thousands)**

	Unrestricted	Temporarily and permanently restricted	Total
Balance at August 31, 2012	\$ 622,032	\$ 13,110	\$ 635,142
Excess of revenues, gains, and other support over expenses	100,866	-	100,866
Net change in unrealized gains and losses on investments	(571)	-	(571)
Donor-restricted contributions	-	7,276	7,276
Net assets released from restrictions and used for operations	-	(1,266)	(1,266)
Net assets released from restrictions for equipment acquisition	1,426	(1,426)	-
Change in unfunded accumulated pension benefit obligation	41,322	-	41,322
Other	66	-	66
	<u>143,109</u>	<u>4,584</u>	<u>147,693</u>
Balance at August 31, 2013	<u>765,141</u>	<u>17,694</u>	<u>782,835</u>
Excess of revenues, gains, and other support over expenses	65,975	-	65,975
Net change in unrealized gains and losses on investments	(311)	-	(311)
Donor-restricted contributions	-	3,596	3,596
Net assets released from restrictions and used for operations	-	(1,144)	(1,144)
Net assets released from restrictions for equipment acquisition	2,009	(2,009)	-
Change in unfunded accumulated pension benefit obligation	3,056	-	3,056
Other	-	-	-
	<u>70,729</u>	<u>443</u>	<u>71,172</u>
Balance at August 31, 2014	<u>\$ 835,870</u>	<u>\$ 18,137</u>	<u>\$ 854,007</u>

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)**

	YEARS ENDED AUGUST 31,	
	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 71,172	\$ 147,693
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized losses and gains on investments	311	571
Donor-restricted contributions	(3,901)	(4,249)
Provision for bad debts	129,577	174,206
Depreciation and amortization	61,026	54,434
Amortization of bond discount/premium	(132)	(178)
Net changes in operating assets and liabilities:		
Patient accounts receivable and other receivables	(86,708)	(170,637)
Due from State of California for supplemental funding	4,253	(5,231)
Inventories, prepaid expenses, and other	(40,932)	(14,222)
Accounts payable and other accrued liabilities	5,202	(15,141)
Accrued compensation and employee benefits	6,279	(123)
Pension benefit obligation	(10,754)	(44,304)
Estimated third-party settlements	(17,124)	(7,718)
	<u>118,269</u>	<u>115,101</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment, net	(75,239)	(109,867)
Purchase of investments	(234,530)	(230,969)
Proceeds from sales of investments	210,193	208,205
Cash and cash equivalents movements in assets limited as to use	14,466	(8,077)
Change in assets under bond indenture agreements	43	(27)
	<u>(85,067)</u>	<u>(140,735)</u>
Cash flows from financing activities:		
Repayments of long-term debt	(11,053)	(11,843)
Proceeds from long-term debt	100	912
Proceeds from restricted contributions	3,901	4,249
	<u>(7,052)</u>	<u>(6,682)</u>
	26,150	(32,316)
Cash and equivalents, beginning of year	<u>37,984</u>	<u>70,300</u>
Cash and equivalents, end of year	<u>\$ 64,134</u>	<u>\$ 37,984</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 26,284	\$ 26,519

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION

Community Hospitals of Central California and Affiliated Corporations, dba Community Medical Centers (CMC), is a not-for-profit multifacility integrated healthcare organization located in Fresno, California. CMC has established an Obligated Group to access capital markets. Obligated Group members are jointly and severally liable for the long-term debt outstanding under the Obligated Group's master trust indenture. The Obligated Group members are denoted with an asterisk (*). CMC includes the following consolidated entities:

Acute care services – Acute care services consist of a single corporate entity, Fresno Community Hospital and Medical Center*, which operates as two general acute care hospitals that provide a full range of medical, surgical, intensive care, emergency room, burn and trauma, and obstetric services. These facilities also offer home health, psychiatric, rehabilitation, and a variety of other services. The acute care hospitals are:

- Community Regional Medical Center (CRMC)
- Clovis Community Medical Center (CCMC)

California Imaging Institute LLC (CII), operates two freestanding outpatient imaging centers that provide comprehensive imaging services. It is owned in partnership with a physician-owned radiology medical group. Fresno Community Hospital and Medical Center accounts for this investment using the equity method.

Corporate activities – Corporate activities consist of centralized shared services, real estate activities, and retail pharmacy operations.

- Community Hospitals of Central California* (CHCC)
- Community Health Enterprises (CHE)

Fresno Heart and Surgical Hospital* – The Fresno Heart and Surgical Hospital provides cardiac-related services and bariatric and other minimally invasive surgeries.

Deran Koligian Ambulatory Care Center – Deran Koligian Ambulatory Care Center, LLC (DKACC) is a not-for-profit single member LLC, whose sole member is Fresno Community Hospital and Medical Center.

Community Insurance Services Company – Community Insurance Services Company (CISC), is a wholly owned captive insurance company that maintains professional and general liability coverage and has no income tax obligation.

Community Care Health Plan – Community Care Health Plan (CCHP), is a wholly owned Knox-Keene licensed Health Maintenance Organization that provides health insurance coverage to the employees of CMC and entities partially owned by CMC.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION (CONTINUED)

Physician management services – Physician management services consist of Santé Health System (Santé), which is a management service organization (MSO) providing independent physician association and physician practice management services. CMC accounts for the investment in Santé using the equity method.

Development activities – Development activities consist of a single corporate entity, Community Hospitals of Central California Foundation, which conducts fundraising activities for the not-for-profit organizations within the health system.

Obligated Group members – Obligated Group members are the parent corporations of certain consolidated entities that are not Obligated Group members. Accounting principles generally accepted in the United States of America (U.S. GAAP) require consolidation of all controlled subordinate corporations. Accordingly, the consolidated financial statements of CMC are the same as the Obligated Group financial statements under U.S. GAAP.

NOTE 2 – AGREEMENT WITH THE COUNTY OF FRESNO

Effective October 7, 1996, CMC, through one of its affiliates (Fresno Community Hospital and Medical Center), entered into a series of agreements (the Transaction Agreements) with the County of Fresno (the County). The Transaction Agreements were amended in 1998 and again in 2003 related to a University Medical Center (UMC) lease. The principal ongoing provision of the Transaction Agreements are as follows:

- CMC is required to provide comprehensive medical care to certain classes of indigent persons and inmates within the County for a period of 30 years in return for certain payments. Payments received under this agreement totaled approximately \$21,375,000 and \$21,065,000 for the years ended August 31, 2014 and 2013, respectively. CMC was notified in August, 2014 that the County was terminating the contract effective November 30, 2014.

As security for CMC's performance under the terms of the Transaction Agreements, the County was granted a first-priority lien on CCMC and an adjoining medical office building. In addition, during the 30-year period commencing October 7, 1996, (a) the County is entitled to nominate 27% of the members of CMC's (and certain of its affiliates') board of trustees and related subcommittees and (b) CMC and its affiliates are precluded, with certain specified exceptions, from making any net asset transfers outside of CMC.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation – The consolidated financial statements include the accounts of CMC and affiliates as listed under Organization in Note 1. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates – The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and equivalents – Cash and equivalents include all highly liquid investments with an original maturity of three months or less when purchased. Cash and equivalents purchased by CMC’s investment managers as part of their investment strategies are included in assets limited as to use and short-term investments. CMC regularly maintains balances in depository accounts in excess of the FDIC insurance limit.

Accounts receivable – CMC’s primary concentration of credit risk is patient accounts receivable and SB855 and SB1255 disproportionate share funds receivable, which consist of amounts owed by various government agencies, insurance companies, and private patients. CMC manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. CMC provides for estimated losses on patient accounts receivable based on prior bad debt experience. Uncollectible receivables are charged-off when deemed uncollectible. Recoveries from previously charged-off accounts are recorded when received. The mix of receivables from third-party payors and patients at August 31, 2014 and 2013, is as follows:

	<u>2014</u>	<u>2013</u>
Medicare	15%	15%
Medi-Cal and managed Medi-Cal	24%	20%
Contracted rate payors	52%	51%
Commercial insurance and other payors	<u>9%</u>	<u>14%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allowance for doubtful accounts – Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, CMC analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, CMC analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients and non-contracted insurance (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), CMC records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

CMC's allowance for doubtful accounts for self-pay patients decreased from 84.8 percent of self-pay accounts receivable at August 31, 2013, to 76.1 percent of self-pay accounts receivable at August 31, 2014. In addition, CMC's write-offs were approximately \$129,577,000 for fiscal year 2014 and \$174,206,000 for fiscal year 2013. Decreased write-offs were the result of decreased self-pay revenue of 34.5 percent in fiscal year 2014. The decrease in self pay revenue was primarily the result of implementation of the Medicaid expansion on insurance marketplace components of the Affordable Care Act (see Note 4) in 2014. CMC maintained allowances for doubtful accounts from third-party payors of \$7,745,000 in fiscal year 2014 and \$8,750,000 in fiscal year 2013.

Inventories – Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

Assets limited as to use and short-term investments – Assets limited as to use consist principally of corporate debt securities, equity securities, and U.S. government and agency securities, all of which are available for sale and carried at fair market value. The fair values for these investments are based on quoted market prices. Investments also include repurchase agreements. Certain marketable securities are designated as assets held in trust. These include assets held by trustees in accordance with the indentures relating to long-term debt. In addition, certain investments are set aside by the board of trustees for future capital improvements.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets limited as to use and short-term investments (continued) – Investment income is included in the excess of revenues, gains, and other support over expenses unless the income is restricted by donor or law.

For investments purchased prior to September 1, 2008, unrealized gains and losses on investments are excluded from the excess of revenues, gains, and other support over expenses unless the investments are trading securities, or an unrealized loss is determined to be other than temporary for any security that is available for sale. Management routinely evaluates its investments in marketable securities for other than temporary impairment.

CMC has elected to report investments in debt and equity securities purchased on or after September 1, 2008 under Accounting Standards Codification (ASC) 825, *Financial Instruments*, such that unrealized gains and losses on such securities are included in the excess of revenues, gains, and other support over expenses unless the income is restricted by donor or law.

CMC has discretion to establish policies regarding which portion of assets limited as to use is classified as short-term investments. The amount classified as short-term investments consists of available cash held in investment accounts, money markets balances, and highly liquid investment securities with an original maturity of three months or less.

Property, plant, and equipment – Property, plant, and equipment are stated at cost, or in the case of donated items, at fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase values, change capacities, or extend useful lives are capitalized, as is interest for significant construction projects. In 2014 and 2013, \$3,121,000 and \$5,380,000, respectively, of net interest expense was capitalized for construction projects.

Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from 10 to 25 years for land improvements, 5 to 40 years for buildings and improvements, and an average of 8 years for equipment.

CMC's management regularly reviews long-lived assets for indications of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management estimates the fair value of legal asset retirement obligations that are conditional on a future event if the amount can be reasonably estimated, in accordance with Financial Accounting Standards Board (FASB). Estimates are developed through the identification of applicable legal requirements, identification of specific conditions requiring incremental cost at time of asset disposal, estimation of costs to remediate conditions, and estimation of remaining useful lives or date of asset disposal.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Self-insurance and other benefit plans – CMC is self-insured for workers compensation claims and maintains a self-insured medical, dental, and vision care plan as an option for its employees. Claims are accrued under these plans as the incidents that give rise to them occur. Unpaid claim accruals are based on the actuarially estimated ultimate cost of settlement, including claim settlement expenses. CMC has reinsurance arrangements with insurance companies to limit its losses on claims for medical and workers compensation expenses. The portion not expected to be paid within one year is included within other long-term obligations. As of August 31, 2014, CMC has a claims liability of \$62,353,000 and a corresponding insurance recovery receivable of \$2,640,000 for medical and workers compensation claims that are insured by a third party excess loss policy. As of August 31, 2013, CMC has a claims liability of \$54,299,000 and a corresponding insurance recovery receivable of \$1,894,000 for medical and workers compensation claims that are insured by a third party excess loss policy. The claims liability is classified in other accrued liabilities and long-term obligations and the insurance recovery receivable is classified in prepaids and other assets, respectively, in the accompanying balance sheet.

Professional liability insurance – Community Insurance Services Company (CISC), CMC wholly owned captive insurance company, has issued claims-made policies to insure the medical and general liability risks of CMC's affiliates. CISC retains \$2,000,000 per incident and \$15,000,000 in the aggregate and is reinsured up to \$90,000,000 per incident and in the aggregate with third-party reinsurers. As of August 31, 2013, CMC had recorded estimated liabilities for claims incurred and reported of \$6,115,000, and a corresponding insurance recovery receivable of \$341,000. These amounts are included within the accompanying consolidated balance sheets. As of August 31, 2014, CMC had recorded estimated liabilities for claims incurred and reported of \$6,504,000, and a corresponding insurance recovery receivable of \$3,098,000. These amounts are included within the accompanying consolidated balance sheets.

Should the reinsurance policies not be renewed or replaced with equivalent insurance, claims related to occurrences during the term of the claims-made policy but reported subsequent to its termination may be uninsured. Liabilities of \$3,146,000 and \$2,983,000 have been recorded for the actuarially estimated incurred but not reported liability at August 31, 2014 and 2013, respectively. These liabilities are included within other long-term obligations in the accompanying consolidated balance sheets.

Income taxes – Most entities included in CMC are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and are generally not subject to federal or state income taxes. However, the exempt organizations are subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole. CMC includes entities that are subject to income taxes; however, such income tax activities are not significant to the consolidated financial statements.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor gifts – Unconditional promises to give cash and other assets to CMC are reported at fair market value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair market value at the date the gift is received and any conditions are substantially met. 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, restricted net assets are reclassified as unrestricted net assets.

Fair value of financial instruments – Unless otherwise indicated, the fair value of all reported assets and liabilities, which represent financial instruments, approximate their carrying values. CMC's policy is to recognize transfers in and transfers out of Levels 1 and 2 as of the end of the reporting period.

Excess of revenues, gains, and other support over expenses – Excess of revenues, gains, and other support over expenses reflected in the accompanying consolidated statements of operations includes all changes in unrestricted net assets other than changes in unrealized gains on certain marketable securities, net assets released from restrictions for equipment acquisition, and changes in pension benefit obligation.

Reclassifications – Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. CMC recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. CMC's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the balance sheet date and before the consolidated financial statements are issued. CMC has evaluated subsequent events through November 24, 2014, which is the date the consolidated financial statements are issued.

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES

Net patient service revenues – Net patient service revenues are 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. Estimated settlements under third-party reimbursement agreements are accrued in the period in which the related services are rendered and adjusted in future periods, based on updated information and as a result of final settlements.

Gross patient charges comprise usual and customary charges for services provided to all patients. The composition of consolidated net patient revenue by major payor group as of the years ended August 31, 2014 and 2013, is as follows:

	<u>2014</u>	<u>2013</u>
Medicare	23%	21%
Medi-Cal and managed Medi-Cal	29%	32%
Contracted rate payors	37%	33%
Commercial insurance and other payors	10%	13%
Medically Indigent Services Program (MISP)	<u>1%</u>	<u>1%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>

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

CMC is evaluating whether it received overpayments, and whether any such overpayments should be reported to the payer and repaid, pertaining to certain patient services provided. CMC has recorded an estimated liability of \$14,549,000 in its 2014 financial statements related to this matter. CMC will continue to evaluate the matter but management does not believe that the ultimate outcome will have a materially adverse impact on the financial position or operations of CMC.

Medicare – Inpatient acute care services, skilled nursing services, rehabilitation services, and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain inpatient nonacute services and medical education costs related to Medicare beneficiaries are paid based on a cost-based reimbursement methodology. Professional services are reimbursed based on a fee schedule.

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NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES (CONTINUED)

Medi-Cal – Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed primarily at prospectively determined rates per diagnosis. Additionally, CMC is allocated certain funds available from a pool of State of California funds for disproportionate share hospital services under the SB855 and SB1255/Private Hospital Fund programs based upon an annual determination for eligibility. Revenues under the SB855 program and SB1255/Private Hospital Fund totaled \$47,543,000 and \$8,528,000, respectively, for the year ended August 31, 2014 and \$46,826,000 and \$8,250,000, respectively, for the year ended August 31, 2013. As of August 31, 2014 and 2013, CMC recorded receivables of \$15,501,000 and \$18,953,000, respectively, for amounts due from the State of California for SB855, SB1255, and other programs (Note 14).

Cost reports filed under the Medicare and Medi-Cal programs for services based on cost reimbursement are subject to audit. The estimated amounts due to or from the programs are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net revenue in the year in which the examination is completed. Net patient service revenue increased \$677,000 and \$4,164,000 in 2014 and 2013, respectively, related to updates of prior years' cost report reserves and increased by \$10,733,000 and \$8,832,000, respectively, related to successful appeals of prior years' cost report settlements.

Other – CMC has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations (HMOs), and preferred provider organizations. The basis for payment to CMC under these agreements includes prospectively determined rates per diagnosis, discounts from established charges, and prospectively determined daily rates. CMC also receives State of California funds pursuant to Proposition 99.

Premium revenue – CMC has an agreement with an independent physician association (IPA) to provide medical services to certain IPA members. Under this agreement, CMC receives monthly capitation payments and recognizes as revenue during the period regardless of whether services actually performed by CMC.

Charity care – Healthcare services are provided to patients who meet certain criteria under CMC's charity care policies without charge or at amounts less than established rates. Traditional charity care covers services provided to persons who meet certain criteria and cannot afford to pay. Unpaid costs of charity are the estimated costs of services provided to such patients. The estimated cost of providing these services was \$6,242,000 and \$6,665,000 for the years ended August 31, 2014 and 2013, respectively, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing charity care to patients.

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NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES (CONTINUED)

Hospital fee program – In November 2009, the California Hospital Fee Program (the Program) was signed into California state law. The Program provides supplemental Medi-Cal payments to certain California hospitals. The Program is funded by a quality assurance fee (the Fee) paid by participating hospitals and by matching federal funds. Hospitals receive supplemental payments from either the California Department of Health Care Services (DHCS), managed care plans or a combination of both.

California enacted a thirty-month quality assurance fee program (30-month Program) for the period July 1, 2011 through December 31, 2013. Final approval by CMS for the fee for service portion of this program occurred on June 22, 2012. For the fee for service portion for the year ended August 31, 2014 and 2013, estimated supplemental payments of \$25,972,000 and \$77,915,000, respectively, are included in net patient service revenue. For the years ended August 31, 2014 and 2013, estimated fees and pledge expense of \$15,031,000 and \$93,108,000, respectively, are included in other expenses. At August 31, 2014, CMC has a receivable of \$6,767,000 and a liability of \$2,047,000 relating to the 30-month Program. At August 31, 2013, CMC had a receivable of \$52,317,000 and a liability of \$19,376,000 relating to the 30-month Program. The final six months of the managed care portion of this program has not yet received final approval from CMS. CMC did not record any activity relating to the managed care portion in the year ended August 31, 2014. For the year ended August 31, 2013, CMC recognized \$82,968,000 in net patient service revenue related to the approved portion of the managed care portion of this program.

In March 2010, President Obama signed the Health Care Reform legislation into law. The new law will result in sweeping changes across the health care industry. The primary goal of this comprehensive legislation is to extend coverage to approximately uninsured legal U.S. residents through a combination of public program expansion and private sector health insurance reforms. To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs.

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NOTE 5 – ASSETS LIMITED AS TO USE

Assets limited as to use include marketable securities that are carried at fair value, based on quoted market prices. Pledges receivable are carried at net realizable value. The composition of assets limited as to use at August 31, 2014 and 2013 is as follows (in thousands):

	2014		2013	
	Cost	Fair value and carrying value	Cost	Fair value and carrying value
Cash and equivalents	\$ 36,110	\$ 36,110	\$ 54,384	\$ 54,384
U.S. Treasury bills and notes	17,696	17,696	35,980	35,980
U.S. government agency debt	32,178	32,366	33,818	34,041
Corporate debt securities	168,756	168,759	142,048	142,056
Equity securities	53,176	57,814	43,284	48,122
Mutual funds	42,091	42,091	30,737	30,737
Repurchase agreements	19,393	19,393	19,394	19,394
Total cash and marketable securities	369,400	374,229	359,645	364,714
Less amounts classified as short-term investments	(3,168)	(3,168)	(12,056)	(12,056)
Pledges receivable, net	8,656	8,656	8,654	8,654
	5,488	5,488	(3,402)	(3,402)
Total assets limited as to use	\$ 374,888	\$ 379,717	\$ 356,243	\$ 361,312

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NOTE 5 – ASSETS LIMITED AS TO USE (CONTINUED)

CMC adopted ASC 820, *Fair Value Measurements and Disclosure*, on September 1, 2008 for fair value measurements of financial assets and liabilities. ASC 820 established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CMC has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are inputs that are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement entirely falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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NOTE 5 – ASSETS LIMITED AS TO USE (CONTINUED)

The following table presents financial assets measured at fair value as of August 31, 2014 (in thousands):

	2014			
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Investments				
Cash and equivalents	\$ 3,168	\$ -	\$ -	\$ 3,168
U S Treasury and U S agency fixed income				
U S Treasury bills and notes	17,696	-	-	17,696
U S government agency debt	-	26,744	-	26,744
	17,696	26,744	-	44,440
Corporate debt securities.				
Health care	-	16,002	-	16,002
Energy	-	10,368	-	10,368
Financials	-	97,764	-	97,764
Industrials	-	6,800	-	6,800
Information technology	-	5,398	-	5,398
Telecommunications	-	7,659	-	7,659
Consumer discretionary	-	10,763	-	10,763
Consumer staples	-	9,243	-	9,243
Other	-	4,762	-	4,762
	-	168,759	-	168,759
Equity securities				
Health care	9,258	-	-	9,258
Financials	7,955	-	-	7,955
Consumer staples	5,568	-	-	5,568
Consumer discretionary	6,538	-	-	6,538
Materials	2,206	-	-	2,206
Energy	5,204	-	-	5,204
Information technology	12,156	-	-	12,156
Industrials	6,886	-	-	6,886
Telecommunications	747	-	-	747
Other	1,296	-	-	1,296
	57,814	-	-	57,814
Mutual funds				
Mid cap core	7,560	-	-	7,560
Small cap core	8,554	-	-	8,554
International core	13,214	-	-	13,214
Emerging markets	2,950	-	-	2,950
Specialty-real estate	1,923	-	-	1,923
Other	2,430	-	-	2,430
	36,631	-	-	36,631
	115,309	195,503	-	310,812
Funds held by trustees				
Repurchase agreements	-	19,393	-	19,393
U.S. government agency debt	-	5,622	-	5,622
Mutual funds	5,460	-	-	5,460
Cash and equivalents	32,942	-	-	32,942
	38,402	25,015	-	63,417
Total	\$ 153,711	\$ 220,518	\$ -	\$ 374,229

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NOTE 5 – ASSETS LIMITED AS TO USE (CONTINUED)

The following table presents financial assets measured at fair value as of August 31, 2013 (in thousands):

	2013			Fair value total
	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	
Investments				
Cash and equivalents	\$ 9,056	\$ -	\$ -	\$ 9,056
U S Treasury and U S agency fixed income.				
U S Treasury bills and notes	35,980	-	-	35,980
U S government agency debt	-	24,600	-	24,600
	35,980	24,600	-	60,580
Corporate debt securities				
Health care	-	11,963	-	11,963
Energy	-	12,188	-	12,188
Financials	-	73,879	-	73,879
Industrials	-	7,725	-	7,725
Information technology	-	9,064	-	9,064
Telecommunications	-	6,589	-	6,589
Consumer discretionary	-	5,832	-	5,832
Consumer staples	-	5,113	-	5,113
Other	-	9,703	-	9,703
	-	142,056	-	142,056
Equity securities.				
Health care	6,643	-	-	6,643
Financials	6,063	-	-	6,063
Consumer staples	6,261	-	-	6,261
Consumer discretionary	3,440	-	-	3,440
Materials	2,654	-	-	2,654
Energy	4,673	-	-	4,673
Information technology	9,814	-	-	9,814
Industrials	6,286	-	-	6,286
Telecommunications	1,455	-	-	1,455
Other	833	-	-	833
	48,122	-	-	48,122
Mutual funds				
Mid cap core	7,789	-	-	7,789
Small cap core	8,098	-	-	8,098
International core	7,627	-	-	7,627
Emerging markets	1,405	-	-	1,405
Specialty-real estate	2,053	-	-	2,053
Other	2,134	-	-	2,134
	29,106	-	-	29,106
	122,264	166,656	-	288,920
Funds held by trustees				
Repurchase agreements	-	19,394	-	19,394
U S government agency debt	-	9,441	-	9,441
Mutual funds	1,631	-	-	1,631
Cash and equivalents	45,328	-	-	45,328
	46,959	28,835	-	75,794
Total	\$ 169,223	\$ 195,491	\$ -	\$ 364,714

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NOTE 5 – ASSETS LIMITED AS TO USE (CONTINUED)

The scheduled maturities of the debt securities as of August 31, 2014 are as follows:

	Amortized cost basis	Estimated fair value
Due within 1 year or less	\$ 15,570	\$ 15,098
Due after 1 year through 5 years	152,689	153,376
Due after 5 years	17,213	17,147
	185,472	185,621
Mortgage-backed securities, accrued interest, and other	27,163	27,578
	<u>\$ 212,635</u>	<u>\$ 213,199</u>

The scheduled maturities of the debt securities as of August 31, 2013 are as follows:

	Amortized cost basis	Estimated fair value
Due within 1 year or less	\$ 14,588	\$ 14,588
Due after 1 year through 5 years	95,092	95,092
Due after 5 years	67,058	67,106
	176,738	176,786
Mortgage-backed securities, accrued interest, and other	25,643	25,852
	<u>\$ 202,381</u>	<u>\$ 202,638</u>

Investment income is composed of the following for the years ended August 31, 2014 and 2013 (in thousands):

	2014	2013
Interest income	\$ 4,705	\$ 4,088
Net realized gains/losses on sales of securities and other-than-temporary impairment	16,155	4,650
Dividends	1,377	1,431
	<u>\$ 22,237</u>	<u>\$ 10,169</u>

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NOTE 6 – PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following as of August 31, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
Land and land improvements	\$ 32,703	\$ 32,405
Buildings and improvements	764,455	690,274
Equipment	<u>542,541</u>	<u>503,566</u>
	1,339,699	1,226,245
Accumulated depreciation	<u>(543,903)</u>	<u>(494,212)</u>
	<u><u>\$ 795,796</u></u>	<u><u>\$ 732,033</u></u>

NOTE 7 – OTHER ASSETS

Other assets consist of the following as of August 31, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
Loan receivable from DKACC Lenders (Note 8)	\$ 18,844	\$ 18,844
Investment in rental properties	32,713	11,911
Real estate held for development	14,559	10,307
Intangible assets, net	3,968	3,543
Unamortized financing costs, net	7,383	7,694
Investment in joint ventures	10,842	11,456
Loan receivable (Note 10)	4,872	4,539
Equipment held for sale	-	3,500
Other	<u>3,591</u>	<u>2,475</u>
	<u><u>\$ 96,772</u></u>	<u><u>\$ 74,269</u></u>

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NOTE 7 – OTHER ASSETS (CONTINUED)

CMC owns rental properties, recorded at cost, net of accumulated depreciation. Investments in rental properties consist of the following as of August 31, 2014 and 2013 and are included in other assets in the accompanying consolidated balance sheets (in thousands):

	<u>2014</u>	<u>2013</u>
Land	\$ 7,353	\$ 4,085
Buildings and land improvements	43,969	24,998
Equipment	<u>3,220</u>	<u>2,957</u>
	54,542	32,040
Accumulated depreciation	<u>(21,829)</u>	<u>(20,129)</u>
	<u><u>\$ 32,713</u></u>	<u><u>\$ 11,911</u></u>

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NOTE 8 – LONG-TERM DEBT

Long-term debt consists of the following as of August 31, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2009, interest ranging from 3% to 5.5% payable semi-annually; principal payable in installments ranging from \$3,880,000 in 2015 to \$13,850,000 in 2039, collateralized by gross revenues.	\$ 186,600	\$ 190,290
Unamortized bond discount	<u>(2,798)</u>	<u>(2,986)</u>
Total certificates of participation	183,802	187,304
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2007, interest ranging from 5% to 5.25% payable semi-annually; principal payable in installments ranging from \$3,755,000 in 2015 to \$18,775,000 in 2046, collateralized by gross revenues.	296,480	300,055
Unamortized bond premium	<u>7,395</u>	<u>7,758</u>
Total certificates of participation	303,875	307,813
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2009, interest at 5.19%.	-	2,992
Building Loan Agreement (DKACC), interest at 0.90% to 1.97% payable quarterly, principal due December 2038, collateralized by a guarantee by the CMC Obligated Group.	25,589	25,589
Other long-term debt	<u>5,770</u>	<u>2,680</u>
	519,036	526,378
Current maturities	<u>(8,301)</u>	<u>(10,695)</u>
	<u>\$ 510,735</u>	<u>\$ 515,683</u>

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NOTE 8 – LONG-TERM DEBT (CONTINUED)

Under the terms of the master trust indenture associated with the certificates of participation, certain members of CMC are designated as members of the Obligated Group. There are restrictive covenants requiring compliance by the Obligated Group. These include, among other things, limitations on the issuance of additional debt and the maintenance of certain financial ratios.

In 2009, DKACC borrowed \$25,589,000 to finance the acquisition and construction of certain facilities and equipment under a financing structured to qualify for New Markets Tax Credits. The New Markets Tax Credits program is administered by the Federal government and provides tax incentives for the benefit of low-income communities. In order to comply with this program, affiliates of CMC's underwriter formed a group of entities (the Lenders), which were capitalized by \$7,500,000 from an affiliate of the underwriter and by an \$18,844,000 loan from CMC. This resulted in the Lenders accumulating funds totaling \$25,589,000, which were then loaned to DKACC. The Obligated Group has guaranteed DKACC's repayment obligations under this borrowing, which has a final maturity of January 20, 2038, but such guaranty is not secured by an Obligation issued under the Master Indenture. Additionally, the Obligated Group has a limited guaranty, up to \$10,000,000 over 7 years, related to the Lenders' realization of tax credits available under the New Markets Tax Credit program. The Obligated Group does not currently expect to make any payments under these guarantees.

Scheduled principal repayments on long-term debt and payments on capital lease obligations by fiscal year are as follows (in thousands):

	Long-term debt
2015	\$ 8,437
2016	8,793
2017	9,118
2018	9,580
2019	9,997
Thereafter	468,514
	514,439
Add net unamortized bond premium	4,597
	<u>\$ 519,036</u>

The aggregate estimated fair value of CMC's long-term obligations at August 31, 2014 and 2013 of \$541,165,000 and \$495,523,000, respectively, were estimated using discounted cash flow analyses based on CMC's current incremental borrowing rates for similar debt instruments. CMC's long-term obligations are classified as Level 2.

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NOTE 9 – LINE OF CREDIT

CMC has a credit agreement with a bank that allows CMC to borrow up to \$40,000,000. Under this agreement, credit card borrowings are interest-free and due monthly. All other borrowings bear interest on a LIBOR base. Amounts applied for letter of credit agreements totaled \$2,707,000 and \$2,857,000 on August 31, 2014 and 2013, respectively. The letter of credit agreements are effective through September 2014. Outstanding credit card borrowings were \$200,000 and \$714,000 on August 31, 2014 and 2013, respectively. There were no LIBOR-based borrowings as of these dates. A note securing the line of credit has been issued under the master trust indenture. The agreement expires on June 27, 2015.

NOTE 10 – PENSION PLAN

CMC maintains a contributory defined benefit cash balance pension plan that covers substantially all employees upon their retirement. Benefit payments for participants in the plan are determined by application of a benefit formula to the average base earnings of participants. In addition to normal retirement benefits, under certain circumstances, the plan also provides early retirement, disability, death, and spousal benefits. Employees of CMC become eligible to participate in the plan on January 1 or July 1 following the completion of 1,000 hours and one year of service. The vesting period is three years.

Mandatory contributions are made to the plan by the employees as specified in the plan documents. Total employee contributions to the plan for the years ending August 31, 2014 and 2013 were \$5,094,000 and \$4,875,000, respectively. Total employer contributions to the plan for the years ending August 31, 2014 and 2013 were \$16,000,000 and \$16,000,000, respectively. Total benefits paid for the years ending August 31, 2014 and 2013 were \$13,085,000 and \$11,678,000, respectively. The unfunded status is presented as a noncurrent liability in the accompanying consolidated balance sheets.

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NOTE 10 – PENSION PLAN (CONTINUED)

The following tables set forth the plan's benefit obligation, fair value of plan assets, and funded status as of August 31, 2014 and 2013 (in thousands):

	2014	2013
Change in projected benefit obligation (PBO):		
PBO at beginning of year	\$ 203,975	\$ 231,208
Employer service cost	11,219	14,979
Interest cost	9,718	8,827
Actuarial (gain) loss	5,832	(44,164)
Plan participants' contributions	5,094	4,875
Benefits paid from plan assets	(13,085)	(11,678)
Administrative expenses paid	(65)	(72)
	<u>\$ 222,688</u>	<u>\$ 203,975</u>

	2014	2013
Change in plan assets:		
Fair value of assets at beginning of year	\$ 170,017	\$ 152,946
Actual return on assets	21,524	7,946
Employer contributions	16,000	16,000
Plan participants' contributions	5,094	4,875
Benefits paid	(13,085)	(11,678)
Administrative expenses paid	(65)	(72)
	<u>\$ 199,485</u>	<u>\$ 170,017</u>

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NOTE 10 – PENSION PLAN (CONTINUED)

	2014	2013
Funded status at end of year	\$ (23,203)	\$ (33,957)
Unrecognized actuarial loss	25,927	28,928
Unrecognized prior service cost	240	295
Unfunded accumulated pension benefit obligation	<u>(26,167)</u>	<u>(29,223)</u>
Pension benefit obligation recognized in consolidated balance sheets	<u>\$ (23,203)</u>	<u>\$ (33,957)</u>
Accumulated benefit obligation at end of year	<u>\$ 198,236</u>	<u>\$ 180,971</u>

Weighted average assumptions as of August 31 are as follows:

	2014	2013
Discount rate	4.00%	4.90%
Expected long-term rate of return on assets	7.50%	7.50%
Rate of compensation increase	4.00%	4.00%

Net periodic pension cost for the plan for 2014 and 2013 is included in salaries, wages, and benefits in the accompanying consolidated statements of operations. Components of net periodic pension cost include the following (in thousands):

	2014	2013
Service cost	\$ 11,219	\$ 14,979
Interest cost	9,718	8,827
Expected return on plan assets	(13,266)	(14,017)
Amortization of prior service cost	55	55
Recognized net actuarial losses	<u>576</u>	<u>3,175</u>
Net periodic pension cost	<u>\$ 8,302</u>	<u>\$ 13,019</u>
	2014	2013
Amounts recognized in net assets:		
Net actuarial loss	\$ 25,927	\$ 28,928
Net prior service cost	<u>240</u>	<u>295</u>
	<u>\$ 26,167</u>	<u>\$ 29,223</u>

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NOTE 10 – PENSION PLAN (CONTINUED)

	2014	2013
Amounts recognized as changes in net assets:		
Net gain	\$ (2,425)	\$ (38,092)
Amortization of prior service cost	(55)	(55)
Amortization of net loss	(576)	(3,175)
	<u>\$ (3,056)</u>	<u>\$ (41,322)</u>

The estimated net loss and prior service cost that will be amortized into net period pension cost during the 2015 fiscal year are \$325,000 and \$55,000, respectively.

CMC's pension plan asset allocations at August 31, 2014 and 2013 by asset category are as follows:

	2014	2013
Cash and equivalents	4%	6%
Debt securities	43%	41%
Equity securities	53%	53%
	<u>100%</u>	<u>100%</u>

The asset allocation policy for the pension plan is as follows: fixed income securities 30% to 60% (which may include U.S. government securities and U.S. government agency bonds, corporate notes and bonds, mortgage-backed bonds, preferred stock, and the fixed income securities of foreign governments and corporations); equity securities 30% to 60% (which may include domestic common stock, convertible notes and bonds, convertible preferred stocks, foreign equity securities); and mutual funds and limited liability companies or partnerships that invest in allowed securities as defined above.

CMC's investment strategy for pension plan assets is designed to emphasize long-term growth of principal while avoiding excessive risk. The investment performance of the total portfolio, as well as asset class components, is measured against commonly accepted performance benchmarks.

The expected long-term rate of return on plan assets is the expected average rate of return on the funds invested currently and on funds to be invested in the future in order to provide for the benefits included in the projected benefit obligation. The CMC pension plan used 7.5% in calculating the 2014 and 2013 expense amounts. This assumption is based on capital market assumptions and the plan's target asset allocation. CMC continues to monitor the expected long-term rate of return if changes in those parameters cause 7.5% to be outside of a reasonable range of expected returns, or if actual plan returns over an extended period of time suggest general market assumptions are not representative of expected plan results.

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NOTE 10 – PENSION PLAN (CONTINUED)

The following table presents the plan assets measured at fair value at August 31, 2014 (in thousands):

Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Cash and equivalents	\$ 8,486	\$ -	\$ -	\$ 8,486
U.S. Treasury and U.S. agency fixed income:				
U.S. Treasury bills and notes	18,013	-	-	18,013
U.S. government agency debt	-	12,367	-	12,367
	18,013	12,367	-	30,380
Corporate fixed income:				
Asset-backed securities	-	7,173	-	7,173
Financials	-	17,554	-	17,554
Other corporate bonds	-	30,290	-	30,290
	-	55,017	-	55,017
Common stocks:				
Health care	9,372	-	-	9,372
Utilities	840	-	-	840
Financials	8,157	-	-	8,157
Consumer staples	3,180	-	-	3,180
Consumer discretionary	6,075	-	-	6,075
Materials	3,228	-	-	3,228
Energy	5,363	-	-	5,363
Information technology	11,509	-	-	11,509
Industrials	6,794	-	-	6,794
American depository receipts	7,750	-	-	7,750
Other	436	-	-	436
	62,704	-	-	62,704
Mutual funds:				
Mid cap	6,231	-	-	6,231
Small cap	9,252	-	-	9,252
International core	18,149	-	-	18,149
Emerging markets	4,455	-	-	4,455
Specialty-real estate	1,803	-	-	1,803
Other	3,008	-	-	3,008
	42,898	-	-	42,898
	\$ 132,101	\$ 67,384	\$ -	\$ 199,485

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NOTE 10 – PENSION PLAN (CONTINUED)

The following table presents the plan assets measured at fair value at August 31, 2013 (in thousands):

Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Cash and equivalents	\$ 10,417	\$ -	\$ -	\$ 10,417
U.S. Treasury and U.S. agency fixed income:				
U.S. Treasury bills and notes	16,641	-	-	16,641
U.S. government agency debt	-	9,579	-	9,579
	16,641	9,579	-	26,220
Corporate fixed income:				
Asset-backed securities	-	7,251	-	7,251
Financials	-	10,994	-	10,994
Industrials	-	20,945	-	20,945
Other global corporate bonds	-	5,041	-	5,041
	-	44,231	-	44,231
Common stocks:				
Health care	6,107	-	-	6,107
Utilities	564	-	-	564
Financials	5,851	-	-	5,851
Consumer staples	3,982	-	-	3,982
Consumer discretionary	6,133	-	-	6,133
Materials	3,854	-	-	3,854
Energy	3,813	-	-	3,813
Information technology	10,448	-	-	10,448
Industrials	8,614	-	-	8,614
American depository receipts	4,872	-	-	4,872
	54,238	-	-	54,238
Mutual funds:				
Mid cap core	7,215	-	-	7,215
Small cap core	10,268	-	-	10,268
International core	6,976	-	-	6,976
Emerging markets	4,553	-	-	4,553
Specialty-real estate	5,899	-	-	5,899
	34,911	-	-	34,911
	\$ 116,207	\$ 53,810	\$ -	\$ 170,017

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NOTE 10 – PENSION PLAN (CONTINUED)

For information about the valuation techniques and inputs to measure fair value of the plan assets, see discussion included in the fair value measurement discussion at Note 5.

The following pension benefit payments reflect expected future service. Payments expected to be paid over the next ten years are as follows (in thousands):

2015	\$ 13,227
2016	10,505
2017	14,071
2018	15,902
2019	16,977
2020-2024	129,915

CMC expects to contribute approximately \$16,000,000 to the pension plan during the 2015 fiscal year.

CMC provides various supplemental executive retirement plans (SERPs). During 2013, it entered into a collateral assignment split dollar agreement with an executive. CMC has invested \$4,739,000 into this plan and is entitled to receive a return of these funds, plus interest at a rate of 2.55%, upon the death of the executive. Other SERPs adopted during 2013 were designed to provide 25% to 47% of base salaries, depending on the participant, upon retirement at age 65. CMC contributed approximately \$388,000 to this plan during fiscal year 2014.

CMC provides benefits to certain executives that are specifically linked to its longer-term retention goals for these employees. The terms vary by participant. During fiscal years 2014 and 2013, CMC contributed approximately \$419,000 and \$419,000, respectively, to these plans.

At August 31, 2014, the aggregate SERPs liability of \$5,240,000 was recorded for all plans in other long-term liabilities.

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NOTE 11 – RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets are available for the following purposes as of August 31, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
Temporarily restricted net assets:		
Patient care	\$ 4,014	\$ 5,090
Purchase of equipment	1,614	610
Scholarships and other education	5,235	5,492
Other	<u>6,890</u>	<u>6,118</u>
	17,753	17,310
Permanently restricted net assets	<u>384</u>	<u>384</u>
 Total temporary and permanently restricted net assets	 <u><u>\$ 18,137</u></u>	 <u><u>\$ 17,694</u></u>

NOTE 12 – FUNCTIONAL CLASSIFICATION OF OPERATING EXPENSES

The following is a summary of management's estimated functional classification of operating expenses as of August 31, 2014 and 2013 (in thousands):

	<u>2014</u>	<u>2013</u>
Program services	\$ 1,061,731	\$ 1,078,211
Management and general	126,494	95,285
Fundraising	<u>2,017</u>	<u>1,769</u>
	<u><u>\$ 1,190,242</u></u>	<u><u>\$ 1,175,265</u></u>

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NOTE 13 – OPERATING LEASES

CMC leases certain property and equipment under noncancelable operating leases that expire in various years through 2017. Future minimum payments at August 31, 2014 by fiscal year and in the aggregate, under noncancelable operating leases with initial terms of one year or more consist of the following (in thousands):

<u>Fiscal year</u>	
2015	\$ 4,310
2016	2,005
2017	1,480
2018	1,342
2019	1,342
Thereafter	<u>6,820</u>
	<u>\$ 17,299</u>

Total operating lease expense in 2014 and 2013 was \$10,508,000 and \$11,057,000, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Claims and regulatory environment – CMC is involved in various claims and litigation, as both plaintiff and defendant, arising in the ordinary course of business. The healthcare industry is subjected to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Government activity remains at a high level with respect to investigations and allegations across the nation concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

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NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Claims and regulatory environment (continued) – As disclosed in Notes 2 and 4, the County, Medicare, and Medi-Cal government reimbursement programs account for a substantial amount of CMC's net patient service revenue. Expenditure reduction efforts and budget concerns within the United States and California legislature continue to create uncertainty over the volume of future health care funding. It is at least reasonably possible that future reimbursements for patient services under these programs could be negatively impacted.

In 2010, Senate Bill 853 was enacted into law, directing the Department of Health Care Services (DHCS) to develop a new method of paying for hospital inpatient services in the fee-for-service Medi-Cal program utilizing a diagnosis related group (DRG) methodology. The DRG rate payment methodology for inpatient services began on July 1, 2013. The ultimate impact of the methodology is not yet known; however, any rate reductions as a result of the methodology change will be phased in over four years: the first year impact will be 2.5 percent for 2013-14; 7.5 percent in 2014-15; and 15 percent in 2015-16. In fiscal year 2016-17, the DRG base price will be fully implemented.

California Assembly Bill 97 (AB97) – AB97 requires DHCS to implement payment reductions of 10% to most categories of services in Medi-Cal fee for service. Reductions are effective for services provided on or after June 1, 2011. CMC has accrued approximately \$9,850,000 at August 31, 2014 as a result of AB97. DHCS is expected to begin retrospective rate cuts in the fourth quarter of 2014 and the first quarter of 2015.

Pledges to Medical Foundation – CMC has made significant pledges to the Santé Medical Foundation (the Medical Foundation) to support its efforts to recruit needed specialists and primary care physicians to the Fresno area as well as its efforts to install electronic health record systems in local physician offices. Pledges of \$14,077,000 and \$13,050,000 and pledge payments of \$9,131,000 and \$12,472,000 were made in 2014 and 2013, respectively. Two of the board members of the Medical Foundation are also members of the board of CMC or executive management of CMC.

SUPPLEMENTARY INFORMATION

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
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CONSOLIDATING SCHEDULE – BALANCE SHEET (In thousands)
AUGUST 31, 2014**

	Acute care services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Community Care Health Plan	Development activities	Eliminations	Consolidated
Assets										
Current assets										
Cash and equivalents	\$ 40,787	\$ 256	\$ 14,319	\$ 2,296	\$ 23	\$ -	\$ 6,453	\$ -	\$ -	\$ 64,134
Short-term investments	3,168	-	-	-	-	-	-	-	-	3,168
Patient accounts receivable (less allowance for doubtful accounts of \$83,205)	166,243	-	12,221	650	-	-	-	-	-	179,114
Estimated third-party settlements	9,252	-	(415)	-	-	-	-	-	-	8,837
Due from State of California for supplemental funding	14,700	-	-	-	-	-	-	-	-	14,700
Other receivables	2,501	2,059	-	-	-	-	-	-	(333)	4,227
Inventories	9,247	-	1,829	638	-	-	-	-	-	11,714
Prepaid expenses and other	18,434	3,803	253	-	-	3,120	32	2	-	25,644
	<u>264,332</u>	<u>6,118</u>	<u>28,207</u>	<u>3,584</u>	<u>23</u>	<u>3,120</u>	<u>6,485</u>	<u>2</u>	<u>(333)</u>	<u>311,538</u>
Assets limited as to use										
Board-designated assets	309,781	3,660	-	-	-	-	-	2,719	-	316,160
Assets held by trustee for										
Debt service	33,714	1,425	204	-	213	-	-	-	-	35,556
Self-insurance in captive insurance company	-	-	-	-	-	9,864	-	-	-	9,864
Donor-restricted assets	-	-	-	-	-	-	-	18,137	-	18,137
	<u>343,495</u>	<u>5,085</u>	<u>204</u>	<u>-</u>	<u>213</u>	<u>9,864</u>	<u>-</u>	<u>20,856</u>	<u>-</u>	<u>379,717</u>
Property, plant, and equipment, net	666,301	64,752	43,575	63	21,081	-	-	24	-	795,796
Construction in progress	39,741	3,094	2,924	-	-	-	-	-	(451)	45,308
Other assets	53,307	57,466	4,262	340	91	-	-	22	(18,716)	96,772
	<u>\$ 1,367,176</u>	<u>\$ 136,515</u>	<u>\$ 79,172</u>	<u>\$ 3,987</u>	<u>\$ 21,408</u>	<u>\$ 12,984</u>	<u>\$ 6,485</u>	<u>\$ 20,904</u>	<u>\$ (19,500)</u>	<u>\$ 1,629,131</u>

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
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CONSOLIDATING SCHEDULE – BALANCE SHEET (In thousands)
AUGUST 31, 2014**

Liabilities and Net Assets	Acute care services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Kohlgan Ambulatory Care Center	Community Insurance Services Company	Community Care Health Plan	Development activities	Eliminations	Consolidated
Current liabilities										
Accounts payable	\$ 52,694	\$ 13,667	\$ 3,685	\$ 31	\$ -	\$ 48	\$ 463	\$ 57	\$ -	\$ 70,645
Accrued compensation and employee benefits	50,301	12,488	5,146	-	-	-	-	93	-	68,028
Other accrued liabilities and deferred revenue	23,225	534	588	-	1,150	6,837	2,095	-	(333)	34,096
Current maturities of long-term debt	7,561	562	178	-	-	-	-	-	-	8,301
Total current liabilities	133,781	27,251	9,597	31	1,150	6,885	2,558	150	(333)	181,070
Intercompany (receivable) payable	(196,456)	138,618	54,051	1,074	82	-	-	2,631	-	-
Long-term debt, less current maturities	460,693	10,227	14,226	-	25,589	-	-	-	-	510,735
Pension benefit obligation	-	23,203	-	-	-	-	-	-	-	23,203
Other long-term obligations	55,481	4,509	126	-	-	-	-	-	-	60,116
Total liabilities	453,499	203,808	78,000	1,105	26,821	6,885	2,558	2,781	(333)	775,124
Net assets (liabilities)										
Unrestricted	913,677	(67,293)	1,172	2,882	(5,413)	6,099	3,927	(14)	(19,167)	835,870
Temporarily and permanently restricted	-	-	-	-	-	-	-	18,137	-	18,137
Total net assets (liabilities)	913,677	(67,293)	1,172	2,882	(5,413)	6,099	3,927	18,123	(19,167)	854,007
Total liabilities and net assets	\$ 1,367,176	\$ 136,515	\$ 79,172	\$ 3,987	\$ 21,408	\$ 12,984	\$ 6,485	\$ 20,904	\$ (19,500)	\$ 1,629,131

**COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
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CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS (In thousands)
YEAR ENDED AUGUST 31, 2014**

	Acute care services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Community Care Health Plan	Cedent	Development activities	Eliminations	Consolidated
Unrestricted revenues, gains, and other support											
Net patient service revenues (including SB855 disproportionate share and Private Hospital funding of \$56,071)	\$ 1,215,295	\$ -	\$ 86,502	\$ 1,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,303,294
Less Provision for bad debts	(126,684)	-	(2,829)	(64)	-	-	-	-	-	-	(129,577)
	1,088,611	-	83,673	1,433	-	-	-	-	-	-	1,173,717
Premium revenue	1,286	-	-	-	-	-	-	-	-	-	1,286
Investment income	23,178	58	124	5	-	-	-	-	-	(1,128)	22,237
Other revenue	27,926	8,619	1,532	9,247	85	4,730	12,150	-	328	(15,881)	48,736
Total unrestricted revenues, gains, and other support	1,141,001	8,677	85,329	10,685	85	4,730	12,150	-	328	(17,009)	1,245,976
Expenses											
Salaries, wages, and benefits	569,979	2,257	37,927	9,090	-	-	-	-	1,416	(327)	620,342
Supplies	175,764	80	22,701	2,072	-	-	-	-	76	-	200,693
Outside services	191,464	2,470	9,021	562	-	120	11,651	-	339	(11,152)	204,475
Insurance	6,375	39	582	12	-	3,381	201	-	2	(4,258)	6,334
Depreciation and amortization	52,527	1,732	5,615	142	1,002	-	-	-	24	(16)	61,026
Rental and lease	9,602	73	765	59	59	-	-	-	7	(143)	10,422
Interest	21,958	131	731	2	433	-	-	-	-	-	23,255
Utilities	11,038	402	1,281	13	-	-	-	-	2	-	12,736
Other	36,342	847	2,976	196	2	100	104	-	151	-	40,718
Total expenses	1,075,049	8,031	81,599	12,148	1,496	3,601	11,956	-	2,017	(15,896)	1,180,001
Excess (deficit) of revenues, gains, and other support over expenses	65,952	646	3,730	(1,463)	(1,411)	1,129	194	-	(1,689)	(1,113)	65,975
Net change in unrealized gains and losses on investments	(311)	-	-	-	-	-	-	-	-	-	(311)
Net assets released from restrictions for equipment acquisition	1,990	19	-	-	-	-	-	-	-	-	2,009
Change in unfunded accumulated pension benefit obligation	-	3,056	-	-	-	-	-	-	-	-	3,056
Intercompany eliminations	(496)	(2)	-	-	-	(2,500)	200	525	-	2,273	-
Other	1	1	-	-	1	(1)	-	-	(2)	-	-
Change in unrestricted net assets	\$ 67,136	\$ 3,720	\$ 3,730	\$ (1,463)	\$ (1,410)	\$ (1,372)	\$ 394	\$ 525	\$ (1,691)	\$ 1,160	\$ 70,729

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CONSOLIDATING SCHEDULE – STATEMENT OF CHANGES IN NET ASSETS (In thousands)
YEAR ENDED AUGUST 31, 2014**

	Acute care services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Community Care Health Plan	Cedent	Development activities	Eliminations	Consolidated
Unrestricted net assets (liabilities)											
Balance at August 31, 2013	\$ 846,541	\$ (71,013)	\$ (2,558)	\$ 4,345	\$ (4,003)	\$ 7,471	\$ 3,533	\$ (525)	\$ 1,677	\$ (20,327)	\$ 765,141
Excess (deficit) of revenues, gains, and other support over expenses	65,952	646	3,730	(1,463)	(1,411)	1,129	194	-	(1,689)	(1,113)	65,975
Net change in unrealized gains and losses on investments	(311)	-	-	-	-	-	-	-	-	-	(311)
Net assets released from restrictions for equipment acquisition	1,990	19	-	-	-	-	-	-	-	-	2,009
Change in unfunded accumulated pension benefit obligation	-	3,056	-	-	-	-	-	-	-	-	3,056
Intercompany eliminations	(496)	(2)	-	-	-	(2,500)	200	525	-	2,273	-
Other	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Change in unrestricted net assets	<u>67,136</u>	<u>3,720</u>	<u>3,730</u>	<u>(1,463)</u>	<u>(1,410)</u>	<u>(1,372)</u>	<u>394</u>	<u>525</u>	<u>(1,691)</u>	<u>1,160</u>	<u>70,729</u>
Balance at August 31, 2014	<u>\$ 913,677</u>	<u>\$ (67,293)</u>	<u>\$ 1,172</u>	<u>\$ 2,882</u>	<u>\$ (5,413)</u>	<u>\$ 6,099</u>	<u>\$ 3,927</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ (19,167)</u>	<u>\$ 835,870</u>
Temporarily and permanently restricted net assets											
Balance at August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,694	\$ -	\$ 17,694
Donor-restricted contributions	-	-	-	-	-	-	-	-	3,596	-	3,596
Net assets released from restriction and used for operations	-	-	-	-	-	-	-	-	(1,144)	-	(1,144)
Net assets released from restrictions for equipment acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,009)</u>	<u>-</u>	<u>(2,009)</u>
Change in temporarily and permanently restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443</u>	<u>-</u>	<u>443</u>
Balance at August 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,137</u>	<u>\$ -</u>	<u>\$ 18,137</u>