See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
YUMA REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2400 S AVENUE A

City or town, state or province, country, and ZIP or foreign postal code
YUMA, AZ 85364

D Employer identification number
86-6007596

E Telephone number
(928) 336-7000

G Gross receipts $ 468,301,453

F Name and address of principal officer
DR ROBERT TRENSCHEL
2400 S AVENUE A
YUMA, AZ 85364

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW YUMAREGIONAL ORG

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

L Year of formation 1967

M State of legal domicile AZ

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF YUMA REGIONAL MEDICAL CENTER IS TO IMPROVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, FAMILIES, AND THE COMMUNITY WE SERVE THROUGH EXCELLENCE, INNOVATION, AND PRUDENT USE OF RESOURCES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,476
6	Total number of volunteers (estimate if necessary)	**6**	600
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	50,594
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	38,499

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	50,105	916,132
	9 Program service revenue (Part VIII, line 2g)	343,958,850	372,467,196
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	14,377,009	18,816,437
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	218,042	-874,953
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	358,604,006	391,324,812
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	338,270	312,983
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	153,921,772	151,631,476
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶1,232,304		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	197,254,043	209,658,192
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	351,514,085	361,602,651
	19 Revenue less expenses Subtract line 18 from line 12	7,089,921	29,722,161

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	536,305,760	646,643,856
	21 Total liabilities (Part X, line 26)	192,387,601	277,709,025
	22 Net assets or fund balances Subtract line 21 from line 20	343,918,159	368,934,831

Part II Signature Block

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

Sign Here

****** | 2015-08-17
Signature of officer | Date

DAVID WILLIE CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
HERMAN GOINS				P00793681

Firm's name ▶ MOSS ADAMS LLP | Firm's EIN ▶ 91-0189318

Firm's address ▶ 8800 E RAINTREE DRIVE STE 210
SCOTTSDALE, AZ 85260 | Phone no (480) 444-3424

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF YUMA REGIONAL MEDICAL CENTER IS TO IMPROVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, FAMILIES, AND THE COMMUNITY WE SERVE THROUGH EXCELLENCE, INNOVATION, AND PRUDENT USE OF RESOURCES

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 $ 334,740,848 including grants of $ 312,983) (Revenue $ 371,967,700)

SEE SCHEDULE O

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** ▶ 334,740,848

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	Yes	
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		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI 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		No
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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 . .	1a	241		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,476		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response 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	**1a**	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				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ DAVID WILLIE 2400 S AVENUE A
YUMA, AZ 85364 (928) 336-7000

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								6,529,733	0	768,307

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 155

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SOUTHWEST AZ HEART & VASCULAR CENTER LL 2400 SOUTH AVENUE A YUMA AZ 85364	CATH LAB SERVICES	16,465,885
IN COMPASS HEALTH INC 318 MAXWELL RD STE 500 ALPHARETTA GA 30009	HOSPITALIST COVERAGE	2,863,520
SW REHABILITATION ASSOC LTD 2281 W 24TH STREET 10 YUMA AZ 85364	REHABILIATION SERVICES	2,244,675
SOUTHWESTERN CRITICAL CARE MEDICINE PLL PO BOX 6935 YUMA AZ 85364	INTENSIVIST SERVICES	2,131,221
YUMA CARDIAC SURGERY PLC 1501 W 24TH STREET 20 YUMA AZ 85364	HEART SURGEON SERVICES	1,600,000

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 ▶ 44

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				
	e	Government grants (contributions)	1e	7,450			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	908,682			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		916,132			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	621110	366,530,498	366,530,498		
	b	INC FROM AFFILIATES	900099	2,153,990	2,153,990		
	c	CONTRACT REVENUE	624100	757,078	757,078		
	d	GIFT SHOP/SNACK BAR	453220	702,861	203,365		499,496
	e	HEALTH EDUCATION	611710	66,158	66,158		
	f	All other program service revenue		2,256,611	2,256,611		
	g	**Total.** Add lines 2a–2f . . . . . ▶		372,467,196			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		4,900,146			4,900,146
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	1,071,553				
	b	Less rental expenses	1,946,506				
	c	Rental income or (loss)	-874,953				
	d	Net rental income or (loss) . . . . . ▶		-874,953		50,594	-925,547
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	88,658,080	288,346			
	b	Less cost or other basis and sales expenses	75,001,801	28,334			
	c	Gain or (loss)	13,656,279	260,012			
	d	Net gain or (loss) . . . . . ▶		13,916,291			13,916,291
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		391,324,812	371,967,700	50,594	18,390,386

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	312,983	312,983		
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	3,541,971	92,668	3,449,303	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	108,154		108,154	
7 Other salaries and wages	118,402,170	111,227,366	6,947,557	227,247
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,649,695	7,625,493	24,202	
9 Other employee benefits	12,432,954	11,630,398	777,734	24,822
10 Payroll taxes	9,496,532	8,898,210	579,816	18,506
11 Fees for services (non-employees)				
a Management	4,393,853	1,959,214	2,434,639	
b Legal	625,978	451,697	174,281	
c Accounting	188,655		188,655	
d Lobbying	66,757		66,757	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	1,123,920		1,123,920	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	25,281,989	22,248,150	3,033,839	
12 Advertising and promotion	774,439	420,766	353,673	
13 Office expenses	5,931,587	4,626,638	355,895	949,054
14 Information technology	6,440,034	6,440,034		
15 Royalties				
16 Occupancy	5,718,458	4,975,059	743,399	
17 Travel	448,448	399,699	48,749	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	510,352	406,277	104,075	
20 Interest	3,726,202	3,726,202		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	24,943,903	24,943,903		
23 Insurance	3,657,155	3,657,155		
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	55,010,432	55,010,432	0	0
b PURCHASED SERVICES	33,939,272	29,916,184	4,010,413	12,675
c BAD DEBT	31,421,009	31,421,009	0	0
d EQUIPMENT RENTAL	5,264,495	4,316,886	947,609	0
e All other expenses	191,254	34,425	156,829	
25 **Total functional expenses.** Add lines 1 through 24e	361,602,651	334,740,848	25,629,499	1,232,304
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) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		19,269,336	1	41,559,640
	2	Savings and temporary cash investments		15,933,777	2	36,378,037
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		33,508,866	4	40,814,701
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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		4,433,159	7	2,733,651
	8	Inventories for sale or use		5,540,965	8	7,040,039
	9	Prepaid expenses and deferred charges		4,786,115	9	4,844,984
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 524,721,359			
	b	Less accumulated depreciation	10b 229,138,361	238,759,937	10c	295,582,998
	11	Investments—publicly traded securities		183,446,449	11	189,589,670
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		18,142,935	13	17,966,540
	14	Intangible assets		6,005,621	14	6,005,621
	15	Other assets See Part IV, line 11		6,478,600	15	4,127,975
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		536,305,760	16	646,643,856
Liabilities	17	Accounts payable and accrued expenses		22,466,661	17	26,435,988
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		105,462,934	20	181,226,152
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties		994,709	24	640,392
	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		63,463,297	25	69,406,493
	26	**Total liabilities.** Add lines 17 through 25		192,387,601	26	277,709,025
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		338,913,567	27	365,603,947
	28	Temporarily restricted net assets		4,459,327	28	3,247,812
	29	Permanently restricted net assets		545,265	29	83,072
		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		343,918,159	33	368,934,831
	34	Total liabilities and net assets/fund balances		536,305,760	34	646,643,856

Part XI Reconcilliation 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	391,324,812
2	Total expenses (must equal Part IX, column (A), line 25)	2	361,602,651
3	Revenue less expenses Subtract line 2 from line 1	3	29,722,161
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	343,918,159
5	Net unrealized gains (losses) on investments	5	-598,994
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	-4,106,495
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	368,934,831

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?	2a		No
	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			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JEFF ANDREWS CHAIRPERSON	3 00	X		X				1,023	0	0
WOODROW MARTIN TRUSTEE	3 00	X						0	0	0
ISMAEL GUERRERO MD TRUSTEE	3 00	X						0	0	0
SRIDHAR RAJAMANI MD TRUSTEE	3 00	X						0	0	0
LARRY DEASON VICE CHAIR	3 00	X		X				0	0	0
PHILLIP RICHEMONT MD SECRETARY/TREASURER	3 00	X		X				0	0	0
MARIO JAUREGUI TRUSTEE	3 00	X						0	0	0
CAROLE COLEMAN TRUSTEE	3 00	X						0	0	0
JULIE ENGEL TRUSTEE	3 00	X						0	0	0
JOHN STERNITZKE TRUSTEE	3 00	X						0	0	0
SHAWN SMITH TRUSTEE	3 00	X						0	0	0
KHIDIR OSMAN MD TRUSTEE	3 00	X						0	0	0
ASHVIN SHAH MD TRUSTEE	3 00	X						30,000	0	0
JOHN WILLIAMS TRUSTEE	3 00	X						0	0	0
VICTOR SMITH TRUSTEE	3 00	X						0	0	0
PATRICK T WALZ CEO (THRU 11/1/14)	40 00			X				557,257	0	113,272
RAUL CASTILLO MD CHIEF OF STAFF	10 00			X				16,500	0	0
DAVID WILLIE CFO	40 00			X				130,038	0	6,021
NHUT NGUYEN MD OFFICER OF PHYSICIAN RELATIONS	5 00			X				0	0	0
ALBERTO MEJIA VICE CHIEF OF STAFF	5 00			X				27,200	0	0
SHARON GARDNER VP HUMAN RESOURCES	40 00				X			277,735	0	82,815
CARL MYERS MD VP OF MEDICAL AFFAIRS, CMO	40 00				X			389,115	0	79,628
EUGENE SHAW VP INFORMATION TECH, CIO	40 00				X			224,414	0	55,211
MACHELE HEADINGTON VP COMM & MARKET	40 00				X			168,376	0	44,791
EDWARD PAUL MD DIRECTOR OF MEDICAL ED	40 00				X			296,946	0	33,028

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CAMIE OVERTON VP CLINICAL SERV LINES	40 00				X			229,832	0	50,065
THOMAS VANHASSEL DIR OF PHARMACY (THRU 10/11/13)	40 00				X			170,059	0	37,970
MARK JORDAN DIRECTOR OF PHARMACY	40 00				X			163,484	0	29,736
DEB CARVER VP PATIENT CARE SERVICES	40 00				X			161,435	0	18,036
ROBERT BUDMAN CHIEF MEDICAL INFORMATION OFFICER	40 00				X			261,895	0	0
BRENDA HALL VP PATIENT CARE SERV (THRU 3/13/14)	40 00				X			223,397	0	53,932
BRENDA CARROLL MD CANCER CENTER PHYSICIAN	40 00					X		478,046	0	18,458
GREGORY YANG MD CANCER CENTER PHYSICIAN	40 00					X		833,866	0	27,517
PETER SULLIVAN MD CANCER CENTER PHYSICIAN	40 00					X		445,313	0	26,206
TIMOTHY GALANG MD CANCER CENTER PHYSICIAN	40 00					X		756,184	0	10,461
JAMES LENHART FAMILY MEDICINE PROGRAM DIRECTOR	40 00					X		276,867	0	23,130
TONY STRUCK FORMER OFFICER	0 00						X	410,751	0	58,030

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(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 III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
YUMA REGIONAL MEDICAL CENTER	86-6007596

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		66,757
j	Total Add lines 1c through 1i			66,757
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
PART II-B, LINE 1	YUMA REGIONAL MEDICAL CENTER (YRMC) IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND ARIZONA HOSPITAL ASSOCIATION (AZHHA) YRMC PAID A TOTAL OF $130,768 TO AHA FOR MEMBERSHIP DURING FY 9/30/14 OF THE AMOUNT REPORTED, 51 05% OR $66,757 OF DUES WERE EXPENDED BY AHA FOR SPECIFIC LOBBYING PURPOSES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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 ▶ $ _____

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

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

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

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

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

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

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		11,978,888		11,978,888
b Buildings		304,205,889	97,184,772	207,021,117
c Leasehold improvements		12,778,050	9,489,399	3,288,651
d Equipment		195,758,532	122,464,190	73,294,342
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				295,582,998

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
INTEREST RATE SWAPS AND CAP	12,838,060
OTHER LIABILITIES	9,834,719
MINIMUM PENSION LIABILITY	46,733,714
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	69,406,493

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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
PART X, LINE 2	THE MEDICAL CENTER HAS NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2014 AND 2013, AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT HAVE NOT BEEN REFLECTED IN THE COMBINED FINANCIAL STATEMENTS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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	Yes	
b	If "Yes," was it a written policy?	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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☑ 350% ☐ 400% ☐ Other _____ %	Yes	
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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?		No
6a	Did the organization prepare a community benefit report during the tax year?	Yes	
b	If "Yes," did the organization make it available to the public?	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

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)	1	3,472	10,808,653		10,808,653	3 270 %
b Medicaid (from Worksheet 3, column a)			89,608,170	47,299,065	42,309,105	12 810 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	1	3,472	100,416,823	47,299,065	53,117,758	16 080 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	15	22,440	2,146,173		2,146,173	0 650 %
f Health professions education (from Worksheet 5)			1,647,830		1,647,830	0 500 %
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	15	22,440	3,794,003		3,794,003	1 150 %
k **Total.** Add lines 7d and 7j	16	25,912	104,210,826	47,299,065	56,911,761	17 230 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development	2		14,500		14,500	0 %
3	Community support	8		13,943		13,943	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	2		11,300		11,300	0 %
7	Community health improvement advocacy	7		878,305		878,305	0 270 %
8	Workforce development						
9	Other						
10	**Total**	19		918,048		918,048	0 270 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	31,421,009		
3	Enter 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	1,079,449		
4	Provide 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

5	Enter total revenue received from Medicare (including DSH and IME)	5	143,273,938
6	Enter Medicare allowable costs of care relating to payments on line 5	6	174,841,141
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-31,567,203
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
5

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

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

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)

Name of hospital facility or facility reporting group YUMA REGIONAL MEDICAL CENTER

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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
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**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) HTTP //WWW YUMAREGIONAL ORG			
b	☐ Other website (list url) _____			
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**	Yes	
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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 350 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ 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?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in 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?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

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.

Form and Line Reference	Explanation
See Additional Data Table	

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? _____

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
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 7	YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT COST-TO-CHARGE RATIOS WERE NOT USED TO DETERMINE AMOUNTS REPORTED IN THE TABLE THE "OTHER BENEFIT" SECTION IS ACTUAL EXPENSE NOT ALLOCATED BY THE COST ACCOUNTING SYSTEM

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 $ 31,421,009

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	ECONOMIC DEVELOPMENT LEADER/EXECUTIVE PARTICIPATION IN GREATER YUMA ECONOMIC DEVELOPMENT, CHAMBER OF COMMERCE, AND YUMA VISITORS BUREAU IN THOSE ROLES, YRMC LEADERSHIP PLAYS AN ACTIVE ROLE IN SUPPORTING THE BUSINESS AND ECONOMIC DRIVERS AND WORKFORCE NEEDS YUMA REGIONAL MEDICAL CENTER ACTIVELY SUPPORTS TOURISM AS A MAJOR ECONOMIC DRIVE FOR THE COMMUNITY WITH APPROXIMATELY 100,000 ANNUAL WINTER VISITORS, YRMC HAS ACTIVELY PARTNERED WITH THE LOCAL YUMA CONVENTION & VISITORS BUREAU (YCVB) TO ENSURE THE MEDICAL NEEDS OF A HIGH VOLUME OF VISITORS WITH THAT, YRMC ADMINISTRATOR MACHELE HEADINGTON SERVES ON THE YCVB BOARD OF DIRECTORS, CONTRIBUTING AN ESTIMATED 3-4 HOURS PER MONTH IN PROFESSIONAL LEADERSHIP TOURISM IS A MAJOR INDUSTRY FOR BOTH ARIZONA AND YUMA COUNTY WITH PROXIMITY TO CALIFORNIA AND MEXICO, THE AREA ATTRACTS LARGE NUMBERS OF TRAVELERS AND INTERNATIONAL SHOPPERS DURING THE WINTER, YUMA'S INFLUX OF SEASONAL VISITORS POSITIVELY IMPACTS THE ECONOMY COMMUNITY SUPPORT YUMA REGIONAL MEDICAL CENTER IN INVOLVED IN SEVERAL COMMUNITY BUILDING ACTIVITIES THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS THROUGH THESE ACTIVITIES, YRMC SUPPORTS COMMUNITY ASSETS BY OFFERING THE EXPERTISE AND RESOURCES OF OUR HEALTHCARE ORGANIZATION WE ENCOURAGE EMPLOYEES TO BE INVOLVED IN THE COMMUNITY THROUGH COMMUNITY BOARDS, HEALTH ADVOCACY PROGRAMS, AND PHYSICAL IMPROVEMENT PROJECTS TO CONTINUOUSLY IMPROVE THE QUALITY OF LIFE FOR THE COMMUNITY WE SERVE COALITION BUILDING HOSPITAL REPRESENTATION TO COMMUNITY COALITIONS RELATED TO COMMUNITY HEALTH SUCH AS - YUMA COMMUNITY FOOD BANK- FOOD FOR LIFE- SALVATION ARMY CHRISTMAS ANGELS PROGRAMCOMMUNITY HEALTH IMPROVEMENT ADVOCACY LOCAL, STATE, AND NOTIONAL ADVOCACY IN AREAS SUCH AS ACCESS TO HEALTHCARE, PUBLIC HEALTH, TRANSPORTATION AND HOUSING - CROSSROADS MISSION-HELP THE HOMELESS SHELTER BY PROVIDING BEDDING & FINANCIAL SUPPORT FOR DRUG/DETOX PROGRAM- REGIONAL CENTER FOR BORDER HEALTH- AMBERLY'S PLACE SUPPORT AND ASSISTANCE FOR VICTIMS OF SEXUAL ABUSE

Form and Line Reference	Explanation
PART III, LINE 4	YRMC PERIODICALLY REVIEWS ITS COLLECTION RATES FOR ALL SELF PAY ACCOUNTS AND ESTIMATES THE ANTICIPATED COLLECTIONS ON ALL OUTSTANDING SELF PAY BALANCES A RESERVE IS ESTABLISHED TO ESTIMATE THOSE ACCOUNT BALANCES THAT ARE NOT EXPECTED TO BE COLLECTED BASED ON THOSE HISTORICAL COLLECTION RATES YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT ACCOUNTS ELIGIBLE FOR CHARITY CARE WERE IDENTIFIED BY CROSS REFERENCING TO PREVIOUS FINANCIAL ASSISTANCE FOOTNOTE DESCRIBING ALLOWANCE FOR DOUBTFUL ACCOUNTS THE MEDICAL CENTER REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS DUE FROM THIRD-PARTY PAYORS, PATIENTS, AND OTHERS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE MEDICAL CENTER 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, THE MEDICAL CENTER 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 (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 MEDICAL CENTER 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

Form and Line Reference	Explanation
PART III, LINE 8	YRMC'S COST ACCOUNTING SYSTEM IS TRENDSTAR COSTS ARE ASSIGNED TO EACH CHARGE ITEM ON AN RVU BASIS FOR ALL PATIENT TYPES AND PAYORS PATIENT ACCOUNTS HAVE COST ALLOCATED BASED ON EACH LINE-ITEM CHARGE ON THE ACCOUNT

Form and Line Reference	Explanation
PART III, LINE 9B	PATIENTS MAY BE ELIGIBLE FOR FULL FINANCIAL ASSISTANCE OR PARTIAL ASSISTANCE IF PARTIAL, THE REMAINING BALANCE ON THE ACCOUNT WILL BE SUBJECT TO YRMC'S NORMAL COLLECTION PROCESS AND PAYMENT ARRANGEMENTS WILL BE MADE THE BALANCE WILL BE TURNED OVER TO A COLLECTION AGENCY IF ANY OF THE FOLLOWING EVENTS OCCUR 1 MAIL RETURNED - NOT ABLE TO LOCATE PATIENT ACCOUNT GOES TO COLLECTIONS AFTER TWO CONSECUTIVE MAIL RETURNS 2 NO TELEPHONE LISTING OR DISCONNECTED 3 REGULAR SEQUENCE OF STATEMENTS AND COLLECTION NOTICES SENT, INCLUDING A FINAL, WITH NO RESPONSE

Form and Line Reference	Explanation
PART VI, LINE 2	YUMA REGIONAL MEDICAL CENTER (YRMC) HAS PROACTIVELY DEVELOPED SEVERAL MECHANISMS FOR CONTINUOUS EVALUATION OF COMMUNITY HEALTH NEEDS YRMC HAS LED THE COLLECTIVE EFFORTS AND FORMATION OF THE ALLIANCE FOR HEALTHY COMMUNITIES THE ALLIANCE FOR HEALTHY COMMUNITIES (STARTED IN 1996) IS A REPRESENTATION OF PEOPLE WHO CARE ABOUT THE FUTURE HEALTH NEEDS OF OUR RESIDENTS MEMBERSHIP IN THE ALLIANCE IS ABOUT PARTNERING TO IMPROVE THE OVERALL HEALTH OF THE COMMUNITY THROUGH COLLABORATION MEMBERSHIP INCLUDES ORGANIZATIONS FROM THROUGHOUT YUMA COUNTY SUCH AS LOCAL SCHOOLS/COLLEGES, HEALTH PROVIDERS, PUBLIC HEALTH, LAW ENFORCEMENT, MEDIA, MILITARY, BUSINESS AND MORE IN FY13 THE GROUP COLLECTIVELY CONDUCT A COMPREHENSIVE COMMUNITY HEALTH ASSESSMENT, FUNDED BY YUMA REGIONAL MEDICAL CENTER THE FINDINGS OF THAT SURVEY WERE SHARED DURING A YUMA COUNTY LEADERSHIP PLENARY SESSION DESIGNED FOR COMMUNITY FEEDBACK AND COMMUNITY HEALTH NEEDS ADDITIONAL ASSESSMENTS INCLUDE THE DEVELOPMENT OF AN ANNUAL PHYSICIAN MANPOWER REVIEW EACH YEAR THE YRMC BOARD OF DIRECTORS CONDUCTS A COMPREHENSIVE MEDICAL STAFF DEVELOPMENT PLAN (MSDP) THE PLAN, WHICH IS APPROVED ANNUALLY AND REVIEWED/MODIFIED AT THE SIX MONTH MARK, INCLUDES EXTENSIVE DATA COLLECTION AND RESEARCH RELATING TO THE PHYSICIAN ACCESS THE STUDY INCLUDES SIX KEY INDICATORS/EVALUATION (1) COMPARISON TO NATIONAL PHYSICIAN TO POPULATION RATIOS, (2) BLIND SECRET SHOPPER PHONE SURVEY MEASURING "WAIT TIME FOR AN APPOINTMENT - HOW QUICKLY A NEW PATIENT CAN GET INTO SEE A PHYSICIAN", (3) INSURANCE - MAJOR INSURANCES ACCEPTED FOR EACH PROVIDER/BY SPECIALTY, (4) AGE/RETIREMENT PROJECTS, (5) OUT-MIGRATION (WHAT MEDICAL SERVICES COMMUNITY MEMBERS ARE TRAVELING TO RECEIVE), (6) PROJECTED HEALTH NEEDS BASED ON A REVIEW OF THE ABOVE LISTED INDICATORS, THE BOARD REVIEWS AND APPROVES THE DEVELOPMENT OF A MSDP YUMA REGIONAL MEDICAL CENTER THEN IMPLEMENTS THE PLAN TO RECRUIT THOSE PROVIDERS NEEDED INTO THE COMMUNITY RECRUITMENT ASSISTANCE/SUPPORT IS ALSO PROVIDED TO DESIGNATED LOCAL HEALTH PROVIDERS

Form and Line Reference	Explanation
PART VI, LINE 3	AS EACH PATIENT IS REGISTERED FOR SERVICES, REQUEST FOR INSURANCE OR PAYMENT IS COMPLETED IF A PATIENT STATES THAT THEY HAVE NO INSURANCE WE WILL REQUEST PAYMENT IN FULL OR A DEPOSIT IF A BALANCE IS LEFT AT THIS TIME WE HAVE MEDASSIST WHICH IS A CONTRACTED PROVIDER TO INTERVIEW THE PATIENT AND COMPLETE YRMC FINANCIAL ASSISTANCE FORM AT THIS TIME THE PATIENT IS GIVEN THE INFORMATION ABOUT THE AHCCCS APPLICATION PROCESS AND THE APPLICATION IS COMPLETED IF THE PATIENT IS ELIGIBLE (RESIDENCY AND INCOME FOR EXAMPLE) THE APPLICATION PROCESS IS AN ONLINE WEB BASED APPLICATION CALLED HEALTHY E AZ THIS ONLINE PROCESS GIVES YOU A TENTATIVE APPROVED PENDING VERIFICATION OF INFORMATION IS THEY POTENTIALLY MIGHT QUALIFY FOR AHCCCS ONCE IT IS DETERMINED THAT THE PATIENT WILL NOT QUALIFY FOR ANY GOVERNMENT PROGRAMS THEN THE FINANCIAL COUNSELOR WILL VISIT WITH THE PATIENT AND EXPLAINS THE FINANCIAL ASSISTANCE PROGRAM AND IF THE PATIENT WISHES TO APPLY, WILL COLLABORATE WITH MEDASSIT IN RETRIEVING ALL OF THE NECESSARY PROOF OF INCOME TO COMPLETE THE FINANCIAL ASSISTANCE PROCESS THE COMPLETION OF THIS PROCESS MAY CONTINUE AFTER THE PATIENT LEAVES THE HOSPITAL AND THE FINANCIAL ASSISTANCE PROCESS IS COMPLETED BY THE STAFF IN THE PATIENT ACCOUNTING DEPARTMENT IF THE PATIENT IS ONLY AN ER PATIENT AND DOES NOT QUALIFY FOR COMPLETING A AHCCCS APPLICATION, THE PATIENT IS GIVEN A SHEET OF INSTRUCTIONS EXPLAINING THE FINANCIAL ASSISTANCE PROCESS, DOCUMENTS THAT ARE NEEDED TO COMPLETE THE APPLICATION AND PHONE NUMBERS TO CALL TO MAKE AN APPOINTMENT SO THEY CAN COMPLETE THE FINANCIAL ASSISTANCE PROCESS THIS PROCESS IS COMPLETED BETWEEN A COLLABORATION OF FRONT END REGISTRARS, FINANCIAL COUNSELORS, MEDASSIST EMPLOYEES, CASHIER AND THE PATIENT ACCOUNTING DEPARTMENT

Form and Line Reference	Explanation
PART VI, LINE 4	YUMA REGIONAL MEDICAL CENTER (YRMC) IS IN A RURAL SETTING IT IS THE ONLY HOSPITAL IN YUMA COUNTY AND ALSO SERVES SURROUNDING AREAS (TOWNS ON THE CALIFORNIA/ARIZONA BORDER) AND RESIDENTS OF MEXICAN BORDER TOWNS THE COUNTY HAS BEEN DESIGNATED AS A MEDICALLY UNDERSERVED AREA IN THE CITY OF YUMA, OVER 60 PERCENT OF THE POPULATION IS HISPANIC OR LATINO, AND IN THE CITY OF SAN LUIS AND THE CITY OF SOMERTON (BOTH IN YUMA COUNTY), OVER 90 PERCENT OF THE POPULATION IS HISPANIC OR LATINO NEARLY 63 PERCENT OF THE POPULATION IS UNDER 45 YEARS OLD YUMA COUNTY'S POPULATION IS ABOUT 205,000 AND IS EXPECTED TO GROW BY 8 PERCENT IN THE NEXT FIVE YEARS OVER 26 PERCENT OF THE POPULATION IN YUMA COUNTY HAS A GED OR HIGH SCHOOL DIPLOMA, SEVEN PERCENT HAVE AN ASSOCIATE DEGREE AND EIGHT PERCENT HAVE A BACHELOR'S DEGREE APPROXIMATELY FOUR PERCENT HAVE A MASTER'S DEGREE THE MAIN INDUSTRIES IN YUMA COUNTY ARE AGRICULTURE, TOURISM AND THE MILITARY THERE ARE TWO MILITARY BASES HERE - MARINE CORPS AIR STATION YUMA AND YUMA PROVING GROUNDS (ARMY) APPROXIMATELY 21% OF THE POPULATION IS BELOW THE POVERTY LINE THE GEOGRAPHY OF YUMA COUNTY IS DESERT LAND ACCENTED WITH RUGGED MOUNTAINS IT IS BORDERED BY BOTH CALIFORNIA AND MEXICO THERE ARE VALLEY REGIONS THAT ARE IRRIGATED WITH WATER FROM THE COLORADO RIVER THE AVERAGE TEMPERATURE IN JULY IS 107 DEGREES AND IN JANUARY IT'S 70 DEGREES

Form and Line Reference	Explanation
PART VI, LINE 5	YUMA REGIONAL MEDICAL CENTER IS INVOLVED IN SEVERAL COMMUNITY BUILDING ACTIVITIES THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS THROUGH THESE ACTIVITIES, YRMC SUPPORTS COMMUNITY ASSETS BY OFFERING THE EXPERTISE AND RESOURCES OF OUR HEALTHCARE ORGANIZATION WE ENCOURAGE EMPLOYEES TO BE INVOLVED IN THE COMMUNITY THROUGH COMMUNITY BOARDS, HEALTH ADVOCACY PROGRAMS AND PHYSICAL IMPROVEMENT PROJECTS TO CONTINUOUSLY IMPROVE THE QUALITY OF LIFE FOR THE COMMUNITIES WE SERVE SEE DESCRIPTIONS FOR SCHEDULE H, PART II

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

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

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL MEDICAL CENTER

990 Schedule H, Supplemental Information

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
FACILITY REPORTING GROUP A CONSISTS OF	- FACILITY 1 YUMA REGIONAL MEDICAL CENTER, - FACILITY 2 YUMA REGIONAL MEDICAL CENTER - F OOTHILLS, - FACILITY 3 YUMA REGIONAL OUTPATIENT SURG CENTER, - FACILITY 4 YUMA REGIONAL MEDICAL PLAZA, - FACILITY 5 YUMA REGIONAL CANCER CENTER
YUMA REGIONAL MEDICAL CENTER PART V, SECTION B, LINE 3	THE HOSPITAL, IN PARTNERSHIP WITH SOUTHWEST ARIZONA FUTURES FORUM, HOSTED AN ENGAGING PLEN ARY SESSION TITLED 'IMPROVING THE HEALTH OF OUR COMMUNITY' THE EVENT, ATTENDED BY OVER 10 0 COMMUNITY LEADERS, WAS DESIGNED TO FACILITATE OPEN DIALOG AND ENGAGEMENT OF KEY COMMUNIT Y LEADERS, STAKEHOLDERS AND PUBLIC SERVANTS DURING THE SESSION, PARTICPANTS COLLECTIVELY ASSESSED CURRENT PROGRAMS AND INITIATIVES, EVALUATED COMMUNITY HEALTH VALUES AND IDENTIFIE D NEW IDEAS FOR ENGAGING AND SUPPORTING COMMUNITY WELLNESS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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) YUMA REGIONAL MEDICAL CENTER FOUNDATION 2400 S AVENUE A YUMA,AZ 85364	51-0179146	501(C)(3)	312,983				PROGRAM SUPPORT

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. 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	CASH GRANTS AND DONATIONS ALL REQUESTS MUST BE PRESENTED IN WRITING ALLOWING THE OPTION OF A FORMAL PRESENTATION ON THE REQUEST OF THE FOUNDATION BOARD OF TRUSTEES OR ITS RESPECTIVE REVIEW COMMITTEE ALL REQUESTS WILL BE INITIALLY REVIEWED BY THE FOUNDATION EXECUTIVE COMMITTEE THE PROPOSALS THAT FALL WITHIN THE IDENTIFIED GUIDELINES WILL BE PRESENTED TO THE BOARD OF TRUSTEES OR THEIR DESIGNATED COMMITTEE FOR A DECISION OF FUNDING ALL REQUESTS WILL BE REVIEWED AND ACTION TAKEN BY THE FOUNDATION ADMINISTRATIVE COMMITTEE AND THE RESULTS WILL BE REPORTED TO THE BOARD OF TRUSTEES FUNDING WILL BE BASED ON THE FOLLOWING GUIDELINES 1) THE PROJECT OR ACTIVITY MUST DIRECTLY SUPPORT HEALTH CARE 2) THE REQUEST MUST BE SUPPORTED BY FACTS ON HOW THE FUNDS WILL BE USED 3) THE REQUEST FITS WITH THE MISSION OF THE HOSPITAL AND THE FOUNDATION 4) THE REQUEST MUST DIRECTLY BENEFIT THE YUMA COMMUNITY ADDITIONAL CONSIDERATIONS 1) INDIVIDUAL REQUESTS WILL BE CONSIDERED IF THEY ARE HEALTH CARE RELATED 2) GOLF TOURNAMENT SPONSORSHIPS WILL NOT BE CONSIDERED

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☑ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
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	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
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?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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 1A	TRAVEL FOR COMPANIONS IS AVAILABLE TO BOARD MEMBERS AND IS TREATED AS TAXABLE COMPENSATION THE CEO IS PROVIDED A MONTHLY PERQ ALLOWANCE WHICH IS TREATED AS TAXABLE COMPENSATION
PART I, LINES 4A-B	LINE 4A TONY STRUCK AND CARL MYERS RECEIVED SEVERANCE PAYMENTS DURING THE YEAR THE AGREEMENT IS SUBJECT TO A CONFIDENTIALITY CLAUSE DETAILS WILL BE PROVIDED TO THE IRS UPON REQUEST LINE 4B YUMA REGIONAL MEDICAL CENTER ESTABLISHED THE "CAPITAL ACCUMULATION AND RETENTION PLAN" AS AN INELIGIBLE DEFERRED COMPENSATION PLAN AS DESCRIBED IN SECTION 457(F) OF THE CODE (INTERNAL REVENUE CODE OF 1986) AS APPROVED BY THE BOARD OF DIRECTORS THE PURPOSE OF THIS PLAN IS TO PROVIDE CERTAIN SUPPLEMENTAL RETIREMENT BENEFITS TO ELIGIBLE EXECUTIVES THE BOARD MAY ONLY DESIGNATE PARTICIPANTS FROM AMONG THOSE EMPLOYEES WHO ARE PART OF A SELECT GROUP OF MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES YRMC WILL ESTABLISH AN INTIAL VESTING DATE FOR EACH PARTICIPANT AND WITHIN THE BOARD'S DISCRETION MAY OFFER TO EXTEND A PARTICIPANT'S VESTING DATE MEETING SPECIFIC CRITERIA AS SET FORTH WITHIN THE PLAN DOCUMENT THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE PLAN DOCUMENT THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE PLAN AND HAD CONTRIBUTIONS TO THE PLAN IN 2013 MACHELE HEADINGTON - $27,380 DEBORAH CARVER - $24,422 PATRICK WALZ - $85,693 EUGENE SHAW - $36,164 DAVID WILLIE - $42,000 CAMIE OVERTON - $27,995 THE FOLLOWING INDIVIDUALS RECEIVED PAYMENTS FROM THE PLAN IN 2013 CARL MYERS - $95,428 BRENDA HALL - $57,362
PART I, LINE 7	YUMA REGIONAL MEDICAL CENTER HAS A PAY AT RISK INCENTIVE PROGRAM FOR CERTAIN EXECUTIVES SEE SECTION II OF THE SCHEDULE O DISCLOSURE FOR 990, PART VI, LINES 15A AND 15B FOR A DESCRIPTION OF THIS PROGRAM

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL 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				
PATRICK T WALZ CEO (THRU 11/1/14)	(I) (II)	557,257 0	0 0	0 0	95,893 0	17,379 0	670,529 0	0 0
SHARON GARDNER VP HUMAN RESOURCES	(I) (II)	277,735 0	0 0	0 0	65,436 0	17,379 0	360,550 0	0 0
CARL MYERS MD VP OF MEDICAL AFFAIRS, CMO	(I) (II)	231,317 0	0 0	157,798 0	62,258 0	17,370 0	468,743 0	0 0
EUGENE SHAW VP INFORMATION TECH, CIO	(I) (II)	224,414 0	0 0	0 0	45,298 0	9,913 0	279,625 0	0 0
MACHELE HEADINGTON VP COMM & MARKET	(I) (II)	168,376 0	0 0	0 0	27,412 0	17,379 0	213,167 0	0 0
EDWARD PAUL MD DIRECTOR OF MEDICAL ED	(I) (II)	296,946 0	0 0	0 0	10,200 0	22,828 0	329,974 0	0 0
CAMIE OVERTON VP CLINICAL SERV LINES	(I) (II)	229,832 0	0 0	0 0	32,686 0	17,379 0	279,897 0	0 0
THOMAS VANHASSEL DIR OF PHARMACY (THRU 10/11/13)	(I) (II)	170,059 0	0 0	0 0	19,013 0	18,957 0	208,029 0	0 0
MARK JORDAN DIRECTOR OF PHARMACY	(I) (II)	163,484 0	0 0	0 0	6,904 0	22,832 0	193,220 0	0 0
DEB CARVER VP PATIENT CARE SERVICES	(I) (II)	161,435 0	0 0	0 0	8,550 0	9,486 0	179,471 0	0 0
ROBERT BUDMAN CHIEF MEDICAL INFORMATION OFFICER	(I) (II)	261,895 0	0 0	0 0	0 0	0 0	261,895 0	0 0
BRENDA HALL VP PATIENT CARE SERV (THRU 3/13/14)	(I) (II)	223,397 0	0 0	0 0	37,638 0	16,294 0	277,329 0	0 0
BRENDA CARROLL MD CANCER CENTER PHYSICIAN	(I) (II)	445,575 0	32,471 0	0 0	10,200 0	8,258 0	496,504 0	0 0
GREGORY YANG MD CANCER CENTER PHYSICIAN	(I) (II)	466,013 0	367,853 0	0 0	5,090 0	22,427 0	861,383 0	0 0
PETER SULLIVAN MD CANCER CENTER PHYSICIAN	(I) (II)	444,465 0	848 0	0 0	10,200 0	16,006 0	471,519 0	0 0
TIMOTHY GALANG MD CANCER CENTER PHYSICIAN	(I) (II)	362,202 0	357,582 0	36,400 0	10,200 0	261 0	766,645 0	0 0
JAMES LENHART FAMILY MEDICINE PROGRAM DIRECTOR	(I) (II)	276,867 0	0 0	0 0	7,124 0	16,006 0	299,997 0	0 0
TONY STRUCK FORMER OFFICER	(I) (II)	305,125 0	0 0	105,626 0	30,463 0	27,567 0	468,781 0	0 0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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	INDUSTRIAL DEVELOPMENT AUTHORITY OF CITY OF YUMA	86-0498547	988514CE3	02-05-2014	179,884,512	TO REFUND BONDS & TO FINANCE IMPROVEMENTS AND RENOVATIONS TO THE HOSPITAL		X		X		X
B	INDUSTRIAL DEVELOPMENT AUTHORITY OF CITY OF YUMA	86-0498547	98851RAA2	10-25-2007	1,430,000	EXPANSION AND IMPROVEMENT OF HEALTHCARE FACILITIES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	179,884,512	1,430,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	64,708,016			
7	Issuance costs from proceeds	1,509,512			
8	Credit enhancement from proceeds	8,321,984			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	395,000	1,430,000		
11	Other spent proceeds	109,025,000			
12	Other unspent proceeds				
13	Year of substantial completion		2007		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use 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 ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	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?								
b	Exception to rebate?								
c	No rebate due?								
	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								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		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).

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total		▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of 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
See Additional Data Table					

Part V Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 86-6007596
Name: YUMA REGIONAL MEDICAL CENTER

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
(1) SOUTHWESTERN CRITICAL CARE	ENTITY MORE THAN 5% OWNED BY DR RAJAMANI, TRUSTEE	2,311,440	MEDICAL SERVICES		No
(2) SOUTHWEST EMERGENCY PHYSICIANS	ENTITY MORE THAN 5% OWNED BY DR RICHEMONT, TRUSTEE	457,447	GROUP INCENTIVES/TRANSCRIPTION		No
(3) MICHAEL HEADINGTON	FAMILY MEMBER OF MACHELE HEADINGTON, KEY EMPLOYEE	108,814	SALARIES & WAGES		No
(4) LYDIA BROWN	FAMILY MEMBER OF ISMAEL GUERRERO, TRUSTEE	69,141	SALARIES & WAGES		No
(5) MERRILL WALKER BUILDERS	ENTITY >5% OWNED BY A FAMILY MEMBER OF MACHELE HEADINGTON, KEY EMPLOYEE	4,718	BUILDING CONTRACTOR SERVICES		No
(6) MIGUEL GUERRERO	FAMILY MEMBER OF ISMAEL GUERRERO MD, TRUSTEE	39,013	SALARIES & WAGES		No
(7) YUMA ANESTHESIA MEDICAL SERVICES	ENTITY >5% OWNED BY RAUL CASTILLO, MD, CHIEF OF STAFF	1,453,596	MEDICAL SERVICES		No
(8) SOUTHWEST AZ HEART & VACULAR	ENTITY >5% OWNED BY ALBERTO MEJIA, MD, VICE CHIEF OF STAFF	1,942,430	MEDICAL SERVICES		No

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

Return Reference	Explanation
FORM 990, PART I, LINE 6 SERVICES PROVIDED BY VOLUNTEERS	VOLUNTEERS ARE A VITAL PART OF YUMA REGIONAL MEDICAL CENTER THAT'S WHY YRMC OFFERS OPPORTUNITIES FOR SERVICE THAT ACCOMMODATE THE SCHEDULES OF WORKING ADULTS, STUDENTS AND RETIREES SOME OF OUR VOLUNTEERS WORK DIRECTLY WITH PATIENTS, WHILE OTHERS PROVIDE INVALUABLE ASSISTANCE IN SUPPORT AREAS OR WITH SPECIAL PROJECTS IN 2014, 600 VOLUNTEERS HELPED OUT IN NUMEROUS SERVICE AREAS AND CONTRIBUTED OVER 60,000 VOLUNTEER HOURS VOLUNTEERS ARE AN ESSENTIAL PART OF YRMC PERFORMING A VARIETY OF SERVICES TO HELP PATIENTS, VISITORS AND STAFF THEY OFFER SUPPORT IN CLINICAL AS WELL AS NON-CLINICAL AREAS BY PERFORMING SUCH DUTIES AS INFORMATION DESK RECEPTIONIST, TRANSPORTING VISITORS AS A CART DRIVER, BOOK AND BEVERAGE CART SERVICES, PATIENT VISITORS AND WHEEL CHAIR TRANSPORTERS, SOOTHING A CRYING BABY IN THE NICU, PRINT SHOP, WAREHOUSE AND OFFICE ASSISTANTS IN ADDITION, VOLUNTEERS SUPPORT UBS BLOOD DRIVES, HOSPITAL SUPPORT GROUPS, COMMUNITY OUTREACH EVENTS, AND THE PATIENT AND FAMILY CARE CENTER

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A PROGRAMS SERVICE ACCOMPLISHMENTS	OUR VISION THE VISION OF YUMA REGIONAL MEDICAL CENTER WILL BE RECOGNIZED AS THE FOCUS FOR HEALTHCARE. WE WILL WORK COLLABORATIVELY TO EVOLVE THE BEST SYSTEM OF COORDINATED HEALTHCA RE IN OUR SERVICE AREA. OUR MISSION THE MISSION OF YUMA REGIONAL MEDICAL CENTER IS TO IMPR OVE THE HEALTH AND WELL-BEING OF INDIVIDUALS, FAMILIES AND THE COMMUNITY WE SERVE THROUGH EXCELLENCE, INNOVATION AND PRUDENT USE OF RESOURCES OUR VALUES COMMITMENT - RESPECT - SAF ETY / QUALITY - CREATIVITY - TEAMWORK OVERVIEW YUMA REGIONAL MEDICAL CENTER IS A 405 LICEN SED BED GENERAL ACUTE CARE HOSPITAL THAT PROVIDES INPATIENT, OUTPATIENT, EMERGENCY ROOM AN D OTHER ACUTE CARE AND HOSPITAL RELATED SERVICES TO THE PEOPLE OF YUMA, ARIZONA AND THE SU RROUNDING COMMUNITIES PRESIDENT/CEO AS A NOT-FOR-PROFIT COMMUNITY HOSPITAL, YUMA REGIONAL MEDICAL CENTER IS DEDICATED TO MEETING THE HEALTHCARE NEEDS OF THIS COMMUNITY TODAY, TOMO RROW AND WELL INTO THE FUTURE. THROUGH THIS REPORT, YOU WILL LEARN ABOUT MANY SERVICES AND PROGRAMS THAT WE PROVIDE. THE YRMC TEAM CONSISTS OF OVER 2,000 EMPLOYEES, SOME 300 PHYSIC IANS AND 600 VOLUNTEERS. YRMC MAINTAINS THE HIGHEST STANDARDS FOR OUR MEDICAL STAFF TO HEL P ENSURE YOU RECEIVE THE QUALITY CARE YOU EXPECT. MORE THAN 95 PERCENT OF THE PHYSICIANS P RACTICING AT YRMC ARE BOARD CERTIFIED/ELIGIBLE IN ONE OR MORE SPECIALTIES. WE PLEDGE TO SE RVE AS AN ACTIVE COMMUNITY PARTNER WHILE CONTINUING OUR MISSION TO IMPROVE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE. CHAIRMAN, YRMC BOARD OF DIRECTORS. THE BOARD OF YU MA REGIONAL MEDICAL CENTER IS COMPOSED OF AN ARRAY OF PROFESSIONALS WHO BRING THEIR SKILLS AND TALENTS TOGETHER TO WORK WITHOUT PAY SO THAT YOU CAN RECEIVE THE HIGHEST QUALITY OF M EDICAL CARE IN YOUR COMMUNITY. AS WE LOOK TO THE FUTURE, THE YRMC BOARD OF DIRECTORS HAS A GAIN SET THE BAR HIGH. IT IS OUR VISION TO WORK COLLABORATIVELY TO EVOLVE THE BEST SYSTEM OF COORDINATED HEALTH CARE IN OUR SERVICE AREA. AS A NON-PROFIT COMMUNITY HOSPITAL, WE REI NVEST FUNDS REMAINING AT THE CLOSE OF THE YEAR TO NEW SERVICES AND PROGRAMS FOR THE COMMUN ITY. OUR STRATEGIES MOVING FORWARD INCLUDE A FIVE-PHASE IMPLEMENTATION OF AN ELECTRONIC HE ALTH RECORD TO IMPROVE PATIENT SAFETY AND QUALITY, IMPROVE PATIENT ACCESS TO SERVICES THRO UGH RECRUITMENT OF PHYSICIANS IN IDENTIFIED SHORTAGE AREAS, INVESTMENT IN NEW TECHNOLOGIES , REMAINING FINANCIALLY SOUND, AND PROVIDING THE HIGHEST STANDARD OF CARE AND PATIENT SAFE TY. AS A NOT-FOR-PROFIT HOSPITAL, YRMC HAS NO SHAREHOLDERS. WE ANSWER TO AND ARE OWNED BY THE COMMUNITY WE SERVE. FINANCIAL A SOLID FUTURE AS A NON-PROFIT HOSPITAL, YUMA REGIONAL MEDICAL CENTER RELIES SOLELY ON PATIENT REVENUES FOR FUNDING. WE DO NOT RECEIVE LOCAL, STA TE OR FEDERAL TAX MONEY THERE ARE NO OUT-OF-STATE CORPORATIONS OR PRIVATE SHAREHOLDERS IN VOLVED WITH YRMC - THE ONLY SHAREHOLDERS ARE THE PEOPLE AND COMMUNITIES WE SERVE. CHARITY CARE/FINANCIAL ASSISTANCE AT YUMA REGIONAL MEDICAL CENTER, WE BELIEVE THAT ALL PEOPLE HAVE A RIGHT TO MEDICALLY NECESSARY HEALTH CARE AND EQUAL ACCESS TO DIAGNOSTIC AND THERAPEUTIC TREATMENT, REGARDLESS OF FINANCIAL STATUS. ELIGIBILITY CRITERIA FOR CHARITY CARE OR DISCO UNTS ARE BASED ON A PERCENTAGE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ANNUAL "POVE RTY GUIDELINES " ELIGIBILITY CRITERIA INCLUDES INDIVIDUAL OR FAMILY INCOME, INDIVIDUAL OR FAMILY NET WORTH, EMPLOY MENT STATUS, OTHER FINANCIAL OBLIGATIONS, AMOUNT AND FREQUENCY OF HEALTHCARE BILLS AND OTHER FINANCIAL RESOURCES AVAILABLE TO THE PATIENT. BECAUSE YRMC DOES NOT PURSUE COLLECTIONS, CHARITY CARE IS NOT INCLUDED IN NET PATIENT SERVICE REVENUE. A CO PY OF THE YRMC'S CHARITY CARE POLICY IS AVAILABLE ON THE WEBSITE WWW YUMAREGIONAL ORG. WE' RE NOT FOR PROFIT. WE'RE FOR HELPING CHILDREN A BACKPACK, PENCILS AND PENS, ERASERS, NOT EPAPER, RULER AND CRAYONS - IT SEEMS LIKE A SMALL EXPENSE. BUT FOR MANY STRUGGLING FAMILIE S, THE GIFT OF A BACKPACK FILLED WITH SCHOOL SUPPLIES MEANS SOMETHING VERY SPECIAL. IT MEA NS THAT THEIR CHILDREN ARE EQUIPPED WITH THE TOOLS NEEDED TO SUCCESSFULLY START THE SCHOOL YEAR. IN 2012, SEVERAL THOUSAND NEEDY CHILDREN BENEFITED FROM THE YRMC DRIVE FOR SCHOOL S UPPLIES. FOR 10 YEARS, YUMA REGIONAL MEDICAL CENTER HAS STEPPED IN TO SUPPORT THE COMMUNIT Y'S UNDERPRIVILEGED CHILDREN BY SPONSORING THIS LARGE PROJECT. THE DRIVE FOR SCHOOL SUPPLI ES IS TRULY A COMMUNITY COLLABORATION THAT TAKES PLACE EACH JULY. YRMC WORKS WITH BUSINESS ES AND OTHER ORGANIZATIONS TO SET UP DONATION BOXES AT VARIOUS LOCATIONS. PRINCIPALS FROM AREA SCHOOLS THROUGHOUT YUMA COUNTY ARE ASKED TO DETERMINE HOW MANY BACKPACKS THEY NEED FO R THEIR STUDENTS. INDIVIDUALS THROUGHOUT THE COMMUNITY ALSO DONATE CASH TOWARDS THE PROJEC T. SEVERAL AREA MERCHANTS OFFER YRMC BULK DISCOUNTS FOR BACKPACKS AND SUPPLIES PAID FOR WI TH THESE CASH DONATIONS AND GRANTS. IN FISCAL 2014, 153 OF OUR TINIEST PATIENTS WERE ADMIT TED TO AND CARED FOR BY THE SPECIALLY TRAINED STAFF IN THE NEONATAL INTENSIVE CARE UNIT (N ICU). YRMC'S NICU IS LICENSED TO CARE FOR INFANTS

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A PROGRAMS SERVICE ACCOMPLISHMENTS	28 WEEKS AND OLDER A FULL TERM INFANT IS 40 WEEKS INFANTS THAT ARE BORN AT YRMC AT LESS THAN 28 WEEKS ARE CARED FOR IN THE NICU UNTIL THEY ARE STABLE ENOUGH TO TRANSPORT OUR YOU NGEST INFANTS HAVE BEEN 22 WEEKS BY HAVING A NICU, FAMILIES ARE RELIEVED OF THE EXPENSE O F GOING OUT OF TOWN FOR EXTENDED PERIODS OF TIME TO BE NEAR THEIR SICK INFANT AND HAVE A S UPPORT SYSTEM NEARBY TO RAISE AWARENESS ABOUT HEART DISEASE, THE NUMBER ONE KILLER OF WOM EN, AND ITS RISKS, YUMA REGIONAL MEDICAL CENTER PARTICIPATES IN THE AMERICAN HEART ASSOCIA TION'S GO RED FOR WOMEN CAMPAIGN AND ALSO HOLDS A WOMEN AND HEART DISEASE AWARENESS CAMPAI GN DURING THE CAMPAIGN, THOUSANDS OF HEART KITS CONTAINING INFORMATION ON HEART DISEASE, HEART-HEALTHY RECIPES AND COUPONS FOR FREE AND DISCOUNTED LABORATORY SERVICES ARE DISTRIBU TED THROUGHOUT YUMA COUNTY OUR SPEAKERS BUREAU PROVIDED SPEAKERS TO CLUBS AND ORGANIZATIO NS ON WOMEN AND HEART DISEASE. YRMC PARTNERS WITH PHYSICIANS, RETAIL MERCHANTS AND RESTAUR ANTS TO PROMOTE NATIONAL WEAR RED DAY, WHICH SHOWS SUPPORT FOR WOMEN'S HEART DISEASE AWARE NESS EDUCATION ABOUT WOMEN AND HEART DISEASE IS OFFERED AT ALL SPRING COMMUNITY OUTREACH EVENTS, INCLUDING HEART HEALTHY COOKING, THE YUMA COUNTY FAIR AND THE WOMEN'S EXPO WE'RE NOT FOR PROFIT WE'RE FOR EDUCATING THE COMMUNITY YUMA REGIONAL MEDICAL CENTER IS COMMIT TED TO THE EDUCATION OF HEALTHCARE PROFESSIONALS BY PROVIDING LEARNING OPPORTUNITIES TO NU RSES AT OUR EDUCATION CENTER AND TO PHARMACY STUDENTS WORKING ON PATIENT FLOORS SUCH EDUC ATIONAL PROGRAMS GIVE STUDENTS A CHANCE TO WORK ON THEIR SKILLS AT A PREMIER HEALTHCARE CE NTER WHILE PROVIDING THE COMMUNITY WITH HIGHLY QUALIFIED CAREGIVERS TRAINING TOMORROW'S N URSES AT THE YUMA REGIONAL EDUCATION CENTER, NURSING STUDENTS FROM NORTHERN ARIZONA UNIVER SITY - YUMA APPLY CLASSROOM LESSONS IN A SETTING THAT MIRRORS A HOSPITAL ENVIRONMENT STUD ENTS WORK IN A SKILLS LAB THAT HAS ADULT, CHILD AND INFANT VITALSIMS MANNEQUINS PREPROGRAM MED WITH HEART RHYTHMS, LUNG AND BOWEL SOUNDS AND EVEN VOICES IN A WORKSHOP OUTFITTED WIT H MORE ADVANCED MANNEQUINS, CALLED SIMSMAN AND SIMSBABY, AN OBSERVING INSTRUCTOR CONTROLS THE PHYSICAL TRAITS OF THE SIMULATED PATIENT IN RESPONSE TO THE NURSE'S CARE DURING FULL L IFELIKE SCENARIOS "THE GOAL OF OUR EDUCATION CENTER IS TO PROVIDE AS MANY RESOURCES AS PO SSIBLE TO HELP NURSING STUDENTS AND EMPLOYEES GROW IN KNOWLEDGE AND SKILL," SAYS A CLINICA L LAB SPECIALIST AT YUMA REGIONAL MEDICAL CENTER "WE FEEL IT'S AN ESSENTIAL COMPONENT IN PROVIDING EXCELLENT PATIENT CARE." WE'RE NOT FOR PROFIT WE'RE FOR UNITING FOR THE COMMU NITY YUMA REGIONAL MEDICAL CENTER HAS JOINED FORCES WITH YUMA REHABILITATION HOSPITAL, A N ATIONALLY RECOGNIZED STROKE REHABILITATION CENTER OF EXCELLENCE, TO PROVIDE A STROKE PROGR AM FOR THE COMMUNITY EVERY 45 SECONDS SOMEONE IN AMERICA HAS A STROKE. MOST STROKE SURVIV ORS WILL TELL YOU THAT THEY INITIALLY IGNORED THE WARNING SIGNS BECAUSE THEY THOUGHT IT CO ULDN'T HAPPEN TO THEM A STROKE CAN HAPPEN TO ANYONE. CANCER PATIENTS NEED A TEAM OF NURSE S, SOCIAL WORKERS, CHAPLAINS AND PHYSICIANS TO HELP IN-PATIENTS AND THEIR FAMILIES WITH PA LLIATIVE CARE SERVICES, WHICH HELP PEOPLE WORK THROUGH THE PHYSICAL, EMOTIONAL AND SPIRITU AL CONCERNS OF SERIOUS, PROGRESSIVE ILLNESSES THE GOALS ARE TO HELP PEOPLE HAVE THE BEST POSSIBLE QUALITY OF LIFE AND TO BE ALLOWED TO DIE WITH DIGNITY TREATMENTS AND TECHNIQUES FOCUS ON IMPROVING THE QUALITY OF LIFE OF PATIENTS WITH ILLNESSES SUCH AS CANCER, HEART FA ILURE AND CHRONIC OBSTRUCTIVE PULMONARY DISEASE. PAIN MANAGEMENT PLAYS A KEY ROLE IN PALLI ATIVE CARE. PALLIATIVE CARE HELPS PATIENTS UNDERSTAND THE NATURE OF THEIR ILLNESS AND TO M AKE TIMELY, INFORMED DECISIONS ABOUT THEIR LIVES

Return Reference	Explanation
FORM 990, PART III, LINE 4A PROGRAMS SERVICE ACCOMPLISHMENTS CONTINUED	EDUCATION AND MANAGEMENT ARE KEY FACTORS FOR PATIENTS WITH DIABETES THE DIABETES EDUCATION PROGRAM AT YRMC HELPS THESE PATIENTS TO UNDERSTAND WHAT TYPES OF FOOD ARE BEST FOR THEM, POTENTIAL HAZARDS OF IGNORING THE DISEASE AND OFFERS A DIABETES SUPPORT GROUP FOR PATIENTS AND THEIR FAMILIES THE PROGRAM ALSO PROVIDES INFORMATION ON MANAGEMENT OF THE DISEASE TO HELP PATIENTS UNDERSTAND THAT IT IS AN ON-GOING PROCESS IN 2009, THE PROGRAM ADDED DIABETES 101 THIS INFORMATIVE, TWO-HOUR CLASS IS OPEN TO ANYONE WHO WANTS TO LEARN ABOUT THE BASIC SKILLS NEEDED TO CONTROL TYPE 2 DIABETES IT IS TAUGHT BY CERTIFIED DIABETES EDUCATORS WHO GIVE AN OVERVIEW OF TYPE 2 DIABETES, THE MEDICATIONS USED TO CONTROL DIABETES, MEAL PLANNING AND HEALTHY BEHAVIORS THAT CAN HELP PATIENTS AVOID COMPLICATIONS THE YUMA REGIONAL CARELINE OFFERS ASSISTANCE FREE OF CHARGE 24 HOURS A DAY, SEVEN DAYS A WEEK, THE CARELINE PROVIDES CALLERS WITH FREE HEALTH ADVICE FROM A REGISTERED NURSE, HELP FINDING A DOCTOR AND ACCESS TO OVER 1,500 AUDIO HEALTH TOPICS PROMOTIONAL ITEMS FEATURING THE CARELINE TELEPHONE NUMBER AND FLYERS ABOUT THE FREE SERVICE ARE HANDED OUT AT YRMC COMMUNITY OUTREACH EVENTS, AND COMMUNITY AWARENESS IS HEIGHTENED THROUGH NEWSPAPER AND BILLBOARD ADS FULLY FUNDED BY YRMC, THE CARELINE IS DESIGNED TO HELP OUR COMMUNITY ACCESS THE MOST APPROPRIATE LEVEL OF CARE FOR ITS HEALTH NEEDS YUMA REGIONAL CARELINE 336-CARE (2273) THE CHILDBIRTH EDUCATION PROGRAM COORDINATOR AT YRMC HAS EARNED THE TITLE "QUEEN OF CAR SEATS" ACCORDING TO SAFE KIDS WORLDWIDE, SHE CHECKS AN AVERAGE OF 70 CAR SEATS PER MONTH FOR PROPER INSTALLATION YRMC OFFERS CHILDBIRTH PREPARATION INCLUDING CAR SEAT SAFETY, NEWBORN CARE, SIBLING, BREASTFEEDING AND CPR/FIRST AID CLASSES AT A NOMINAL FEE MORE THAN 1,000 PEOPLE PARTICIPATE IN THESE CLASSES IN A YEAR CLINICAL PASTORAL EDUCATION PROGRAM THE CLINICAL PASTORAL EDUCATION (CPE) PROGRAM AT YUMA REGIONAL MEDICAL CENTER TRAINS CLERGY OF ALL FAITHS TO PROVIDE HEALING, COMFORT AND SUPPORT TO PATIENTS AND THEIR FAMILIES DURING THEIR HOSPITAL EXPERIENCE YRMC OFFERS LEVEL 1, LEVEL 2 AND SUPERVISORY CPE THE CPE PROGRAM IS ACCREDITED BY THE ASSOCIATION FOR CLINICAL PASTORAL EDUCATION RECOGNIZED FOR ITS EXCEPTIONALLY HIGH STANDARDS, THE YEAR-LONG RESIDENCY PROGRAM AT YRMC OFFERS A STIMULATING LEARNING ENVIRONMENT THAT ENCOURAGES BOTH PERSONAL AND PROFESSIONAL GROWTH STUDENTS LEARN HOW TO PROVIDE EMOTIONAL AND SPIRITUAL SUPPORT TO INDIVIDUALS OF ALL FAITHS AND BELIEFS TO HELP EMPOWER THEM IN THEIR HEALTHCARE EXPERIENCE STUDENTS MAY EXPERIENCE A WIDE RANGE OF UNIQUE OPPORTUNITIES TO PRACTICE CHAPLAINCY WITHIN A CLINICAL TEAM ENVIRONMENT, SUCH AS WORKING WITH TRAUMAS, CELEBRATING BIRTHS AND END-OF-LIFE ISSUES RESIDENTS BECOME EXPERT IN ACTIVE LISTENING SKILLS, ORGAN AND TISSUE DONATION AND ADVANCE DIRECTIVES YRMC TYPICALLY OFFERS FIVE RESIDENCIES PER YEAR

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON INFORMATION PROVIDED BY THE FINANCE DEPARTMENT THE 990 IS THEN REVIEWED BY MANAGEMENT IN THE FINANCE DEPARTMENT AND PRESENTED TO THE BOARD AUDIT COMMITTEE FOR REVIEW AND COMMENT THE 990 IS THEN PROVIDED TO THE ENTIRE BOARD PEIOR TO FILING WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	YRMC RECOGNIZES THAT THE POTENTIAL FOR CONFLICTS OF INTEREST EXISTS FOR DECISION-MAKERS AT ALL LEVELS WITHIN THE ORGANIZATION LEVELS WITHIN THE ORGANIZATION INCLUDE YRMC EMPLOYEES, VOLUNTEERS, AND BOARD MEMBERS YRMC REQUIRES THE DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST SO THAT APPROPRIATE ACTION MAY BE TAKEN TO ENSURE THAT SUCH CONFLICTS WILL NOT INAPPROPRIATELY INFLUENCE IMPORTANT DECISIONS EMPLOYEES ARE REQUIRED TO DISCLOSE ANY AND ALL POTENTIAL CONFLICTS OF INTEREST THAT COULD INAPPROPRIATELY INFLUENCE DECISIONS THIS WOULD INCLUDE BECOMING INVOLVED AS A VENDOR, OR RECEIVING REMUNERATION OR OTHER BENEFIT FROM A VENDOR THIS INCLUDES IMMEDIATE FAMILY MEMBERS IF A TRANSACTION IS PLANNED, THE EMPLOYEE MUST DISCLOSE THE FOLLOWING INFORMATION TO HIS OR HER DEPARTMENT DIRECTOR AND THE V P OF HUMAN RESOURCES THE EMPLOYEE'S OR FAMILY MEMBER'S PERSONAL INTEREST, AND A DESCRIPTION OF THE PROPOSED TRANSACTION INCLUDING ALL RELEVANT INFORMATION YRMC'S WORKFORCE MEMBER ACKNOWLEDGEMENT, CONFIDENTIALITY AGREEMENT, CONFLICT OF INTEREST AND DISCLOSURE STATEMENT AND CERTIFICATION FORM IS SIGNED UPON ENTRY AND THEN ANNUALLY RECORDS ARE RETAINED IN THE PERSONNEL FILE IN THE VOLUNTEER DEPARTMENT OFFICE OR THE HUMAN RESOURCES DEPARTMENT OFFICE DOCUMENTS SIGNED BY MEMBERS OF THE YRMC BOARD OF DIRECTORS ARE KEPT WITH THE BOARD COORDINATOR

Return Reference	Explanation	
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF YUMA REGIONAL MEDICAL CENTER HAS ADOPTED A COMPETITIVE PAY STRATEGY IN ORDER TO ATTRACT AND RETAIN QUALIFIED EXECUTIVES TO LEAD OUR ORGANIZATION AND TO FAIRLY COMPENSA TE EXECUTIVES FOR ADVANCING THE MISSION OF YUMA REGIONAL MEDICAL CENTER THE POLICY IS ALS O INTENDED TO ESTABLISH A FORMAL, CONSISTENT PROCESS FOR GOVERNING EXECUTIVE COMPENSATION DECISIONS THIS PROCESS IS MEANT TO ESTABLISH A "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER IRC SECTION 4958 TO SECURE A LEGAL "REBUTTABLE PRESUMPTION OF REASONABLENESS" IN D ETERMINING COMPENSATION OF THE CEO AND OTHER EXECUTIVES CONSIDERED DISQUALIFIED INDIVIDUAL S, AN OUTSIDE CONSULTANT IS ENGAGED PERIODICALLY TO PROVIDE COMPARABILITY DATA AND CONTEMP ORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION IN SETTING UP TOTAL COMPENSATION PACKAGES INCLUDING AN INCENTIVE PAY PROGRAM KNOWN AS "PAY AT RISK" AND EXECUTIVE RETIREMEN T PROGRAMS OUR TOTAL COMPENSATION PHILOSOPHY IS COMPRISED OF THE FOLLOWING ELEMENTS ROLE OF THE EXECUTIVE COMMITTEE THE BOARD'S EXECUTIVE COMMITTEE, AFTER REVIEWING THE MATERIAL PROVIDED BY THE CONSULTANT, SETS THE COMPENSATION FOR THE PRESIDENT/CEO AS WELL AS THE CO MPENSATION POLICY AND STRATEGY FOR OTHER EXECUTIVES THE EXECUTIVE COMMITTEE WILL REVIEW A ND APPROVE, OR MODIFY AS APPROPRIATE, THE CEO'S RECOMMENDATIONS FOR OTHER EXECUTIVES THE EXECUTIVE COMMITTEE PRESENTS ITS RECOMMENDATIONS TO THE FULL BOARD FOR ENDORSEMENT PEER G ROUP A NATIONAL PEER GROUP OF HEALTH CARE ORGANIZATIONS COMPARABLE TO YRMC IN REVENUE, ST RUCTURE, MISSION AND SCOPE OF OPERATIONS WILL BE USED IN COLLECTING COMPARABILITY DATA CO MPETITIVE POSITIONING -SALARY RANGE MIDPOINTS ARE SET AT THE 60TH PERCENTILE OF THE PEER GROUP INDIVIDUAL SALARIES ARE POSITIONED WITHIN THE SALARY RANGES BASED ON FACTORS SUCH A S QUALIFICATIONS, EXPERIENCE AND PERFORMANCE AS WELL AS RECRUITMENT AND RETENTION NEEDS - ANNUAL INCENTIVE OPPORTUNITY FOR THE PRESIDENT/CEO, VICE PRESIDENTS AND DIRECTORS ARE POSI TIONED ON PAR WITH THE AVERAGE LEVELS PROVIDED TO INDIVIDUALS OCCUPYING COMPARABLE POSITIO NS IN THE PEER GROUP -BENEFIT EXPENDITURES ARE POSITIONED ABOVE THE 75TH PERCENTILE AND D ESIGNED TO ENCOURAGE RETENTION AND STABILITY OF THE EXECUTIVE TEAM -OUR TOTAL COMPENSATIO N INCLUDING CASH COMPENSATION AND BENEFITS WILL BE POSITIONED AT APPROXIMATELY THE 75TH PE RCENTILE FOR EXPECTED PERFORMANCE TOTAL COMPENSATION ABOVE THE 75TH PERCENTILE MAY BE ACH IEVED FOR EXCEPTIONAL OR SUPERIOR PERFORMANCE APPROPRIATE PERQUISITES WILL BE PROVIDED BA SED ON POSITION LEVEL AND TYPICALLY WILL BE FUNDED BY A PERQ ALLOWANCE A MODERATE SEVERAN CE POLICY IS ALSO PROVIDED BASED ON POSITION LEVEL SEE THE SEVERANCE POLICY FOR FURTHER D ETAIL PAY AT RISK INCENTIVE PROGRAM YRMC'S ANNUAL INCENTIVE PLAN (OUR "PAY AT RISK" PROG RAM) USES A COMBINATION OF ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE MEASURES ORGANIZATIO NAL MEASURES ALIGNED WITH THE ORGANIZATION'S PILLARS OF PERFORMANCE INCLUDING QUALITY/SAFE TY, SERVICE SATISFACTION, PEOPLE, SYSTEMS, PROCESSES, FINANCE AND GROWTH ARE ESTABLISHED A NNUALLY AND APPROVED BY THE BOARD EXECUTIVE COMMITTEE THE WEIGHTING FOR EACH MEASURE IS E STABLISHED ANNUALLY AND SLIGHTLY MORE WEIGHT MAY APPLY TO ANY OF THESE FIVE CATEGORIES -T RIGGERS ARE ESTABLISHED TO DEFINE CERTAIN MINIMUM PERFORMANCE LEVELS THAT MUST BE MET BEFO RE INCENTIVE AWARDS MAY BE PAID -NET OPERATING MARGIN MUST BE ACHIEVED AT A MINIMUM OF 80 % OF BUDGET -ACCREDITATION MUST BE MAINTAINED -PERFORMANCE MEASURES ARE TYPICALLY EXPRES SED IN TERMS OF DEFINED OUTCOMES EACH PERFORMANCE MEASURE INCLUDES THREE LEVELS OF PERFOR MANCE THAT CORRESPOND TO THREE LEVELS OF AWARD OPPORTUNITY -A THRESHOLD LEVEL OF PERFORMA NCE REPRESENTING "SIGNIFICANT PROGRESS" TOWARD ACHIEVING THE PLANNED PERFORMANCE OBJECTIVE (TARGET) -A STRETCH LEVEL OF PERFORMANCE INDICATING THAT THE PLANNED PERFORMANCE OBJECTI VE HAS BEEN FULLY ACHIEVED (WINNING) -AN OUTSTANDING LEVEL OF PERFORMANCE REPRESENTING RE SULTS THAT "CLEARLY EXCEED" THE PLANNED PERFORMANCE OBJECTIVE (MAXIMUM OR CHAMPION) TARGE TS ARE SET AT THE 60TH PERCENTILE OF NATIONAL DATA WHEN AVAILABLE -WINNING LEVEL IS SET A T THE 75TH PERCENTILE AND CHAMPION LEVEL IS THE 90TH PERCENTILE FOR FINANCIAL MEASURES, W INNING IS SET AT THE BUDGET LEVEL WITH 95% EQUALING TARGET AND 105% EQUALING CHAMPION LEVE L EACH YEAR, THE CEO RECOMMENDS TO THE COMMITTEE THE OUTCOMES REQUIRED TO ACHIEVE EACH GO AL LEVEL AND PROVIDES SUPPORTING RATIONALE AND DATA FOR THE RECOMMENDATIONS THE COMMITTEE REVIEWS THE RECOMMENDATIONS, MODIFIES AS APPROPRIATE, AND APPROVES THE FINAL GOALS AND RE QUIRED OUTCOMES PERFORMANCE LEVEL PERCENTAGES ARE SET BASED ON POSITION -CEO'S WINNING L EVEL EQUALS 40% OF INCUMBENT'S SALARY WITH A MINIMUM OF 30% AND A MAXIMUM OF 50% WITH 100% WEIGHTING ON ORGANIZATIONAL GOALS -VICE PRESIDENT'S WINNING LEVEL EQUALS 20% OF INCUMBEN T'S SALARY WITH A MINIMUM OF 10% AND A MAXIMUM OF 30% WITH 70% WEIGHTING ON ORGANIZATIONAL GOALS, 30% WEIGHTING FOR DIVISION GOALS -DIRECTO

Return Reference	Explanation	
	FORM 990, PART VI, SECTION B, LINE 15	R'S WINNING LEVEL EQUALS 10% OF MIDPOINT OF SALARY RANGE WITH A MINIMUM OF 5% AND A MAXIMU M OF 15% WITH 60% WEIGHTING ON ORGANIZATIONAL GOALS, 40% WEIGHTING FOR DIVISION GOALS -TH E AMOUNT, IF ANY, DUE WILL BE PAID PRIOR TO THE DECEMBER 31 FOLLOWING THE CLOSE OF THE FIS CAL YEAR INSURANCE PRODUCTS A NUMBER OF EXECUTIVE INSURANCE PRODUCTS ARE AVAILABLE AT TH E EXECUTIVE'S CHOICE THESE BENEFITS ARE OPTIONAL AND EXECUTIVES WILL HAVE AN OPPORTUNITY TO ELECT THESE BENEFITS AT ANY TIME WITH THE EXCEPTION OF SURVIVOR LIFE INSURANCE, EXECUT IVES MAY BE BILLED DIRECTLY FOR THESE PRODUCTS AND PREMIUMS ARE PAID ON AN AFTER TAX BASIS THE CURRENTLY AVAILABLE PROGRAMS ARE -LONG-TERM CARE INSURANCE FOR THE EXECUTIVE AND SP OUSE -EXECUTIVE DISABILITY COVERAGE (THIS WOULD SUPPLEMENT THE BASIC HOSPITAL PLAN) -SURVI VOR LIFE INSURANCE - FOR EXECUTIVES ENROLLING IN THIS BENEFIT, THE HOSPITAL WILL PAY THE E XECUTIVE'S PREMIUM UNDER APPLICABLE TAX RULES, THE PREMIUM PAYMENTS MADE BY THE HOSPITAL WILL BE TREATED AS A LOAN THE EXECUTIVE MUST PAY INTEREST ON HOSPITAL PAID PREMIUMS THE HOSPITAL WILL BE REPAID FROM THE CASH SURRENDER VALUE OF THE POLICY OR THE FACE AMOUNT OF THE POLICY IN THE EVENT OF DEATH THIS ARRANGEMENT IS DOCUMENTED BY AN AGREEMENT ACCEPTABL E TO THE HOSPITAL PAID LEAVE TIME CASH OUT REFER TO THE EXECUTIVE PAID LEAVE TIME CASH O UT POLICY FOR DETAILS THE PURPOSE OF THIS POLICY IS TO ALLOW EXECUTIVES TO CASH OUT A LIM ITED AMOUNT OF PLT TO FUND PREMIUMS OR OTHER COSTS FOR INSURANCE OR TO USE THE PROCEEDS IN WHATEVER MANNER THEY WISH THE EXECUTIVE HAS TO MEET CERTAIN CRITERIA TO QUALIFY

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS 1,432,382 INCREASE IN PENSION LIABILITY -5,538,877

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229031855

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
YUMA REGIONAL MEDICAL CENTER

Employer identification number
86-6007596

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) YUMA REGIONAL OUTPATIENT SURGICAL CENTER 2261 S AVENUE B YUMA, AZ 85364 26-0708281	HEALTHCARE	AZ	511,875	10,666,279	YUMA REGIONAL MEDICAL CENTER
(2) YUMA REGIONAL MED CTR PROF SVCS GROUP 2400 S AVENUE A YUMA, AZ 85364 35-2381086	HEALTHCARE	AZ	-4,108,926	1,590,234	YUMA REGIONAL MEDICAL CENTER
(3) YUMA REGIONAL CANCER CENTER 2400 S AVENUE A YUMA, AZ 85364 37-1645390	HEALTHCARE	AZ	0	285,173	YUMA REGIONAL MEDICAL CENTER

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	(g) No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) YUMA HEALTHCARE SERVICES INC 2400 S AVENUE A YUMA, AZ 85364 86-0775929	HEALTHCARE	AZ	YUMA REGIONAL MEDICAL CENTER	C	2,173,588	2,853,309	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.

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) YUMA HEALTHCARE SERVICES INC	A	150,803	FMV
(2) YUMA HEALTHCARE SERVICES INC	O	145,038	FMV
(3) YUMA HEALTHCARE SERVICES INC	Q	224,675	FMV

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Report of Independent Auditors and
Combined Financial Statements and
Other Financial Information for

Yuma Regional Medical Center and Affiliates

September 30, 2014 and 2013

MOSS-ADAMS LLP

CONTENTS

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Yuma Regional Medical Center and Affiliates

Report on Financial Statements

We have audited the accompanying combined financial statements of Yuma Regional Medical Center and Affiliates (the "Medical Center"), which comprise the combined balance sheets as of September 30, 2014 and 2013, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Yuma Regional Medical Center and Affiliates as of September 30, 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.

Moss Adams LLP

Scottsdale, Arizona
December 19, 2014

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
COMBINED BALANCE SHEETS

	September 30, 2014	September 30, 2013
CURRENT ASSETS		
Cash and cash equivalents	$ 43,570,799	$ 21,603,328
Accounts receivable, net of allowance for doubtful accounts of approximately $26,648,000 and $28,587,000 in 2014 and 2013, respectively	39,854,699	33,220,834
Short-term investments	11,452,579	10,528,451
Estimated third-party payor settlements, net	892,507	3,167,969
Inventories	7,198,462	5,692,013
Prepaid expenses and other current assets	6,205,789	5,530,286
Total current assets	109,174,835	79,742,881
ASSETS LIMITED TO USE	224,967,707	198,380,226
PROPERTY AND EQUIPMENT, net	296,044,037	239,305,742
DEFERRED FINANCING COSTS	1,786,207	1,455,460
EQUITY METHOD INVESTMENTS IN AFFILIATES	4,932,672	5,522,789
GOODWILL	6,005,621	6,005,621
OTHER ASSETS	4,182,912	6,391,791
Total assets	$ 647,093,991	$ 536,804,510
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 15,904,435	$ 14,100,766
Accrued expenses	10,681,625	8,490,051
Self-insurance programs liabilities	1,172,627	1,172,627
Current maturities of long-term debt	425,171	1,802,650
Total current liabilities	28,183,858	25,566,094
LONG-TERM DEBT, net of current maturities, net of premium (discount)	181,568,613	104,850,064
ACCRUED PENSION COSTS	46,733,714	38,130,986
INTEREST RATE SWAPS	12,838,060	14,270,442
SELF-INSURANCE PROGRAMS LIABILITIES, net of current portion	5,777,974	5,151,325
OTHER LIABILITIES	3,056,940	4,917,437
Total liabilities	278,159,159	192,886,348
NET ASSETS		
Unrestricted	363,473,092	338,913,570
Temporarily restricted	4,916,475	4,459,327
Permanently restricted	545,265	545,265
Total net assets	368,934,832	343,918,162
Total liabilities and net assets	$ 647,093,991	$ 536,804,510

See accompanying notes.

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
COMBINED STATEMENTS OF OPERATIONS

	Years Ended September 30,	
	2014	2013
UNRESTRICTED REVENUES		
Net patient service revenue	$ 368,555,483	$ 339,151,695
Provision for doubtful accounts	(31,651,098)	(37,524,554)
Net patient service revenue less provision for uncollectible accounts	336,904,385	301,627,141
Other revenue	6,481,385	6,339,123
Total unrestricted revenues	343,385,770	307,966,264
EXPENSES		
Salaries and wages	124,322,321	122,287,917
Employee benefits	28,879,919	31,940,461
Supplies	61,612,968	58,677,006
Professional fees	25,281,989	27,250,848
Purchased services	34,257,245	31,002,161
Operating and other expenses	30,804,779	19,574,603
Depreciation and amortization	25,548,774	22,259,313
Interest, net	3,734,182	4,044,241
Total operating expenses	334,442,177	317,036,550
OPERATING INCOME (LOSS)	8,943,593	(9,070,286)
Nonoperating income (expense)		
Net investment income	17,341,865	13,001,853
Equity in earnings of unconsolidated affiliates	2,196,915	2,436,316
Change in fair value of interest rate swaps	1,432,382	5,079,148
Gain (loss) on disposal of property and equipment	177,708	(82,634)
Total nonoperating income	21,148,870	20,434,683
EXCESS OF REVENUES OVER EXPENSES	$ 30,092,463	$ 11,364,397

See accompanying notes.

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
COMBINED STATEMENTS OF CHANGES IN NET ASSETS

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at September 30, 2012	$ 299,741,903	$ 1,682,367	$ 545,265	$ 301,969,535
Excess of revenues over expenses	11,364,397	-	-	11,364,397
Actuary change in pension plan assets and liabilities	27,823,596	-	-	27,823,596
Distributions/capital contributions	(18,326)	-	-	(18,326)
Transfer from temporarily restricted net assets	2,000	(2,000)	-	-
Donations, gifts, and contributions	-	2,422,832	-	2,422,832
Investment income	-	356,128	-	356,128
Net assets at September 30, 2013	338,913,570	4,459,327	545,265	343,918,162
Excess of revenues over expenses	30,092,463	-	-	30,092,463
Actuary change in pension plan assets and liabilities	(5,538,876)	-	-	(5,538,876)
Distributions/capital contributions	7,935	-	-	7,935
Transfer from temporarily restricted net assets	(2,000)	2,000	-	-
Donations, gifts, and contributions	-	103,023	-	103,023
Net assets released from restrictions used for operations	-	(118,587)	-	(118,587)
Investment income	-	470,712	-	470,712
Net assets at September 30, 2014	$ 363,473,092	$ 4,916,475	$ 545,265	$ 368,934,832

See accompanying notes.

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS

	Years Ended September 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 25,016,670	$ 41,948,627
Adjustments to reconcile increase in net cash		
to net cash provided by operating activities		
Actuary change in pension liability	5,538,876	(27,823,596)
Change in fair value of interest rate swaps	(1,432,382)	(5,079,148)
Depreciation and amortization	25,548,774	22,259,313
Amortization of deferred financing costs	894,991	60,686
Amortization of bond premium	(85,055)	-
Net investment income	(17,341,865)	(13,001,853)
Equity in earnings of unconsolidated affiliates	(2,196,915)	(2,436,316)
Provision for doubtful accounts	31,651,098	37,524,554
(Gain) loss on disposal of property and equipment	(177,708)	82,634
Change in operating assets and liabilities		
Accounts receivable	(38,284,963)	(23,390,152)
Inventories	(1,506,449)	(783,683)
Prepaid expenses and other assets	1,533,376	(836,742)
Accrued pension costs	3,063,852	(2,634,018)
Accounts payable, accrued expenses, and other liabilities	3,774,409	(7,257,037)
Estimated third-party payor settlements	2,275,462	(1,203,964)
Net cash provided by operating activities	38,272,171	17,429,305
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(83,328,417)	(62,158,488)
Proceeds from sale of property and equipment	206,042	31,750
Net (purchases) sales of investments classified as trading	(10,169,744)	31,169,114
Distribution of earnings from unconsolidated affiliates	2,787,032	2,201,968
Net cash used in investing activities	(90,505,087)	(28,755,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	179,884,512	-
Repayment of capital lease obligation	(423,387)	(402,635)
Repayment of long-term debt	(104,035,000)	(1,355,000)
Capitalization of deferred financing costs	(1,225,738)	(134,166)
Net cash provided (used) by financing activities	74,200,387	(1,891,801)
Net change in cash and cash equivalents	21,967,471	(13,218,152)
CASH AND CASH EQUIVALENTS, beginning of year	21,603,328	34,821,480
CASH AND CASH EQUIVALENTS, end of year	$ 43,570,799	$ 21,603,328

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

	Years Ended September 30,	
	2014	2013
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	$ 5,991,108	$ 4,600,774
Acquisition of property and equipment included in accounts payable	$ 1,013,014	$ 1,113,541

Note 1 – Organization and Business Activity

Yuma Regional Medical Center ("YRMC" or the "Medical Center") is organized as a not-for-profit corporation under the laws of the state of Arizona and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. YRMC and its affiliates provide health care and related services to the people of Yuma, Arizona, and surrounding communities.

The mission of YRMC is to improve the health and well-being of individuals, families, and the communities it serves through excellence, innovation, and prudent use of resources.

Note 2 – Summary of Significant Accounting Policies

Basis of combination – The combined financial statements include the accounts of YRMC; Hospital District No. 1 of Yuma County, Arizona (the District); Yuma Health Care Services, Inc. (YHCS); Yuma Regional Outpatient Surgical Center, LLC (YROSC); YRMC Professional Services Group (YPSG) (organized during fiscal year 2010); Yuma Regional Cancer Center (YRCC) (organized during fiscal year 2012); and Foundation of Yuma Regional Medical Center (the Foundation); collectively referred to as the Medical Center. The District was organized in 1958 as a political subdivision of the state of Arizona, primarily to assist in providing medical facilities for Yuma County, Arizona. The District owns certain land, buildings, and equipment that it leases to YRMC in return for YRMC providing health care services to the people of Yuma County. The District is included in the combined financial statements of the Medical Center as it is considered a special purpose leasing entity for accounting purposes. All intercompany transactions and balances are eliminated in combination.

The District, YHCS, YROSC, YPSG, YRCC and the Foundation are not members of the Obligated Group as defined under the Master Indenture for the outstanding bonds.

Subsequent events – Subsequent events are events or transactions that occur after the combined balance sheet date but before the combined financial statements are available to be issued. The Medical Center recognizes in the combined financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined balance sheet, including the estimates inherent in the process of preparing the combined financial statements. The Medical Center's combined financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the combined balance sheet but arose after the combined balance sheet date and before financial statements are available to be issued. The Medical Center has evaluated subsequent events through December 19, 2014, which is the date the combined financial statements were available to be issued.

Note 2 – Summary of Significant Accounting Policies (continued)

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Medical Center's most significant accounting estimates are allowances for doubtful accounts; contractual allowances; liabilities associated with self-insured professional liability and medical malpractice, employee health insurance benefits, and workers' compensation claims; accrued pension cost, and estimated third-party payor settlements.

Fair value of financial instruments – The carrying values of financial instruments classified as current assets and current liabilities approximate fair value due to their liquidity and short-term natures. The fair values of other financial instruments are discussed in their respective notes.

Cash and cash equivalents – Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when acquired.

Goodwill – Goodwill is not amortized, but instead is subject to periodic impairment evaluation. The Medical Center evaluates goodwill, at a minimum, on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The Medical Center completes a qualitative assessment on an annual basis to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value. The Medical Center considers various events and conditions as part of this qualitative assessment, including but not limited to, changes in financial performance such as negative or declining actual or planned revenues, earnings or cash flows; changes in legal, regulatory, contractual, political or other business factors; changes in industry or market conditions, changes in macroeconomic conditions and other specific events. If it is determined that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than the carrying value, the Medical Center will perform a quantitative impairment test.

In performing the quantitative periodic impairment tests, the fair value of the reporting unit is compared to its carrying value, including goodwill. The fair value of the reporting units are estimated using a combination of the income or discounted cash flow approach and market approach, which uses comparable data. If the carrying value exceeds the fair value, an impairment condition exists, which results in an impairment loss equal to the excess carrying value.

During the years ended September 30, 2014 and 2013, management determined that the implied valued of goodwill was greater than the carrying costs, resulting in no goodwill impairment.

Note 2 – Summary of Significant Accounting Policies (continued)

Short-term investments and investments – Short-term investments include certificates of deposits and debt securities with maturity dates of one year or less from the combined balance sheet date and actively traded equity securities. These investments are stated at fair value, based on quoted market prices in active markets.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value as all such investments are considered trading securities. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income is restricted by donor or law.

Assets limited as to use – Assets limited as to use are stated at fair value and primarily include investments held by trustees under an indenture agreement and designated assets set aside by the Board of Directors (the "Board") primarily for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Medical Center have been classified as current in the combined balance sheets. Income earned on the trust assets held under bond indenture agreements and Board-designated funds are reported as other unrestricted revenues.

Inventories – Inventories, consisting principally of medical supplies and pharmaceuticals, are stated at the lower of cost or market value, utilizing the first-in, first-out method of accounting.

Property and equipment – Property and equipment are stated at cost. Donated items are recorded at fair market value at the date of the donation. Depreciation expense is computed using the straight-line method. Depreciation is computed using the following estimated useful lives:

Buildings	22 to 50 years
Improvements	Shorter of estimated useful life (7 to 30 years) or remaining life of building
Equipment	3 to 10 years

Note 2 – Summary of Significant Accounting Policies (continued)

Assets under capital lease obligations or leasehold improvements are amortized using the straight-line method over the shorter period of the lease term or respectful useful life. Interest costs incurred on borrowed funds net of interest income earned on temporary investments of the proceeds of the related borrowings during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Upon sale or retirement, cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in investment and other income. Costs incurred in the development and installation of software for internal use are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage, and whether the expenditures are of the nature that qualify them for capitalization under generally accepted accounting principles. Generally, costs that add additional functionality to existing systems are capitalized. Amounts capitalized are amortized over the useful life of the developed asset following project completion.

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

Long-lived asset impairment – Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Deferred financing costs – Certain costs incurred in connection with long-term financing programs have been deferred. Deferred financing costs are amortized over the life of the related financing using the effective interest method over the life of the respective financing. Amortization of deferred financing costs is included in interest expense.

Equity method investments – The Medical Center utilizes the equity method of accounting for investments in certain affiliates where the Medical Center's ownership is equal to or less than fifty percent. Under this method, the Medical Center's share of the net income or net losses of the respective affiliate is reflected as investment income or loss, and serves to increase or reduce the recorded amount of the Medical Center's investment in the respective affiliates.

Note 2 – Summary of Significant Accounting Policies (continued)

Physician net income guarantees – The Medical Center enters into agreements with non-employed physicians that include minimum net collection guarantees. These guarantees arise out of a community need to recruit physicians in certain specialties to the areas surrounding the Medical Center and provide a guaranteed level of income to the physicians for the first year of practice. The guarantee provides a buffer between the physician's actual collection on patient billings in this initial period and an agreed-upon income level based on the specialty. The physician is expected to practice in the area subsequent to the guarantee term for a minimum period of three years. Over the period subsequent to the guarantee period, amounts paid to the physician during the guarantee period are ratably forgiven, resulting in income to the physicians in the years of forgiveness. The estimated amount of the liability for the Medical Center's obligation under the guarantees total approximately $353,000 and $1,800,000 at September 30, 2014 and 2013, respectively, and are included in accrued expenses.

Derivative and hedging instruments – The Medical Center has various interest rate swaps to manage the cost of borrowings on its outstanding debts. These interest rate swaps do not qualify as effective cash flow hedges. The Medical Center recognizes all its derivative instruments on the combined balance sheet at fair value. Therefore, the changes in their fair values are recognized within the excess of revenues over expenses.

As the Medical Center's derivative contracts are all executed with one counterparty and are subject to a master netting arrangement, the fair values of the derivatives are reported on a net basis. None of the Medical Center's derivative contracts are subject to collateral posting requirements.

Temporarily and permanently restricted net assets – Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. Donations restricted by donors for specific purposes are included in temporarily restricted net assets until expenditures are made for the purposes stipulated by the donor, at which time a transfer of resources is made from temporarily restricted net assets to unrestricted net assets. Donated assets are recorded at their fair market value on the date of the gift. Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity.

Excess of revenues over expenses – The combined statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in the Medical Center's pension liability, permanent transfers to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets).

Note 2 – Summary of Significant Accounting Policies (continued)

Income taxes – YRMC and the Foundation are not-for-profit corporations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes for these entities has been included in the accompanying combined financial statements. Management is not aware of any events that would cause YRMC or the Foundation to become disqualified for tax-exempt status. YROSC, YRCC and YPSG are single member limited liability companies that are 100% owned by YRMC, and are considered disregarded entities for tax purposes.

YHCS is a taxable entity and accounts for income taxes under the liability method. Deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the currently enacted tax rates and laws. Valuation allowances are used to reduce deferred tax assets to their estimated net realizable values when management determines ultimate recovery is not probable.

The District is a political subdivision of the state of Arizona and is not subject to income taxes.

The Medical Center has not identified any uncertain tax positions as of September 30, 2014 and 2013, and has determined that there are no material uncertain tax positions that have not been reflected in the combined financial statements.

Net patient service revenue – The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Net patient service revenue is reported at the estimated net realizable amounts before estimates for bad debts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Note 2 – Summary of Significant Accounting Policies (continued)

Accounts receivable and allowance for contractual adjustments and doubtful accounts – The Medical Center reports patient accounts receivable for services rendered at net realizable amounts due from third-party payors, patients, and others. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Medical Center 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, the Medical Center 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 (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 Medical Center 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.

Charity care – The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Medical Center maintains records to identify and monitor the level of charity care provided. These records include the amount of direct and indirect costs for services and supplies furnished under its charity care policy. Direct and indirect costs for providing charity care are estimated by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients.

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

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising – The Medical Center expenses advertising costs as they are incurred. During the years ended September 30, 2014 and 2013, the Medical Center incurred approximately $710,000 and $602,000 in advertising expense, respectively.

Self-insurance programs – The Medical Center has a comprehensive insurance program designed to safeguard its assets and properties. The Medical Center assumes retention risk for those risks that it can mitigate to offset risk transfer cost. Risk transfer is used to mitigate various exposures and losses to a third-party insurer when it is appropriate. In addition, the Medical Center purchases excess liability coverage to cover losses that exceed its self-insurance programs. It is the Medical Center's policy to record the expense and related liability for medical malpractice, and general liability and workers' compensation losses based on actuarial determined estimates. There are known claims and incidents that may result in assertion of additional claims, as well as claims from unknown incidents arising from services provided to patients that may be asserted. However, management does not believe that the asserted or unasserted claims will exceed the total amount of insurance coverage. See Note 14.

Reclassifications – Certain amounts were reclassified in the 2013 combined financial statements to conform to the 2014 presentation. Such reclassifications had no impact on previously reported excess of revenues over expenses or net assets.

Fiscal year – The Medical Center has adopted a fiscal year ending September 30. All references to years herein refer to the respective fiscal year.

Recent accounting pronouncements – During the year ended September 30, 2014, the Medical Center adopted FASB ASU 2012-05, *Statement of Cash Flows*. This update requires a not-for-profit entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts are from the sale of donated financial assets that upon receipt are directed without any imposed limitations for sale and are converted nearly immediately to cash. Under the guidance, the cash receipts from the sale of those financial assets are classified as operating activities unless the donor restricted the use of the contributed resources to long-term purposes, in which case the cash receipts are classified as financing activities. The adoption did not have a material impact on the Medical Center's combined financial statements.

On May 28, 2014, FASB and the International Accounting Standards Board (IASB) issued a joint accounting standard on revenue recognition that is intended to address a number of concerns regarding the complexity and lack of consistency surrounding the accounting for revenue transactions. FASB ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) is the result of the joint FASB and IASB project to develop a single principles-based model for recognizing revenue, with a goal of improving consistency of requirements, comparability of revenue recognition practices and usefulness of disclosures. The adoption of ASU 2014-09 is effective for the Medical Center beginning in the fiscal year ending September 30, 2019. Management believes that the adoption of this standard will not have a material impact on the Medical Center's combined financial statements.

Note 3 – Net Patient Service Revenue and Allowance for Doubtful Accounts

A summary of the payment arrangements with major third-party payors is as follows:

Medicare – Substantially all inpatient and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Medical Center is reimbursed for Medicare outlier payments and sole community hospital status at a tentative rate. Approximately 38.9% and 38.0% of the Medical Center's net patient revenue was derived from the Medicare program in 2014 and 2013, respectively, the continuation of which is dependent on government policies. The Medical Center does not believe that there are significant credit risks associated with this government agency.

Inpatient non-acute services, certain outpatient services, medical education costs, and defined capital costs related to Medicare beneficiaries are paid based, in part, on a cost reimbursement methodology. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The estimated amounts due to or from the program are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. The Medicare cost reports of the Medical Center have been audited by the fiscal intermediary through September 30, 2011. Management believes that estimated accrued settlements related to unaudited cost reports are adequate. Estimates are continually monitored and reviewed, and any adjustments are reflected in current operations. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net patient service revenue in the year examination is substantially completed. There were no such differences recorded for the year ended September 30, 2014. These differences increased net patient service revenue approximately $805,000 for the year ended September 30, 2013.

Arizona Health Care Cost Containment System (AHCCCS) – Inpatient and outpatient services rendered to the AHCCCS program beneficiaries are reimbursed under per diem and discounted charge methodologies. Approximately 12.8% and 12.0% of the Medical Center's net patient revenue was derived from the AHCCCS program in 2014 and 2013, respectively. The Medical Center does not believe that there are significant credit risks associated with this government agency.

Other third-party payors – The Medical Center also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Approximately 45.7% and 47.1% of the Medical Center's net patient revenue was derived from commercial, managed care, and other third-party payors in 2014 and 2013, respectively.

Note 3 – Net Patient Service Revenue and Allowance for Doubtful Accounts (continued)

Laws and regulations governing the Medicare and AHCCCS programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Medical Center believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and AHCCCS programs.

On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2014	2013
Medicare	$ 143,273,938	$ 128,878,088
AHCCCS	47,288,376	40,599,037
Other third-party payors	168,605,131	159,705,536
Self-pay	53,585,857	71,668,307
Less: Charity-care adjustment	(44,197,819)	(61,699,273)
Net patient service revenue	$ 368,555,483	$ 339,151,695

The Medical Center's allowance for doubtful accounts for self-pay patients increased from 91 percent of self-pay accounts receivable at September 30, 2013, to 96 percent of self-pay accounts receivable at September 30, 2014. In addition, the Medical Center's self-pay write-offs decreased approximately $3,753,000 from approximately $38,132,000 for 2013 to approximately $34,379,000 for 2014. The decrease in self-pay write-offs was the result of an increase in patients eligible for AHCCCS. The Medical Center has not changed its charity care or uninsured discount policies during fiscal years 2014 or 2013. The Medical Center does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Note 4 – Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Medical Center uses various valuation approaches, including market, income and/or cost approaches. A hierarchy is used for inputs in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Medical Center. Unobservable inputs are inputs that reflect the Medical Center's assumptions about the value that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Medical Center has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Assets and liabilities utilizing Level 2 inputs are valued using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The availability of observable inputs varies based on the nature of the specific financial instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Medical Center in determining the fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. When market assumptions are available, the Medical Center is required to make assumptions regarding the assumptions that market participants would use to estimate the fair value of the financial instrument at the measurement date.

Note 4 – Fair Value of Financial Instruments (continued)

The valuation methods used for assets and liabilities recorded at fair value either on a recurring or nonrecurring basis are as follows:

Money market funds – The money market accounts are public investment vehicles valued using $1 for the Net Asset Value ("NAV"). The money market accounts are classified within Level 2 of the valuation hierarchy.

Registered investment companies (Mutual funds) – Valued at the NAV of shares held by the Medical Center at year end using prices quoted by the relevant pricing agent. The mutual funds are classified within Level 1 of the valuation hierarchy.

Common stocks – Valued at the closing price reported on the active market on which the individual securities are traded. Common stocks are classified within Level 1 of the valuation hierarchy.

Debt and equity securities – Valued at the closing price reported on the major market on which the individual securities are traded or have reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows and other observable inputs. Such securities are classified within Level 2 of the valuation hierarchy.

Interest rate swap – The fair value of the Medical Center's interest rate swap contract is determined by calculating the value of the discounted cash flows of the difference between the fixed interest rate of the interest rate swaps and the USD - LIBOR - BBA (London Interbank Offered Rate), which would be the input used in the valuations. The USD - LIBOR - BBA is readily available in public markets or can be derived from information available in public quoted markets, therefore, such securities are classified within Level 2 of the valuation hierarchy.

Note 4 – Fair Value of Financial Instruments (continued)

The following table presents the balances of the assets and liabilities measured at fair value on a recurring basis:

September 30, 2014

	Level 1	Level 2	Level 3	Total Fair Value
ASSETS				
Short-term investments				
Cash and cash equivalents	$ 524,647	$ -	$ -	$ 524,647
Certificates of deposit	1,000,000	-	-	1,000,000
Equity securities	7,617,985	-	-	7,617,985
Corporate bonds	618,014	-	-	618,014
U S Government securities	1,114,511	577,422	-	1,691,933
Total short-term investments	10,875,157	577,422	-	11,452,579
Assets limited as to use				
Cash and cash equivalents	35,378,037	-	-	35,378,037
Equity securities	107,396,540	-	-	107,396,540
Corporate bonds	18,840,454	16,059,590	-	34,900,044
U S Government securities	30,194,535	17,098,551	-	47,293,086
Total assets limited as to use	191,809,566	33,158,141	-	224,967,707
	$ 202,684,723	$ 33,735,563	$ -	$ 236,420,286
LIABILITIES				
Interest rate swaps	$ -	$ 12,838,060	$ -	$ 12,838,060

Note 4 – Fair Value of Financial Instruments (continued)

September 30, 2013

	Level 1	Level 2	Level 3	Total Fair Value
ASSETS				
Short-term investments				
Cash and cash equivalents	$ 607,603	$ -	$ -	$ 607,603
Certificates of deposit	1,000,000	-	-	1,000,000
Equity securities	6,591,922	-	-	6,591,922
Corporate bonds	730,993	-	-	730,993
U S Government securities	833,248	764,685	-	1,597,933
Total short-term investments	9,763,766	764,685	-	10,528,451
Assets limited as to use				
Cash and cash equivalents	14,933,777	-	-	14,933,777
Equity securities	93,628,078	-	-	93,628,078
Corporate bonds	24,446,779	16,134,806	-	40,581,585
U S Government securities	27,726,290	21,510,496	-	49,236,786
Total assets limited as to use	160,734,924	37,645,302	-	198,380,226
Total assets	$ 170,498,690	$ 38,409,987	$ -	$ 208,908,677
LIABILITIES				
Interest rate swaps	$ -	$ 14,270,442	$ -	$ 14,270,442

Joint venture investments are accounted for under the equity method of accounting, which is not a fair value measurement. There were no transfers of assets between Level 1 and Level 2 valuation measurements during the years ended September 30, 2014 and 2013.

Note 4 – Fair Value of Financial Instruments (continued)

The estimated fair values of the Medical Center's financial instruments are as follows at September 30:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 43,570,799	$ 43,571,000	$ 21,603,328	$ 21,603,000
Accounts receivable, net	$ 39,854,699	$ 39,855,000	$ 33,220,834	$ 33,221,000
Short-term investments	$ 11,452,579	$ 11,453,000	$ 10,528,451	$ 10,528,000
Estimated amounts due from third-party payors	$ 892,507	$ 893,000	$ 3,167,969	$ 3,168,000
Assets limited as to use	$ 224,967,707	$ 224,968,000	$ 198,380,226	$ 198,380,000
Financial liabilities				
Long-term debt	$ 181,993,784	$ 188,836,000	$ 106,652,714	$ 106,660,000
Interest rate swaps	$ 12,838,060	$ 12,838,000	$ 14,270,442	$ 14,270,000
Accounts payable and accrued expenses	$ 26,586,060	$ 26,586,000	$ 22,590,817	$ 22,591,000

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents – The carrying amount reported in the combined balance sheet for cash and cash equivalents approximates its fair value.

Accounts receivable, net – The carrying amount reported in the combined balance sheet for accounts receivable, net approximates its fair value.

Investments – The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Assets limited as to use – The fair value and carrying amount of cash and cash equivalents, charitable gift annuities, and investments in funds held by trustees are estimated based on quoted market prices when available. The fair value and carrying amount of contributions receivable is based on observed interest rates for similar instruments. The discount rate used is commensurate with the credit, interest rate, and prepayment risks involved. If a quoted market price is not available, fair value is estimated using quoted market prices for identical securities.

Estimated amounts due from third-party payors – The carrying amount reported in the combined balance sheet for estimated amounts due from third-party payors approximates its fair value.

Note 4 – Fair Value of Financial Instruments (continued)

Long-term debt – The fair value is based on quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for identical securities. The fair value of debt is estimated based on quoted market prices when available or on the discounted value of the future cash flows that would theoretically be paid using current rates offered to the Medical Center for debt for the same remaining maturities, considering existing call premium and protection. The Medical Center's long-term debt is subject to a third-party credit enhancement, which was included in the determination of its estimated fair value.

Interest rate swaps – The fair value is based on observed interest rates for similar instruments traded in the derivative market, municipal bonds, market credit spreads, treasury yields, and maturity dates.

Accounts payable and accrued expenses – The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

Note 5 – Assets Limited as to Use and Short-Term Investments

A summary of the limitations as to the use of assets at September 30, is as follows:

	2014	2013
By Board for capital expenditures	$ 211,827,205	$ 188,012,000
Provisions of bond indentures	11,062,868	-
Malpractice liability cash reserve	1,710,218	9,983,000
Other	367,416	385,226
Assets limited as to use	$ 224,967,707	$ 198,380,226

The Medical Center is required to maintain certain funds held by trustees in connection with the Industrial Development Authority of the City of Yuma, Arizona Hospital Revenue Refunding Bonds (Yuma Regional Medical Center) Series 2014 (see Note 8). These funds are principally comprised of certificates of deposit and U.S. government obligations. The funds are limited to payment of bond principal and interest, maintenance of a reserve account, and other restricted uses.

Note 5 – Assets Limited as to Use and Short-Term Investments (continued)

Following is a summary of assets limited as to use by investment type as of September 30:

	2014	2013
Cash and cash equivalents	$ 35,378,037	$ 14,933,777
Government securities	47,293,086	49,236,786
U.S. corporate bonds	34,900,044	40,581,585
U.S. equity securities	107,396,540	93,628,078
Total assets limited as to use	224,967,707	198,380,226

Short-term investments include the following as of September 30:

	2014	2013
Cash and cash equivalents	$ 524,647	$ 607,603
Certificates of deposit	1,000,000	1,000,000
U.S. equity securities	7,617,985	6,591,922
Government securities	1,691,933	1,597,933
U.S. corporate bonds	618,014	730,993
	$ 11,452,579	$ 10,528,451

Investment income consisted of the following for the years ended September 30:

	2014	2013
Interest and dividend income	$ 3,919,887	$ 3,656,825
Net realized gain on sale of investments	13,901,450	9,527,393
Equity in earnings of unconsolidated affiliates	2,196,915	2,436,316
Net unrealized (loss) gain on investments	(479,472)	(182,365)
	$ 19,538,780	$ 15,438,169

Note 6 – Concentration of Credit Risk

Patient accounts receivable – The Medical Center grants credit without collateral to its patients, most of who are insured under third-party payor agreements. The following table summarizes the percentage of net accounts receivable from patients and third-party payors as of September 30:

	2014	2013
Private (commercial)	43%	41%
Private (self-pay)	3%	9%
Medicare	32%	30%
AHCCCS	15%	12%
Others (contractual arrangements)	7%	8%
	100%	100%

Receivables from government programs represent the only concentration of credit risk for the Medical Center and management does not believe there to be any credit risks associated with these governmental agencies. Negotiated and private receivables consist of receivables from various payors, including individuals involved in diverse activities, subject to differing economic conditions, and do not represent any concentrated credit risks to the Medical Center. Furthermore, management continually monitors and adjusts its reserves and allowances associated with these receivables.

Cash and cash equivalents – The Medical Center may, in the normal course of business, maintain checking and savings account balances in excess of the Federal Deposit Insurance Corporation's insurance limit in the United States. At September 30, 2014, the Medical Center had cash balances in excess of insured amounts of approximately $44,300,000. The Medical Center monitors the financial condition of its depository banks. The Medical Center has not experienced any losses in such accounts, and management believes that the Medical Center is not exposed to any significant credit risk.

Note 7 – Property and Equipment

Property and equipment consisted of the following at September 30:

	2014	2013
Land and improvements	$ 24,756,938	$ 24,421,369
Buildings and improvements	255,523,964	217,096,215
Equipment	196,518,329	177,965,177
	476,799,231	419,482,761
Less accumulated depreciation and amortization	(229,848,443)	(205,805,074)
Construction in progress	49,093,249	25,628,055
	$ 296,044,037	$ 239,305,742

The Medical Center capitalizes costs associated with software developed internally or obtained for internal use. Such capitalized costs, which are primarily related to the Medical Center's electronic medical record project, were approximately $33,093,000 and $29,842,000 as of September 30, 2014 and 2013, respectively. When placed in service, capitalized software development costs are depreciated on a straight-line basis, based upon an estimated useful lives of 3 to 7 years for the related asset beginning when the asset is ready for its intended use. The electronic medical record project, included in equipment, was placed in service during the year ended September 30, 2012 and had depreciation of capitalized software development costs of approximately $4,694,000 and $4,255,000 for the years ended September 30, 2014 and 2013, respectively.

Construction in progress consists of several hospital infrastructure improvements including a new emergency department. The estimated cost to complete the construction in progress is approximately $24,200,000 as of September 30, 2014.

Note 8 – Long-Term Debt

Long-term debt consisted of the following at September 30:

	2014	2013
Hospital Revenue Bonds - Series 2014A	$ 73,030,000	$ -
Hospital Revenue Bonds - Series 2014B	51,885,000	-
Hospital Revenue Bonds - Series 2014C	51,885,000	-
Hospital Revenue Bonds - Series 2008	-	103,375,000
Hospital Revenue Bonds - Series 2001	-	660,000
Subordinated Health Facility Revenue Bonds, Series 2007 - YROSC	1,430,000	1,430,000
Capital leases	768,886	1,192,273
Total long-term-debt	178,998,886	106,657,273
Hospital Revenue Bonds - Series 2014A premium	2,994,898	-
Hospital Revenue Bonds - Series 2001 discount	-	(4,559)
Total long-term-debt, net of premium (discount)	181,993,784	106,652,714
Less current maturities of long-term debt	(425,171)	(1,802,650)
Total long-term-debt, net of current maturities, net of premium (discount)	$ 181,568,613	$ 104,850,064

Note 8 – Long-Term Debt (continued)

Future maturities of long-term debt at September 30, 2014, follow:

Year ended September 30,	Revenue Bonds	Capital Lease Obligations	Total
2015	$ -	$ 487,057	$ 487,057
2016	-	406,805	406,805
2017	-	51,549	51,549
2018	-	-	-
2019	4,085,000	-	4,085,000
Thereafter	174,145,000	-	174,145,000
	178,230,000	945,411	179,175,411
Hospital Revenue Bonds - Series 2014A premium	2,994,898	-	2,994,898
Less amount representing executory costs	-	88,943	88,943
Less amount representing interest	-	87,582	87,582
Principal carrying value	181,224,898	768,886	181,993,784
Less current maturities	-	425,171	425,171
Noncurrent portion	$ 181,224,898	$ 343,715	$ 181,568,613

Note 8 – Long-Term Debt (continued)

In March 2001, the Medical Center issued $53,280,000 in Series 2001 Hospital Revenue Bonds of which $51,180,000 was legally defeased on August 1, 2001. The remaining $2,100,000 was due in annual installments ranging from $150,000 to $175,000 through 2017. Interest was due semiannually with annual rates ranging from 4.5% to 4.875%. In December 2014, the Medical Center redeemed the remaining balance of $660,000 plus accrued interest.

In December 2008, the Medical Center issued $190,025,000 in Series 2008 Variable-Rate Refunding Bonds (Series 2008 Bonds). The proceeds of the bond issuance were used to refund the Series 2004A and 2004B Bonds. The advance refunding of the Series 2004 Bonds was considered a legal defeasement. The Series 2008 Bonds mature on August 1, 2043. The Series 2008 Bonds bear interest at variable rates, which ranged from 0.04% to 0.11% during 2014 and 0.06% to 0.25% during 2013. Interest is due on a weekly basis. The Series 2008 Bonds are subject to early redemption at the option of the Medical Center at amounts generally equal to the remaining outstanding principal balance, plus accrued interest, at any time before redemption. These bonds were legally defeased in February 2014 upon issuance of the Series 2014B and Series 2014C bonds. The effective interest rate on the 2008 Bonds was 1.16% at September 30, 2013.

The Medical Center entered into a $109,106,000 letter of credit agreement (LOC) in conjunction with the issuance of the Series 2008 Bonds to enhance the marketability. In June 2010, the Medical Center extended the LOC maturity to December 11, 2014 from December 11, 2011. The Medical Center pays an LOC commitment fee of 0.90% per annum. At September 30, 2013, all the bonds had been successfully remarketed and no amounts had been drawn on the LOC. The LOC was terminated in conjunction with the issuance of the Series 2014B and Series 2014C Bonds.

In February 2014, the Medical Center issued $73,030,000 in Series 2014A Hospital Revenue Bonds (Series 2014A Bonds) to finance improvements and renovations to the hospital. The Series 2014A Bonds mature in installments ranging from $3,745,000 to $10,000,000 beginning in 2019. The final maturity date is August 1, 2032. Interest is due semiannually on February 1 and August 1 with annual interest rates ranging from 4.25% to 5.25%.

In February 2014, the Medical Center also issued $51,885,000 in Series 2014B Variable Rate Hospital Revenue Bonds (Series 2014B Bonds) and $51,885,000 in Series 2014C Variable Rate Hospital Revenue Bonds (Series 2014C Bonds). The proceeds of these bonds were used to refund the Series 2008 Bonds. The advance refunding of the Series 2008 Bonds was considered a legal defeasement. The Series 2014B and 2014C Bonds mature on August 1, 2043 and bear interest at variable rates, which ranged from 1.23% to 1.25% for Series 2014B Bonds and 1.23% to 1.24% for Series 2014C Bonds during 2014. Interest is due on a monthly or semi-annual basis, dependent on the applied interest rate. The effective interest rate on the 2014B and 2014C Bonds was 1.24% at September 30, 3014.

Note 8 – Long-Term Debt (continued)

The Series 2014A, 2014B, and 2014C Bonds are collateralized by a Master Indenture, as supplemented. The bond indentures require that certain funds be held by a trustee. The Master Indenture also places other restrictions, including restriction on disposition of assets and maintenance of certain specified financial ratios, among others. The Medical Center was in compliance with these covenants as of September 30, 2014.

In October 2007, YROSC issued $1,430,000 in Subordinated Health Facility Revenue Bonds, Series 2007 (Series 2007 Bonds) through The Industrial Development Authority of the City of Yuma, Arizona. The bonds mature on December 31, 2027, and are fixed interest rate securities yielding 9.3% per annum. Payment of interest is subject to meeting certain financial and quality/patient safety targets.

Note 9 – Interest Rate Swaps

In 2004, the Medical Center entered into three fixed payor interest rate swaps to economically hedge the Series 2004 Bonds. In conjunction with the defeasement of the Series 2004 Bonds and Series 2008 Bonds, these interest rate swaps were left in place to economically hedge the Series 2014 Bonds. The notational amount of these swaps decrease over their terms. The outstanding notational amount for the first swap agreement was $6,500,000 and $8,525,000 as of September 30, 2014 and 2013, respectively. The Medical Center pays a 3.48% fixed rate and receives 60% of the one-month LIBOR rate plus 0.36% (0.45% and 0.54% at September 30, 2014 and 2013, respectively) from the counterparty. The first swap agreement expires on August 1, 2017. The outstanding notational amount for the second swap agreement was $26,850,000 and $27,925,000 as of September 30, 2014 and 2013, respectively. The Medical Center pays a 3.80% fixed rate and receives 60% of the one-month LIBOR rate plus 0.36%. The second swap agreement expires on August 1, 2031. The outstanding notational amount for the third swap agreement was $54,725,000 and $54,975,000 as of September 30, 2014 and 2013, respectively. The Medical Center pays a 3.88% fixed rate and receives 60% of the one-month LIBOR rate plus 0.36% from the counterparty. The third swap agreement expires on August 1, 2031. Settlements on these three interest rate swaps are made monthly.

In 2001, the Medical Center entered into two fixed receiver interest rate swaps, two basis swaps, and an interest rate cap, to economically hedge the Series 2001 Bonds. One of the fixed receiver swaps was terminated in fiscal 2008 by the counterparty. The second fixed receiver swap canceled August 1, 2011.

The first basis swap agreement had an outstanding notional amount of $51,685,000 and $51,840,000 as of September 30, 2014 and 2013, respectively. In September 2006, the Medical Center amended the swap to receive 72.50% of the five-year LIBOR rate minus 0.265% instead of 72.50% of the three-month LIBOR rate. In January 2010, the Medical Center amended the basis swap to again receive 72.50% of the three-month LIBOR rate (0.43% and 0.18% at September 30, 2014 and 2013, respectively) from the counterparty and continued to pay the weighted-average of the SIFMA Municipal Swap Index rate. Settlements are made quarterly on November 1, February 1, May 1, and August 1. The notional amount decreases over the term of the agreement, which expires on August 1, 2031.

Note 9 – Interest Rate Swaps (continued)

The second basis swap agreement had an outstanding notional amount of $6,430,000 and $8,355,000 as of September 30, 2014 and 2013, respectively. In September 2006, the Medical Center amended the swap to receive 70% of the five-year LIBOR rate minus 0.223% instead of 70% of the three-month LIBOR rate. In January 2010, the Medical Center amended the basis rate swap to again receive 70% of the three-month LIBOR rate (0.41% and 0.17% at September 30, 2014 and 2013, respectively) from the counterparty, and to continue to pay a weighted-average of the SIFMA Municipal Swap Index rate. Settlements are made quarterly on November 1, February 1, May 1, and August 1. The notional amount decreases over the term of the agreement, which expires on August 1, 2017.

The fair value of these interest rate swaps is determined on contractual terms and discounted at the prevailing swap curve on the respective valuation date. The mark-to-market adjustment for these derivative instruments resulted in a gain of approximately $1,432,000 and $5,079,000 during the years ended September 30, 2014 and 2013, respectively, which includes the monetization noted above. All of Medical Center's derivative instruments were in liability positions at September 30, 2014 and 2013, respectively.

Net interest expense for the years ended September 30 includes the following components:

	2014	2013
Interest paid during the year	$ 3,553,678	$ 1,947,355
Cash paid on swaps during the year	2,495,816	2,710,169
Less cash received from swaps during the year	(58,386)	(56,750)
Amortization of deferred financing costs	894,991	60,686
Interest expense capitalized	(3,805,021)	(650,776)
Change in accrued interest and swap receivable	653,104	33,557
Net interest expense	$ 3,734,182	$ 4,044,241

Note 10 – Retirement Plans

The Medical Center has an eligible noncontributory defined benefit retirement plan (the "Plan") covering substantially all hospital employees hired prior to September 26, 2006, as described more completely below. Employees of certain other subsidiaries of the Medical Center are covered on the same terms. Under the Plan, employee benefits are based on each employee's years of service, and the employee's highest average compensation during five consecutive years of the last 10 years. Vesting occurs over a five-year period. Annual contributions are made to the Plan sufficient to satisfy legal funding requirements established by the Employee Retirement Income Security Act of 1974 (ERISA). For the upcoming fiscal year ending September 30, 2014 the employer expects to make cash contributions in the range of $7,897,000 to $13,646,000. The employer contributions will satisfy the minimum required contributions under ERISA and include an additional amount sufficient to bring the Plan's funded status, as measured under ERISA (i.e., the Adjusted Funded Target Attainment Percentage, or AFTAP), to 80%.

As of September 26, 2006, the Medical Center ceased offering pension benefits to new employees under the Plan. The Medical Center will continue to provide pension benefits under the Plan for retirees and employees hired prior to September 26, 2006, who met eligibility requirements. During an initial choice phase (October 1, 2006 to December 31, 2006), all current employees were given an opportunity to cease participation in the Plan and enroll in a qualified defined contribution plan (the "401(k) Plan"). As of January 1, 2007, new employees are enrolled in the 401(k) Plan, which requires the Medical Center to match 100% on the first 3% contributed by the employee. If the employee contributes 4%, the Medical Center will match 3 1/2% and if the employee contributes 5% or more, the Medical Center will match 4%. The Medical Center made matching contributions to the 401(k) Plan of approximately $2,667,000 in 2014 and $2,541,000 in 2013.

Note 10 – Retirement Plans (continued)

Pension cost and the funded status of the Plan, as determined by the Plan's actuary as of and for the years ended September 30 follow:

	2014	2013
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$162,526,141	$177,621,309
Service cost	2,696,758	3,150,134
Interest cost	7,498,166	6,805,569
Amendments	-	4,266,025
Actuarial (gain)/loss	12,368,162	(24,849,467)
Benefits paid	(5,573,996)	(4,467,429)
Projected benefit obligation at end of year	$179,515,231	$162,526,141
Change in plan assets		
Fair value of plan assets at beginning of year	$124,395,155	$109,032,709
Actual return on plan assets	13,960,358	9,345,857
Employer contributions	-	10,484,018
Benefits paid	(5,573,996)	(4,467,429)
Fair value of plan assets at end of year	132,781,517	124,395,155
Funded status (accrued pension cost)	$ (46,733,714)	$ (38,130,986)
Unrecognized net loss recorded in net assets	$ 41,954,271	$ 36,415,394

The underfunded status of the Plan of approximately $46,734,000 and $38,131,000 at September 30, 2014 and 2013, respectively, is recognized in the accompanying combined balance sheets as a liability. The Pension Plan's projected benefit obligation was approximately $179,515,000 and $162,526,000 at September 30, 2014 and 2013, respectively.

	September 30,	
	2014	2013
Components of net periodic benefit cost		
Service cost	$ 2,696,758	$ 3,150,134
Interest cost	7,498,166	6,805,569
Expected return on plan assets	(9,438,487)	(8,863,833)
Amortization of prior service cost	657,290	128,269
Amortization of actuarial cost	2,214,865	6,065,121
Net periodic benefit cost	$ 3,628,592	$ 7,285,260

Note 10 – Retirement Plans (continued)

Changes in plan assets and benefit obligations recognized in unrestricted net assets during 2014 and 2013, respectively, include:

	2014	2013
Net (gain) loss	$ 8,411,031	$ (25,896,231)
Prior service cost	-	4,266,025
Amortization of actuarial loss	(2,214,865)	(6,065,121)
Amortization of prior service cost	(657,290)	(128,269)
Change in pension plan assets and liabilities recognized as changes in net assets	$ 5,538,876	$ (27,823,596)

The assumptions used to determine the projected benefit obligation and net periodic benefit cost for the Plan are set forth below:

	September 30,	
	2014	2013
Weighted-average assumptions used to determine benefit obligation:		
Measurement date	9/30/2014	9/30/2013
Discount rate	4.16%	4.74%
Rate of compensation increase	2.68%	3.75%
Weighted-average assumptions used to determine net periodic benefit cost:		
Fiscal year-end	2014	2013
Discount rate	4.74%	3.81%
Expected return on plan assets	7.75%	7.75%
Rate of compensation increase	3.75%	3.75%

The expected long-term rate of return on plan assets assumption of 7.75% was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Based on the Medical Center's investment allocation for the Plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year rolling averages. An average inflation rate within the range equal to 3.75% was selected and added to the real rate of return range to arrive at a best estimate range of 7.25% - 9.25%. A rate of 7.75% near the midpoint of the best estimate range was selected.

Note 10 – Retirement Plans (continued)

Plan assets – The following represents the Plan's weighted-average asset allocation by asset category:

	September 30,	
	2014	2013
Asset category:		
Equity	56%	58%
Fixed income	33%	30%
Cash	5%	7%
Other	6%	5%
	100%	100%

Plan assets are intended to satisfy, over time, the obligation of the Medical Center to provide retirement benefits in accordance with the Plan's terms. Hence, Plan assets are to be managed in a prudent manner for the exclusive benefit of the Plan's participants and their beneficiaries, consistent with the provision of ERISA.

The targeted range by principal investment category as a percentage of the total value of the Plan assets is: 1) domestic equities: 35% to 45%, 2) international equities: 7% to 13%, 3) fixed income: 30% to 40%, 4) real estate: 3% to 7%, and 5) cash: 0% to 10%.

The investment objective for Plan assets shall be to achieve an annual average rate of return (net of investment management expense) over a moving five-year period, which exceeds the average annual rate of return that would have been achieved in the same period by a composite market index comprised of the Russell 3000 Index (weighted 0.55), the Barclays Capital Aggregate Bond Index (weighted 0.30), and MSCI AC World Index (weighted 0.15).

Note 10 – Retirement Plans (continued)

The fair value of the Plan's assets at September 30, 2014 and 2013, by asset category, are as follows:

	2014		
	Level 1	Level 2	Total Fair Value
Cash and cash equivalents	$ 2,458,057	$ -	$ 2,458,057
U.S. equity securities	51,975,918	-	51,975,918
Foreign equity securities	24,631,453	-	24,631,453
U.S. corporate bonds	-	32,874,801	32,874,801
U.S. government securities	-	13,385,983	13,385,983
Real estate investment trusts (REITs)	-	4,494,920	4,494,920
Foreign equity mutual fund	2,960,385	-	2,960,385
Fair value of plan assets	$ 82,025,813	$ 50,755,704	$ 132,781,517

	2013		
	Level 1	Level 2	Total Fair Value
Cash and cash equivalents	$ 2,776,770	$ -	$ 2,776,770
U.S. equity securities	51,620,364	-	51,620,364
Foreign equity securities	24,190,340	-	24,190,340
U.S. corporate bonds	-	7,555,121	7,555,121
U.S. government securities	-	31,761,948	31,761,948
Real estate investment trusts (REITs)	-	4,330,795	4,330,795
Foreign equity mutual fund	2,159,817	-	2,159,817
Fair value of plan assets	$ 80,747,291	$ 43,647,864	$ 124,395,155

Benefit payments – The benefit payments, which reflect expected future service, are expected to be paid as follows:

Year ending September 30,	
2015	$ 5,749,318
2016	6,418,845
2017	6,997,309
2018	7,689,600
2019	8,223,674
2020-2023	47,307,356

No portion of the pension liability would be classified as a current liability because plan assets exceed the value of benefit obligations expected to be paid within the year ended September 30, 2014.

Note 10 – Retirement Plans (continued)

No plan assets are expected to be returned to the Medical Center during the year ending September 30, 2014.

Amounts not yet reflected in net periodic pension cost, which are expected to be reflected in expense in fiscal 2014, are as follows:

Amortization of actuarial loss	$ 3,264,778
Amortization of prior service cost	657,290
	$ 3,922,068

Note 11 – Commitments and Contingencies

Regulation and litigation – The Medical Center is involved in litigation and regulatory investigations arising in the course of business and of a nature that is routine to the industry. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations.

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Medical Center is in compliance with the fraud and abuse regulations as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Note 12 – Functional Expenses

The Medical Center provides health care services to residents within its geographic locations. Operating expenses related to providing these services are as follows for the years ended September 30:

	2014	2013
Health care services	$308,690,129	$290,405,480
General and administrative	25,752,048	26,631,070
	$334,442,177	$317,036,550

Note 13 – Charity Care

In support of its mission and philosophy, the Medical Center provides a number of services for which it receives partial or no reimbursement. These services include charity care, support of children's programs, services to undocumented aliens, services to patients who qualify for government-supported programs, and other programs that support the community.

The Medical Center provides uncompensated health care to individuals who cannot afford health care due to inadequate resources, and do not otherwise qualify for government-subsidized insurance. Because the Medical Center does not pursue collections, charity care is not included in net patient service revenue. A copy of the Medical Center's Charity Care Policy is available at the website: www.yumaregional.org. The costs of providing health care services that are uncompensated are estimated to be approximately $11,763,000 and $17,234,000 for the years ended September 30, 2014 and 2013, respectively.

Note 14 – Self-Insurance Programs

Professional liability and estimated medical malpractice claims – The Medical Center is self-insured for medical malpractice and general liability for the first $1,000,000 of loss per occurrence. Losses in excess of this amount are insured through claims-made professional liability policies that also provide coverage for incidents reported within a specified time period.

Note 14 – Self-Insurance Programs (continued)

Losses from asserted and unasserted claims identified are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident, and relevant trend factors. Gross medical malpractice and general liability losses have been discounted at a rate of 4% and totaled approximately $4,573,000 and $4,428,000 at September 30, 2014 and 2013, respectively. There was no insurance receivable at September 30, 2014 and 2013 related to the expected claims as no individual claims identified and accrued for were in excess of the self-insured amount. The estimated liability decreased in the current year due to favorable developments in prior year claims.

Workers' compensation insurance – The Medical Center is self-insured for workers' compensation risk for the first $250,000 of loss per occurrence. Losses in excess of this amount are insured through third-party insurance policies, which provide coverage up to statutory amounts. The Medical Center currently has reserved $1,205,000 and $673,000 for workers' compensation claims at September 30, 2014 and 2013, respectively.

Employee health insurance – The Medical Center is self-insured for employee health benefits, and records an accrual for claims incurred but not yet reported. Stop loss coverage is maintained, which caps the maximum payable per fiscal year ending June 30. Healthcare benefit expense for the years ended September 30, 2014 and 2013 was approximately $10,231,000 and $11,403,000, respectively. Accruals for unpaid claims incurred but not reported amounted to approximately $1,173,000 at September 30, 2014 and 2013, and are included in the combined balance sheet in self-insurance programs liability. Estimates for incurred but not reported claims are based on historical trends, expected lag time in reporting of claims, and other factors.

Note 15 – Revenue from Governmental Programs

"Meaningful Use" incentives – The American Recovery and Reinvestment Act of 2009 ("ARRA") established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record ("EHR") technology. The Medicare incentive payments will be paid out to qualifying hospitals over four consecutive years on a transitional schedule. To qualify for Medicare incentives, hospitals and physicians must meet EHR meaningful use criteria that become more stringent over three stages designated by the Centers for Medicare and Medicaid ("CMS").

Medicaid programs and payment schedules vary from state to state. The AHCCCS programs require hospitals to register for the program and to engage in efforts to adopt, implement, or upgrade certified EHR technology. AHCCCS has not defined any meaningful use criteria to date. The incentive payment for year one is strictly based on volume of AHCCCS patients admitted and seen in the emergency department as a percentage of the Company's total volumes.

Note 15 – Revenue from Governmental Programs (continued)

The Medical Center did not record any revenue related to the Medicare program for the year ended September 30, 2014. For the year ended September 30, 2013, the Medical Center recorded approximately $2,100,000 related to the Medicare program. Meaningful use incentives are included in other revenue in the combined statements of operations. These incentives have been recognized following the grant accounting model, recognizing income ratably over the applicable reporting period as management becomes reasonably assured of meeting the required criteria. Subsequent changes to these estimates will be recognized in the consolidated statement of income in the period in which additional information is available. Such estimates are subject to audit by the federal government or its designee.

Note 16 – Investments in Affiliates

HealthSouth of Yuma, Inc. – The Medical Center has a joint venture operating agreement with HealthSouth of Yuma, Inc. (HealthSouth) for the purpose of owning and operating a rehabilitation hospital in Yuma. The Medical Center has a 49% membership interest in this joint venture (Yuma Rehabilitation Hospital, LLC). Under the terms of this agreement, HealthSouth will provide management services to Yuma Rehabilitation Hospital, LLC and has the right and option to put all of its membership interest to the Medical Center should the management services agreement be terminated. HealthSouth and the Medical Center have separate options to acquire each other's respective membership interest in Yuma Rehabilitation Hospital, LLC due to change in control and other contingent dissolution event circumstances. The Medical Center also has an option to purchase all of HealthSouth's membership interest in Yuma Rehabilitation Hospital, LLC in April 2022. Management is currently not aware of any plans by Yuma Rehabilitation Hospital, LLC to terminate the management services agreement. The Medical Center accounts for its investment in HealthSouth using the equity method.

Note 16 – Investments in Affiliates (continued)

Condensed financial information for HealthSouth as of and for the years ended September 30:

Summary of Balance Sheets

	2014	2013
Assets		
Current assets	$ 3,855,391	$ 3,396,686
Noncurrent assets	5,487,367	5,865,943
Total assets	$ 9,342,758	$ 9,262,629
Liabilities and Equity		
Current liabilities	$ 659,371	$ 528,844
Noncurrent liabilities	136,513	132,582
Equity	8,546,874	8,601,203
Total liabilities and equity	$ 9,342,758	$ 9,262,629

Summary of Statements of Operations

	2014	2013
Revenues	$ 16,821,554	$ 16,098,834
Net income	$ 2,815,912	$ 2,566,586

Desert Healthcare Services, LLC – The Medical Center formed Desert Healthcare Services, LLC (DHS) and entered into an operating agreement with Yuma Unified Medical Associates, Inc. (IPA) for the purpose of owning and operating urgent care facilities in Yuma. The Medical Center has a 50% membership interest in DHS. Under the terms of this agreement, members of IPA will provide management for DHS. Under the terms of the agreement no member is permitted to make a transfer unless transfer is considered a permitted transfer under the guidelines set forth in the operating agreement. The operating agreement has a term through December 31, 2045. The Medical Center accounts for its investment on DHS using the equity method.

Note 16 – Investments in Affiliates (continued)

Condensed financial information for DHS as of and for the years ended September 30:

	2014	2013
Assets		
Current assets	$ 807,296	$ 1,826,640
Noncurrent assets	366,058	472,348
Total assets	$ 1,173,354	$ 2,298,988
Liabilities and Equity		
Current liabilities	$ 171,006	$ 167,648
Equity	1,002,348	2,131,340
Total liabilities and equity	$ 1,173,354	$ 2,298,988

Summary of Statements of Operations

	2014	2013
Revenues	$ 4,677,474	$ 5,399,913
Net (loss) income	$ (1,017,132)	$ (62,906)

Note 16 – Investments in Affiliates (continued)

The table below sets forth the carrying values of the Medical Center's equity method investments in affiliates, and the Medical Center's share of their earnings or losses, as of and for the years ended September 30, 2014 and 2013. The Medical Center accounts for its investments in affiliates by the equity method. The Medical Center records its share of such earnings (loss) in the combined statements of operations in net investment income.

September 30, 2014	HEALTHSOUTH	DHS	TOTAL
Equity method investments in affiliates, beginning of year	$ 4,232,804	$ 1,289,985	$ 5,522,789
Equity in earnings (losses) of affiliates	2,705,481	(508,566)	2,196,915
Distribution of earnings affiliates	(2,731,102)	(55,930)	(2,787,032)
Equity method investments in affiliates, end of year	$ 4,207,183	$ 725,489	$ 4,932,672

September 30, 2013	HEALTHSOUTH	DHS	TOTAL
Equity method investments in affiliates, beginning of year	$ 3,925,662	$ 1,362,779	$ 5,288,441
Equity in earnings (losses) of affiliates	2,467,769	(31,453)	2,436,316
Distribution of earnings affiliates	(2,160,627)	(41,341)	(2,201,968)
Equity method investments in affiliates, end of year	$ 4,232,804	$ 1,289,985	$ 5,522,789

Note 17 – Subsequent Events

On October 1, 2014, the Medical Center acquired substantially all of the assets of Southwest P.E.T. Institute, LLC ("SDO") for $3,877,534. In connection with the valuation of this business combination, the Medical Center is in the process of estimating the fair value of the tangible and intangible assets acquired and the liabilities assumed.

OTHER FINANCIAL INFORMATION

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS ON COMBINING INFORMATION

To the Board of Directors
Yuma Regional Medical Center and Affiliates

We have audited the combined financial statements of Yuma Regional Medical Center and Affiliates as of and for the years ended September 30, 2014 and 2013, and have issue our report thereon dated December 19, 2014, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary combining information is presented for the purposes of additional analysis, and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Moss Adams LLP

Scottsdale, Arizona
December 19, 2014

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING BALANCE SHEET
SEPTEMBER 30, 2014

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Assets								
Current assets	$ 92,074,231	$ 10,635,161	$ 2,422,731	$ 2,728,867	$ 282,132	$ 1,446,606	$ (414,893)	$ 109,174,835
Assets limited as to use	224,967,707	-	-	-	-	-	-	224,967,707
Property and equipment, net	292,959,810	30,460	430,579	2,476,519	3,041	143,628	-	296,044,037
Deferred financing costs, net	1,421,272	-	-	364,935	-	-	-	1,786,207
Equity method investments	28,074,831	-	-	-	-	-	(23,142,159)	4,932,672
Goodwill	909,663	-	-	5,095,958	-	-	-	6,005,621
Other assets	4,264,917	-	-	-	-	-	(82,005)	4,182,912
Total assets	$ 644,672,431	$ 10,665,621	$ 2,853,310	$ 10,666,279	$ 285,173	$ 1,590,234	$ (23,639,057)	$ 647,093,991
Liabilities and net assets								
Current liabilities	$ 27,416,540	$ 32,056	$ 228,764	$ 665,587	$ -	$ 255,806	$ (414,895)	$ 28,183,858
Long-term debt, net	180,087,193	-	51,420	1,512,005	-	-	(82,005)	181,568,613
Accrued pension cost and other liabilities	68,233,866	172,822	-	-	-	-	-	68,406,688
Net assets	368,934,832	10,460,743	2,573,126	8,488,687	285,173	1,334,428	(23,142,157)	368,934,832
Total liabilities and net assets	$ 644,672,431	$ 10,665,621	$ 2,853,310	$ 10,666,279	$ 285,173	$ 1,590,234	$ (23,639,057)	$ 647,093,991

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING STATEMENT OF OPERATIONS
SEPTEMBER 30, 2013

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Assets								
Current assets	$ 64,377,700	$ 9,816,685	$ 2,797,554	$ 2,609,363	$ 620,480	$ 493,475	$ (972,376)	$ 79,742,881
Assets limited as to use	198,380,226	-	-	-	-	-	-	198,380,226
Property and equipment, net	236,288,216	40,008	505,797	2,408,509	-	63,212	-	239,305,742
Deferred financing costs, net	1,062,632	-	-	392,828	-	-	-	1,455,460
Equity method investments	26,694,869	-	-	-	-	-	(21,172,080)	5,522,789
Goodwill	909,663	-	-	5,095,958	-	-	-	6,005,621
Other assets	6,730,335	-	-	-	-	103,461	(442,005)	6,391,791
Total assets	$ 534,443,641	$ 9,856,693	$ 3,303,351	$ 10,506,658	$ 620,480	$ 660,148	$ (22,586,461)	$ 536,804,510
Liabilities and net assets								
Current liabilities	$ 24,935,235	$ 26,349	$ 213,536	$ 657,841	$ -	$ 705,509	$ (972,376)	$ 25,566,094
Long-term debt, net	103,299,574	-	120,490	1,872,005	-	-	(442,005)	104,850,064
Accrued pension cost and other liabilities	62,290,670	179,520	-	-	-	-	-	62,470,190
Net assets	343,918,162	9,650,824	2,969,325	7,976,812	620,480	(45,361)	(21,172,080)	343,918,162
Total liabilities and net assets	$ 534,443,641	$ 9,856,693	$ 3,303,351	$ 10,506,658	$ 620,480	$ 660,148	$ (22,586,461)	$ 536,804,510

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2014

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Unrestricted revenues								
Net patient service	$ 359,170,694	$ -	$ 2,024,985	$ 4,000,866	$ 1,049,179	$ 2,309,759	$ -	$ 368,555,483
Provision for doubtful accounts	(31,118,894)	-	(230,089)	(9,281)	-	(292,834)	-	(31,651,098)
Net patient service revenue less provision for doubtful accounts	328,051,800	-	1,794,896	3,991,585	1,049,179	2,016,925	-	336,904,385
Intercompany fees	-	-	37,770	-	2,153,407	284,326	(2,475,503)	-
Other revenue	4,979,547	946,979	923,519	15,800	-	185,145	(569,605)	6,481,385
Total revenues	333,031,347	946,979	2,756,185	4,007,385	3,202,586	2,486,396	(3,045,108)	343,385,770
Expenses								
Salaries and wages	116,060,711	365,100	1,233,171	1,124,465	1,422,263	4,401,846	(285,235)	124,322,321
Employee benefits	25,980,977	-	279,778	245,167	1,369,872	1,023,177	(19,052)	28,879,919
Supplies	59,612,696	8,875	565,903	1,343,220	-	94,510	(12,236)	61,612,968
Professional fees	26,916,948	42,941	104,157	58,455	342,795	347,336	(2,530,643)	25,281,989
Purchased services	33,637,405	4,989	495,031	182,325	-	119,542	(182,047)	34,257,245
Operating and other expenses	28,978,710	598,136	363,867	220,423	67,656	591,882	(15,895)	30,804,779
Depreciation and amortization	25,265,752	9,547	102,496	153,950	-	17,029	-	25,548,774
Interest, net	3,558,697	-	7,980	167,505	-	-	-	3,734,182
Total operating expenses	320,011,896	1,029,588	3,152,383	3,495,510	3,202,586	6,595,322	(3,045,108)	334,442,177
Operating income (loss)	13,019,451	(82,609)	(396,198)	511,875	-	(4,108,926)	-	8,943,593
Net investment income	16,904,484	437,381	-	-	-	-		17,341,865
Equity in earnings of unconsolidated affiliates	(1,441,562)						3,638,477	2,196,915
Change in fair value of interest rate swaps	1,432,382	-	-	-	-	-	-	1,432,382
Loss on disposal of property and equipment	177,708	-	-	-	-	-	-	177,708
Excess (deficit) of revenues over expenses	$ 30,092,463	$ 354,772	$ (396,198)	$ 511,875	$ -	$ (4,108,926)	$ 3,638,477	$ 30,092,463

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2013

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Unrestricted revenues								
Net patient service	$ 328,152,967	$ -	$ 3,115,517	$ 4,618,142	$ 1,610,951	$ 1,654,118	$ -	$ 339,151,695
Provision for doubtful accounts	(37,036,393)	-	(216,713)	(22,899)	-	(248,549)	-	(37,524,554)
Net patient service revenue less provision for doubtful accounts	291,116,574	-	2,898,804	4,595,243	1,610,951	1,405,569	-	301,627,141
Intercompany fees	-	-	-	-	1,343,123	195,000	(1,538,123)	-
Other revenue	5,747,609	1,288,965	53,155	20,570	-	46,861	(818,037)	6,339,123
Total revenues	296,864,183	1,288,965	2,951,959	4,615,813	2,954,074	1,647,430	(2,356,160)	307,966,264
Expenses								
Salaries and wages	116,241,671	306,606	1,215,916	1,199,135	1,473,131	2,234,347	(382,889)	122,287,917
Employee benefits	29,742,341	-	289,823	253,754	1,286,919	449,857	(82,233)	31,940,461
Supplies	56,634,637	12,629	521,229	1,554,095	225	66,760	(112,569)	58,677,006
Professional fees	28,053,828	42,969	97,767	54,905	125,956	505,607	(1,630,184)	27,250,848
Purchased services	30,246,947	4,520	515,300	190,199	-	82,817	(37,622)	31,002,161
Operating and other expenses	18,150,834	511,058	362,778	211,328	67,843	381,425	(110,663)	19,574,603
Depreciation and amortization	22,005,748	8,271	110,509	128,799	-	5,986	-	22,259,313
Interest, net	3,870,062	-	11,315	162,864	-	-	-	4,044,241
Total operating expenses	304,946,068	886,053	3,124,637	3,755,079	2,954,074	3,726,799	(2,356,160)	317,036,550
Operating income (loss)	(8,081,885)	402,912	(172,678)	860,734	-	(2,079,369)	-	(9,070,286)
Net investment income	12,849,690	447,889	1,747	2,527	-	-		13,301,853
Equity in earnings of unconsolidated affiliates	1,878,628						557,688	2,436,316
Change in fair value of interest rate swaps	5,079,148	-	-	-	-	-	-	5,079,148
Loss on disposal of property and equipment	(61,184)	-	(21,450)	-	-	-	-	(82,634)
Excess (deficit) of revenues over expenses	$ 11,664,397	$ 850,801	$ (192,381)	$ 863,261	$ -	$ (2,079,369)	$ 557,688	$ 11,664,397

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2014

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Unrestricted net assets								
Excess of revenues over expenses	$ 30,092,463	$ 354,772	$ (396,198)	$ 511,875	$ -	$ (4,108,926)	$ 3,638,477	$ 30,092,463
Decrease in pension liability	(5,538,876)	-	-	-	-	-	-	(5,538,876)
Transfer from temporarily restricted net assets	-	(2,000)	-	-	-	-	-	(2,000)
Distributions/capital contributions	463,083	-	-	-	(335,307)	5,488,715	(5,608,556)	7,935
Increase in unrestricted net asset	25,016,670	352,772	(396,198)	511,875	(335,307)	1,379,789	(1,970,079)	24,559,522
Temporarily restricted net assets								
Donations, gifts, and contributions	-	103,023	-	-	-	-	-	103,023
Investment income	-	470,712	-	-	-	-	-	470,712
Net assets released from restricted used for operations	-	(118,587)	-	-	-	-	-	(118,587)
Transfer to unrestricted net assets	-	2,000	-	-	-	-	-	2,000
Increase in temporarily restricted net assets	-	457,148	-	-	-	-	-	457,148
Permanently restricted net assets								
Transfer from temporarily restricted net assets	-	-	-	-	-	-	-	-
Increase in permanently restricted net assets	-	-	-	-	-	-	-	-
Change in net assets	25,016,670	809,920	(396,198)	511,875	(335,307)	1,379,789	(1,970,079)	25,016,670
Net assets, beginning of year	343,918,162	9,650,823	2,969,324	7,976,812	620,480	(45,361)	(21,172,078)	343,918,162
Net assets, end of year	$ 368,934,832	$ 10,460,743	$ 2,573,126	$ 8,488,687	$ 285,173	$ 1,334,428	$ (23,142,157)	$ 368,934,832

YUMA REGIONAL MEDICAL CENTER AND AFFILIATES
CONDENSED COMBINING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2013

	YRMC/ District	Foundation	YHCS	YROSC	YRCC	YPSG	Eliminations	Total
Unrestricted net assets								
Excess of revenues over expenses	$ 11,364,397	$ 850,801	$ (192,381)	$ 863,261	$ -	$ (2,079,369)	$ 557,688	$ 11,364,397
Decrease in pension liability	27,823,596	-	-	-	-	-	-	27,823,596
Transfer from temporarily restricted net assets	-	2,000	-	-	-	-	-	2,000
Distributions/capital contributions	2,760,634	-	-	-	320,480	1,540,000	(4,639,440)	(18,326)
Increase in unrestricted net asset	41,948,627	852,801	(192,381)	863,261	320,480	(539,369)	(4,081,752)	39,171,667
Temporarily restricted net assets								
Donations, gifts, and contributions	-	2,422,832	-	-	-	-	-	2,422,832
Investment income	-	356,128	-	-	-	-	-	356,128
Net assets released from restricted used for operations	-	-	-	-	-	-	-	-
Transfer to unrestricted net assets	-	(2,000)	-	-	-	-	-	(2,000)
Increase in temporarily restricted net assets	-	2,776,960	-	-	-	-	-	2,776,960
Permanently restricted net assets								
Transfer from temporarily restricted net assets	-	-	-	-	-	-	-	-
Increase in permanently restricted net assets	-	-	-	-	-	-	-	-
Change in net assets	41,948,627	3,629,761	(192,381)	863,261	320,480	(539,369)	(4,081,752)	41,948,627
Net assets, beginning of year	301,969,535	6,021,062	3,161,705	7,113,551	300,000	494,008	(17,090,326)	301,969,535
Net assets, end of year	$ 343,918,162	$ 9,650,823	$ 2,969,324	$ 7,976,812	$ 620,480	$ (45,361)	$ (21,172,078)	$ 343,918,162