




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



<p>Form <b>990</b></p> <p></p> <p>Department of the Treasury</p> <p>Internal Revenue Service</p>	<p><b>Return of Organization Exempt From Income Tax</b></p> <p><b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</b></p> <p>▶ Do not enter social security numbers on this form as it may be made public</p> <p>▶ Information about Form 990 and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a></p>	<p>OMB No 1545-0047</p> <p><b>2015</b></p> <p><b>Open to Public Inspection</b></p>
---	--	--

<b>A For the 2015 calendar year, or tax year beginning 01-01-2015 , and ending 12-31-2015</b>			
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization VALLEY HEALTH SYSTEM GROUP RETURN		<b>D</b> Employer identification number  80-0584319
	Doing business as		<b>E</b> Telephone number  (540) 536-6287
	Number and street (or P.O. box if mail is not delivered to street address) 220 CAMPUS BLVD STE 310	Room/suite	
	City or town, state or province, country, and ZIP or foreign postal code WINCHESTER, VA 22601		<b>G</b> Gross receipts \$ 1,281,984,057
	<b>F</b> Name and address of principal officer MARK H MERRILL 220 CAMPUS BLVD WINCHESTER, VA 22601		
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀(insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for subordinates? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>J</b> Website: ▶ VALLEYHEALTHLINK.COM		<b>H(b)</b> Are all subordinates included? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>H(c)</b> Group exemption number ▶ 5602	
		<b>L</b> Year of formation	<b>M</b> State of legal domicile

Part I Summary	
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities <u>Serving our community by improving health Provision of healthcare and medical services</u>   
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3</b> 93
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4</b> 81
	<b>5</b> Total number of individuals employed in calendar year 2015 (Part V, line 2a) . . . . . <b>5</b> 0
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . . <b>6</b> 1,145
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . <b>7a</b> -1,498,600
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . . <b>7b</b> -1,498,600
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . . <b>Prior Year</b> 5,565,212 <b>Current Year</b> 4,577,123
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . . 467,617,004 760,083,903
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . . 18,703,437 23,527,803
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . 152,334,673 17,364,889
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . 644,220,326 805,553,718
	Expenses
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . . 0 0	
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) . . . . . 288,433,461 302,571,708	
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . . 0 0	
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	
<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . . 318,630,035 448,563,777	
<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . . 608,754,147 752,470,218	
<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . . 35,466,179 53,083,508	
Net Assets or Fund Balances	
	<b>21</b> Total liabilities (Part X, line 26) . . . . . 647,856,251 581,969,770
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . . 691,204,639 713,408,473

<b>Part II Signature Block</b>					
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					
<b>Sign Here</b>	*****				2016-11-09
	Signature of officer				Date
	PETER F GALLAGHER CFO				
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name MICHAEL J ENGLE		Preparer's signature MICHAEL J ENGLE		Date
	Check <input type="checkbox"/> if self-employed		PTIN P00482834		
	Firm's name ▶ BKD LLC			Firm's EIN ▶	
	Firm's address ▶ 1201 WALNUT STREET SUITE 1700  KANSAS CITY, MO 641062246			Phone no (816) 221-6300	

**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  
Serving our community by improving health   Provision of healthcare and medical services

**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

<b>4a</b>	(Code ) (Expenses \$ 547,045,486 including grants of \$ 1,334,725 ) (Revenue \$ 777,249,924 )
VALLEY HEALTH'S MISSION IS SERVING OUR COMMUNITY BY IMPROVING HEALTH. VALLEY HEALTH IS COMPOSED OF SIX CORE HOSPITALS, HAMPSHIRE MEMORIAL HOSPITAL, PAGE MEMORIAL HOSPITAL, SHENANDOAH MEMORIAL HOSPITAL, WAR MEMORIAL HOSPITAL, WARREN MEMORIAL HOSPITAL AND WINCHESTER MEDICAL CENTER. VALLEY HEALTH BRINGS TOGETHER 604 LICENSED INPATIENT BEDS, 166 LONG-TERM CARE BEDS, 5,300 EMPLOYEES, AND A MEDICAL STAFF EXCEEDING 500 PROFESSIONALS DURING 2015. THE SYSTEM PROVIDED THE FOLLOWING SERVICES TO THE COMMUNITY- 128,524 INPATIENT ACUTE CARE DAYS, 135,604 OUTPATIENT REGISTRATIONS AT PHYSICIAN PRACTICES, 59,134 INPATIENT LONG TERM CARE DAYS, 6,589 INPATIENT REHABILITATION DAYS, 73,821 HOME CARE VISITS CONSISTING OF NURSING, PHYSICAL THERAPY, SOCIAL WORK, OCCUPATIONAL THERAPY, SPEECH PATHOLOGY, AND HOME HEALTH AIDS, 16,578 SURGICAL PROCEDURES, AND 7,130 INPATIENT PSYCHIATRIC PATIENT DAYS.	


<b>4b</b>	(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

<b>4c</b>	(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

<b>4d</b>	Other program services (Describe in Schedule O ) (Expenses \$ including grants of \$ ) (Revenue \$ )
-----------	---

<b>4e</b>	<b>Total program service expenses</b> ▶ 547,045,486
-----------	---

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> 	<b>1</b> Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	<b>2</b> Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> 	<b>3</b>	No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> 	<b>4</b> Yes	
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i> 	<b>5</b>	No
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i> 	<b>6</b>	No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> 	<b>7</b>	No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 	<b>8</b>	No
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i> 	<b>9</b> Yes	
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	<b>10</b> Yes	
<b>11</b> 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		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> 	<b>11a</b> Yes	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i> 	<b>11b</b> Yes	
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i> 	<b>11c</b>	No
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i> 	<b>11d</b>	No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> 	<b>11e</b> Yes	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i> 	<b>11f</b>	No
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> 	<b>12a</b>	No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> 	<b>12b</b> Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<b>13</b>	No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	<b>14a</b>	No
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i> 	<b>14b</b> Yes	
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i> 	<b>15</b>	No
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i> 	<b>16</b>	No
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)	<b>17</b>	No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<b>18</b>	No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<b>19</b>	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> 	<b>20a</b> Yes	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	<b>20b</b> 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 domestic 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 or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .	22	Yes	
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	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b>			
	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 "Yes," complete Schedule L, Part II . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or 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		No
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		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, 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		No
36	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		No
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.		
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).		No
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	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.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	Yes	
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		No
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		No
9a	Did the sponsoring organization make any taxable distributions under section 4966?		No
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		No
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
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.		No
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.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

**Part VI Governance, Management, and Disclosure**

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

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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	93	
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent	81	
<b>2</b>	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?	Yes	
<b>3</b>	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?		No
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
<b>6</b>	Did the organization have members or stockholders?	Yes	
<b>7a</b>	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?	Yes	
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>a</b>	The governing body?	Yes	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	Yes	
<b>9</b>	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		No

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		No
<b>b</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?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
<b>13</b>	Did the organization have a written whistleblower policy?	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy?	Yes	
<b>15</b>	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?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	Yes	
<b>b</b>	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
<b>b</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?	Yes	

**Section C. Disclosure**

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

---

**18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☒ Another's website ☒ Upon request ☐ 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, address, and telephone number of the person who possesses the organization's books and records  
 CHRISTINE LOWMAN 220 CAMPUS BLVD SUITE 310 WINCHESTER, VA 22601 (540) 536-6287

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

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

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

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

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

[illegible]



**Part VII** 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			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								11,321,373	4,098,584	1,904,984

**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 ▶ 276

		Yes	No
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b> Yes	
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>4</b> Yes	
<b>5</b>	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	<b>5</b>	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)	(B)	(C)
Name and business address	Description of services	Compensation
WINCHESTER EMERGENCY PHYSICIAN 80 PEACHTREE ROAD SUITE 200 ASHVILLE, NC 28801	PHYSICIAN SERVICES	10,684,913
HMP OF VIRGINIA PO BOX 645037 CINCINNATI, OH 452645037	PHYSICIAN SERVICES	3,171,316
HUNTER LANE LLC 2181 E AURORA ROAD SUITE 201 TWINSBURG, OH 44087	PHARMACEUTICAL SVCS	3,037,813
FRONT ROYAL EMERGENCY PHYSICIAN 80 PEACHTREE ROAD SUITE 200 ASHVILLE, NC 28803	PHYSICIAN SERVICES	2,894,644
SHENANDOAH EMERGENCY PHYSICIAN 80 PEACHTREE ROAD SUITE 200 ASHVILLE, NC 28803	PHYSICIAN SERVICES	2,342,633

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 ▶ 89

**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	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b> _____	4,577,123					
	<b>b</b>	Membership dues . . . . .	<b>1b</b> _____						
	<b>c</b>	Fundraising events . . . . .	<b>1c</b> _____						
	<b>d</b>	Related organizations . . . . .	<b>1d</b> 550,367						
	<b>e</b>	Government grants (contributions)	<b>1e</b> 1,372,148						
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b> 2,654,608						
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ _____							
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶							
Program Service Revenue	<b>2a</b>	ACUTE CARE SERVICES	Business Code 621400	656,509,300	656,509,300				
	<b>b</b>	HOME HEALTH SERVICES	621610	11,659,578	11,659,578				
	<b>c</b>	LONG TERM CARE	623990	16,638,938	16,638,938				
	<b>d</b>	PHYSICIAN SERVICES	621110	52,844,836	52,844,836				
	<b>e</b>	REHABILITATION SERVICES	621400	12,731,236	12,731,236				
	<b>f</b>	All other program service revenue		9,700,015	9,699,617	398			
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		760,083,903					
	Other Revenue	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		33,289,070		132,406	33,156,664	
<b>4</b>		Income from investment of tax-exempt bond proceeds . . ▶		0					
<b>5</b>		Royalties . . . . . ▶		0					
<b>6a</b>		Gross rents	(i) Real	(ii) Personal					
			3,315,818	44,700					
			<b>b</b> Less rental expenses	2,984,544					
			<b>c</b> Rental income or (loss)	331,274					44,700
<b>d</b>		Net rental income or (loss) . . . . . ▶		375,974		44,700	331,274		
<b>7a</b>		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			456,872,000	3,789					
			<b>b</b> Less cost or other basis and sales expenses	465,853,844					783,212
			<b>c</b> Gain or (loss)	-8,981,844					-779,423
<b>d</b>		Net gain or (loss) . . . . . ▶		-9,761,267			-9,761,267		
<b>8a</b>		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b> _____	0					
<b>b</b>		Less direct expenses . . . . .	<b>b</b> _____						
<b>c</b>		Net income or (loss) from fundraising events . . ▶							
<b>9a</b>		Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b> _____	0					
<b>b</b>		Less direct expenses . . . . .	<b>b</b> _____						
<b>c</b>		Net income or (loss) from gaming activities . . . ▶							
<b>10a</b>		Gross sales of inventory, less returns and allowances . . . . .	<b>a</b> _____						
			5,132,635						
			<b>b</b> Less cost of goods sold . . . . .					<b>b</b> 6,808,739	
<b>c</b>	Net income or (loss) from sales of inventory . . ▶		-1,676,104		-1,676,104				
Miscellaneous Revenue		Business Code							
<b>11a</b>	MEANINGFUL USE GRANT	900099	3,790,506	3,790,506					
<b>b</b>	MEDICAL RECORDS/FEES	900099	481,700	481,700					
<b>c</b>	REFUNDS,REBATES,DISCOUNTS	900099	14,136,515	14,136,515					
<b>d</b>	All other revenue . . . . .		256,298	256,298					
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶		18,665,019						
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . . ▶		805,553,718	778,748,524	-1,498,600	23,726,671			

**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 . . . . .



<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	1,177,107	1,177,107		
<b>2</b>	Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .	157,618	157,618		
<b>3</b>	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .	0			
<b>4</b>	Benefits paid to or for members . . . . .	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	10,989,815		10,989,815	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	305,970	305,970		
<b>7</b>	Other salaries and wages . . . . .	238,894,147	208,630,412	30,263,735	
<b>8</b>	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	5,205,657	4,546,791	658,866	
<b>9</b>	Other employee benefits . . . . .	29,912,816	26,126,730	3,786,086	
<b>10</b>	Payroll taxes . . . . .	17,263,303	14,555,223	2,708,080	
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management . . . . .	86,205,875	7,138,244	79,067,631	
<b>b</b>	Legal . . . . .	429,996		429,996	
<b>c</b>	Accounting . . . . .	212,772		212,772	
<b>d</b>	Lobbying . . . . .	0			
<b>e</b>	Professional fundraising services. See Part IV, line 17	0			
<b>f</b>	Investment management fees . . . . .	1,476,035		1,476,035	
<b>g</b>	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . . . .	78,266,820	59,482,131	18,784,689	
<b>12</b>	Advertising and promotion . . . . .	140,042	12,767	127,275	
<b>13</b>	Office expenses . . . . .	5,202,791	1,924,708	3,278,083	
<b>14</b>	Information technology . . . . .	205,604	106,113	99,491	
<b>15</b>	Royalties . . . . .	0			
<b>16</b>	Occupancy . . . . .	12,678,463	2,775,498	9,902,965	
<b>17</b>	Travel . . . . .	1,214,547	810,436	404,111	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
<b>19</b>	Conferences, conventions, and meetings . . . . .	379,909	266,365	113,544	
<b>20</b>	Interest . . . . .	14,195,215	8,801,033	5,394,182	
<b>21</b>	Payments to affiliates . . . . .	0			
<b>22</b>	Depreciation, depletion, and amortization . . . . .	55,321,202	34,299,145	21,022,057	
<b>23</b>	Insurance . . . . .	4,168,328	932,282	3,236,046	
<b>24</b>	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) . . . . .				
<b>a</b>	MEDICAL SUPPLIES	106,714,329	106,714,329		
<b>b</b>	BAD DEBT EXPENSE	49,133,640	49,133,640		
<b>c</b>	EQUIP RENTAL & MAINT	13,286,061	8,541,908	4,744,153	
<b>d</b>	BIOMEDICAL SERVICES	7,077,228	7,077,228		
<b>e</b>	All other expenses	12,254,920	3,529,808	8,725,112	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e	752,470,210	547,045,486	205,424,724	0
<b>26</b>	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X**

**Balance Sheet**

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

				<b>(A)</b> Beginning of year			<b>(B)</b> End of year	
<b>Assets</b>	<b>1</b>	Cash—non-interest-bearing . . . . .				<b>1</b>		0
	<b>2</b>	Savings and temporary cash investments . . . . .		75,031,078		<b>2</b>		99,223,315
	<b>3</b>	Pledges and grants receivable, net . . . . .				<b>3</b>		0
	<b>4</b>	Accounts receivable, net . . . . .		99,339,260		<b>4</b>		81,075,362
	<b>5</b>	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				<b>5</b>		0
	<b>6</b>	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 . . . . .				<b>6</b>		0
	<b>7</b>	Notes and loans receivable, net . . . . .		7,027,614		<b>7</b>		5,742,444
	<b>8</b>	Inventories for sale or use . . . . .		12,117,159		<b>8</b>		13,341,400
	<b>9</b>	Prepaid expenses and deferred charges . . . . .		12,073,667		<b>9</b>		9,443,415
	<b>10a</b>	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b>	1,206,808,487				
	<b>b</b>	Less: accumulated depreciation . . . . .	<b>10b</b>	575,638,052	629,819,139	<b>10c</b>		631,170,435
	<b>11</b>	Investments—publicly traded securities . . . . .		273,583,627		<b>11</b>		227,236,873
	<b>12</b>	Investments—other securities. See Part IV, line 11 . . . . .		218,286,160		<b>12</b>		215,276,968
	<b>13</b>	Investments—program-related. See Part IV, line 11 . . . . .		826,839		<b>13</b>		826,839
	<b>14</b>	Intangible assets . . . . .				<b>14</b>		0
	<b>15</b>	Other assets. See Part IV, line 11 . . . . .		10,956,347		<b>15</b>		12,041,190
	<b>16</b>	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .		1,339,060,890		<b>16</b>		1,295,378,241
<b>Liabilities</b>	<b>17</b>	Accounts payable and accrued expenses . . . . .		32,224,670		<b>17</b>		40,875,479
	<b>18</b>	Grants payable . . . . .				<b>18</b>		
	<b>19</b>	Deferred revenue . . . . .		764,437		<b>19</b>		174,219
	<b>20</b>	Tax-exempt bond liabilities . . . . .		466,574,841		<b>20</b>		409,475,962
	<b>21</b>	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				<b>21</b>		
	<b>22</b>	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 . . . . .				<b>22</b>		
	<b>23</b>	Secured mortgages and notes payable to unrelated third parties . . . . .				<b>23</b>		
	<b>24</b>	Unsecured notes and loans payable to unrelated third parties . . . . .				<b>24</b>		
	<b>25</b>	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 . . . . .		148,292,303		<b>25</b>		131,444,110
	<b>26</b>	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .		647,856,251		<b>26</b>		581,969,770
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>							
	<b>27</b>	Unrestricted net assets . . . . .		664,002,902		<b>27</b>		684,274,951
	<b>28</b>	Temporarily restricted net assets . . . . .		20,993,851		<b>28</b>		23,084,250
	<b>29</b>	Permanently restricted net assets . . . . .		6,207,886		<b>29</b>		6,049,270
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>							
	<b>30</b>	Capital stock or trust principal, or current funds . . . . .				<b>30</b>		
	<b>31</b>	Paid-in or capital surplus, or land, building or equipment fund . . . . .				<b>31</b>		
	<b>32</b>	Retained earnings, endowment, accumulated income, or other funds . . . . .				<b>32</b>		
	<b>33</b>	<b>Total net assets or fund balances</b> . . . . .		691,204,639		<b>33</b>		713,408,471
	<b>34</b>	<b>Total liabilities and net assets/fund balances</b> . . . . .		1,339,060,890		<b>34</b>		1,295,378,241

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	<b>1</b>	805,553,718
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	<b>2</b>	752,470,210
<b>3</b>	Revenue less expenses Subtract line 2 from line 1 . . . . .	<b>3</b>	53,083,508
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	<b>4</b>	691,204,639
<b>5</b>	Net unrealized gains (losses) on investments . . . . .	<b>5</b>	-35,731,208
<b>6</b>	Donated services and use of facilities . . . . .	<b>6</b>	
<b>7</b>	Investment expenses . . . . .	<b>7</b>	
<b>8</b>	Prior period adjustments . . . . .	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>9</b>	4,851,532
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	713,408,471

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
<b>c</b>	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
<b>b</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		

Additional Data

Software ID: 15000324  
Software Version: 2015v2.0  
EIN: 80-0584319  
Name: VALLEY HEALTH SYSTEM GROUP RETURN

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			
TERESA CLAWSON MD ..... Trustee	2 00 ..... 0 00	X						11,656	0	0
STEVEN E CLUSS ..... Trustee	2 00 ..... 2 00	X						900	0	0
THOMAS T GILPIN ..... CHAIRMAN WMC	2 00 ..... 2 00	X		X				900	0	0
SHERIF KAISER MD ..... Secretary WMC	2 00 ..... 0 00	X		X				0	0	0
DIANE S KEARNS ..... Trustee	2 00 ..... 0 00	X						0	0	0
REBECCA LAYMAN MD ..... Trustee	2 00 ..... 0 00	X						0	0	0
CLIFTON L RUTHERFORD ..... Trustee	2 00 ..... 2 00	X						0	900	0
HARRY S SMITH ..... VICE CHAIR WMC	2 00 ..... 2 00	X		X				2,400	0	0
JAMES FREILICH MD ..... Trustee	2 00 ..... 2 00	X						3,000	0	0
JENNIFER BARRON ..... Trustee	2 00 ..... 0 00	X						0	0	0

**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			
RICHARD CHRISTOPH MD ..... Trustee	2 00 ..... 0 00	X						0	0	0
JOHN A WILLINGHAM ..... Trustee	2 00 ..... 0 00	X						900	0	0
EMILY BECK ..... Trustee	2 00 ..... 0 00	X						0	0	0
JIM CLINE ..... Trustee	2 00 ..... 0 00	X						0	0	0
RICHIE WILKINS ..... Trustee	2 00 ..... 0 00	X						0	0	0
JENNA FRENCH ..... Trustee	2 00 ..... 0 00	X						0	0	0
MICHAEL HOFFMAN MD ..... Trustee/Emp Phy	2 00 ..... 0 00	X						16,320	0	0
JEFFREY LESSAR MD ..... Trustee	2 00 ..... 0 00	X						172,257	0	0
JIM LONG ..... Trustee	2 00 ..... 2 00	X						0	900	0
WILLIAM B MAJOR MD ..... Trustee	2 00 ..... 0 00	X						0	0	0

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			
ANTHONY HAYWOOD MD ..... Trustee	2 00 ..... 0 00	X						90,440	0	0
DANNY MCEATHRON ..... Trustee	2 00 ..... 0 00	X						600	0	0
KHALID AHLBEDRANI MD ..... Pr-El Med Staff	2 00 ..... 0 00	X						500	0	0
CHRISTINE ANDREAE ..... Treasurer/ Sec	2 00 ..... 0 00	X		X				0	0	0
THOMAS BALL MD ..... Pres Med Staff	2 00 ..... 0 00	X						4,000	0	0
CULLY MACDONALD ..... Trustee	2 00 ..... 0 00	X						0	0	0
DAVID BLOUNT ..... CHAIR WMH	2 00 ..... 0 00	X		X				0	0	0
KEN MASON MD ..... Trustee/Emp Phy	40 00 ..... 0 00	X						372,906	0	39,040
RAYMOND GRIMM DVM ..... CHAIR WMHF	2 00 ..... 0 00	X		X				600	0	0
GREGORY ROSS ..... Trustee	2 00 ..... 0 00	X						0	0	0



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			
JOHN LESINSKI ..... VICE CHAIR WMH	2 00 ..... 0 00	X		X				600	0	
BRIDGET MADDEN ..... Secretary WMH	2 00 ..... 0 00	X		X				600	0	
PAMELA MCINNIS ..... Trustee	2 00 ..... 0 00	X						0	0	
MARK PIERCE MD ..... Trustee	2 00 ..... 0 00	X						0	0	
GUNA SUBEDI MD ..... Trustee	2 00 ..... 0 00	X						19,428	0	
J MICHEAL WILLIAMS ..... Trustee	2 00 ..... 0 00	X						0	0	
LOUISE BLAUVELT ..... Trustee	2 00 ..... 0 00	X						0	0	
JONATHAN C EZELL ..... Trustee	2 00 ..... 0 00	X						0	0	
CHARLES M HUBER MD ..... Trustee	2 00 ..... 0 00	X						0	0	
RON L LLEWELLYN ..... Trustee	2 00 ..... 0 00	X						0	0	

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			
ROBERT P BORGIE ..... Trustee	2 00 ..... 0 00	X						0	0	0
GARNETT K BROCKMAN ..... Trustee	2 00 ..... 0 00	X						0	0	0
JASON AIKENS ..... Trustee	2 00 ..... 0 00	X						0	0	0
PAUL CRIBB ..... Trustee	2 00 ..... 0 00	X						0	0	0
PATRICIA M KITE ..... Trustee	2 00 ..... 0 00	X						0	0	0
MASON C LOCKRIDGE ..... Trustee	2 00 ..... 0 00	X						0	0	0
DAVID R LONG ..... Treasurer/ Secr	2 00 ..... 0 00	X		X				0	0	0
RICHARD L MASINCUP ..... CHAIRMAN PMH	2 00 ..... 0 00	X		X				1,200	0	0
SHAWN C PRINTZ ..... VICE CHAIR PMH	2 00 ..... 0 00	X		X				0	0	0
DAVID S SWITZER MD ..... TRUSTEE/EMP PHY	50 00 ..... 0 00	X						236,092	0	36,730

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			
CYRIL BARCH MD ..... Trustee	2 00 ..... 0 00	X						0	0	0
BRADLEY CLOSE ..... CHAIRMAN WAR	2 00 ..... 0 00	X		X				0	0	0
JEFF BOEHM ..... Trustee	2 00 ..... 0 00	X						0	0	0
RACHEL CARLSON ..... Trustee	2 00 ..... 0 00	X						0	0	0
THOMAS LESLIE DDS ..... Trustee	2 00 ..... 0 00	X						0	0	0
GREG BYRD ..... EXPRS SMH STAFF	2 00 ..... 0 00	X						32,125	0	0
BLAKE CURTIS ..... Trustee	2 00 ..... 0 00	X						0	0	0
CATHERINE DOWLING MD ..... Trustee	2 00 ..... 0 00	X						0	0	0
REBECCA STOTLER ..... SECRETARY WAR	2 00 ..... 0 00	X		X				0	0	0
CATHY FUNK MD ..... Trustee	2 00 ..... 0 00	X						0	0	0

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			
JANET CHESHIRE ..... Trustee	2 00 ..... 0 00	X						0	0	0
JERRY GERMROTH ..... Trustee	2 00 ..... 0 00	X						600	0	0
EILEEN JOHNSON ..... VICE CHAIR HMH	2 00 ..... 0 00	X		X				0	0	0
LES SHOEMAKER ..... Trustee	2 00 ..... 0 00	X						0	0	0
RAYMOND STEIN ..... Trustee	2 00 ..... 0 00	X						0	0	0
DAVID SOVINE ..... Trustee	2 00 ..... 0 00	X						0	0	0
KEVIN MCLAUGHLIN DO ..... Trustee	2 00 ..... 0 00	X						963	0	0
JOHN POTTER ..... Trustee	2 00 ..... 0 00	X						1,500	0	0
HELEN RITCHIE ..... Trustee	2 00 ..... 0 00	X						0	0	0
ERICH BRUHN MD ..... Pres WMC Staff	50 00 ..... 0 00	X						424,979	0	38,510

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			
KEVIN BLACK ..... Trustee	2 00 ..... 0 00	X						0	0	0
TRACY VOSKIKA ..... Trustee	2 00 ..... 0 00	X						0	0	0
JOHN HOFFMAN MD ..... Trustee/Emp Phy	50 00 ..... 0 00	X						167,815	0	32,360
MICHAEL KOONTZ ..... Trustee	2 00 ..... 0 00	X						1,500	0	0
KEITH LANTZ ..... Trustee	2 00 ..... 0 00	X		X				600	0	0
TOM LINSKI JR ..... Trustee	2 00 ..... 0 00	X						600	0	0
CHARLES MOORE ..... VICE CHAIR SMH	2 00 ..... 0 00	X		X				0	0	0
ARNOLD WILLIAMS ..... Trustee	2 00 ..... 0 00	X						0	0	0
MARY BETH PRICE ..... CHAIR SMH	2 00 ..... 2 00	X						0	900	0
BARBARA WALTER ..... Trustee/Emp Phy	40 00 ..... 0 00	X						217,498	0	16,820

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			
ETHEL SHOWMAN ..... Trustee	2 00 ..... 0 00	X						600	0	0
KAREN WHETZEL ..... Trustee	2 00 ..... 0 00	X						0	0	0
RICK GLADING ..... Trustee	2 00 ..... 0 00	X						600	0	0
AUDREA WYNN MD ..... Trustee/Emp Phy	50 00 ..... 0 00	X						671,567	0	51,590
WADE ZIRKLE ..... Trustee	2 00 ..... 0 00	X						0	0	0
TRACY MILLER ..... Trustee	2 00 ..... 0 00	X						0	0	0
BARRY FADLEY ..... VICE CHAIR SMHF	2 00 ..... 0 00	X		X				1,500	0	0
LYNN HOLTZMAN ..... Treasurer/ Secr	2 00 ..... 0 00	X		X				0	0	0
KATHY NERANGIS ..... Trustee	2 00 ..... 0 00	X						0	0	0
GEORGE CALEY ..... Chairman	2 00 ..... 0 00	X		X				0	0	0

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			
TROY GLEMBOT MD ..... SECR /EMP PHY	50 00 ..... 0 00	X		X				457,446	0	27,921
TERRY SINCLAIR MD ..... V CHAIR/EMP PHY	2 00 ..... 0 00	X		X				10,000	0	0
PATRICIA A DALY MD ..... CHAIR/EMP PHY	50 00 ..... 0 00	X		X				276,146	0	33,700
MARK H MERRILL ..... President & CEO	36 00 ..... 4 00	X		X				0	1,701,445	228,260
NEIL MCLAUGHLIN ..... VP PRES WAR/HMH	39 00 ..... 1 00	X		X				214,921	0	51,750
JORGE L POSADAS ..... V CHAIR/EMP PHY	50 00 ..... 0 00	X		X				512,513	0	40,680
JOSEPH F HASHEM ..... TRUSTEE/EMP PHY	50 00 ..... 0 00	X						336,122	0	41,290
DENNIS MCLOUGHLIN ..... Trustee	2 00 ..... 0 00	X						0	0	0
JONATHAN O'NEAL ..... PRES MED STAFF	2 00 ..... 0 00	X						3,800	0	0
JENNY POWERS ..... Trustee	2 00 ..... 0 00	X						0	0	0

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			
RICHARD RIZZO ..... Trustee	2 00 ..... 0 00	X						0	0	0
JERRY M SCHIRO ..... Trustee	2 00 ..... 0 00	X						0	0	0
STEVE SLONAKER ..... VICE CHAIR	2 00 ..... 0 00	X						0	0	0
KATIE TEWELL ..... Trustee	2 00 ..... 0 00	X						0	0	0
PETER GALLAGHER ..... Sr VP/CFO	10 00 ..... 30 00			X				0	484,079	105,279
ROBERT AMOS ..... Vice President	30 00 ..... 10 00			X				0	297,742	39,250
ANNE WHITESIDE ..... CHF NURSING OFF	40 00 ..... 0 00			X				267,663	0	62,000
CAROL KOENECKE-GRANT ..... Vice President	36 00 ..... 4 00			X				0	285,329	54,640
ELIZABETH SAVAGE-TRACY ..... VP OF HR	36 00 ..... 4 00			X				0	319,429	64,680
GRADY W PHILIPS III ..... PRESIDENT WMC	39 00 ..... 1 00			X				471,729	0	101,080



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			
PATRICK NOLAN ..... VP/PRES WMH	39 00 ..... 1 00			X				207,288	0	33,020
TONYA SMITH ..... VP ANCIL SERVIC	39 00 ..... 1 00			X				60,923	0	10,880
NICOLAS C RESTREPO MD ..... VP MED AFFAIRS	40 00 ..... 0 00			X				338,947	0	69,290
FLOYD HEATER ..... VP/PRES SMH	39 00 ..... 1 00			X				310,488	0	62,430
NELSON T CLARK ..... VP PRES WAR/HMH	39 00 ..... 1 00			X				228,857	0	53,850
PHILLIP E GRAYBEAL II ..... Vice President	40 00 ..... 0 00			X				205,296	0	36,920
CHRISTINE LOWMAN ..... Vice President	1 00 ..... 39 00			X				0	193,713	15,620
CHRISTOPHER B RUMPF MD ..... SR VP/ CQMO	36 00 ..... 4 00			X				0	502,359	103,190
JEFFREY FEIT MD ..... COO VPE	40 00 ..... 0 00			X				371,607	0	41,850
SUANNE THURMAN-GERSDORF ..... Vice President	39 00 ..... 1 00			X				115,691	0	28,470

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			
LEON SALEM ..... Emp Physician	50 00 ..... 0 00					X		520,629	0	36,16
EDWARD R KOFSKY MD ..... Emp Physician	50 00 ..... 0 00					X		844,728	0	52,79
PATRICK WAGNER ..... Emp Physician	50 00 ..... 0 00					X		564,071	0	45,31
ANDREW BROWN ..... Emp Physician	50 00 ..... 0 00					X		545,889	0	50,12
SUZANNE STEVENS ..... Emp Physician	50 00 ..... 0 00					X		484,968	0	38,66
ABDUR CHOWDHURY MD ..... EMPLOYED PHYSICIAN	50 00 ..... 0 00						X	156,502	0	36,26
DWIGHT KEMP ..... INDEPENDENT CONTRACTOR	10 00 ..... 0 00						X	23,636	0	
GERALD BECHAMPS ..... EMPLOYED PHYSICIAN	50 00 ..... 0 00						X	238,373	0	34,66
CHARLES HYRE ..... EMPLOYED PHYSICIAN	40 00 ..... 0 00						X	620,874	0	41,29
CRAIG LEWIS ..... EX-CFO	0 00 ..... 0 00						X	0	311,788	

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			
CATHERINE SMITH ..... INDEPENDENT CONTRACTOR	10 00 ..... 0 00						X	10,422	0	0
GREG STANFORD ..... EMPLOYED PHYSICIAN	50 00 ..... 0 00						X	384,218	0	48,500
BRUCE FLAX ..... INDEPENDENT CONTRACTOR	0 00 ..... 0 00						X	18,500	0	0
INGRID IWANOW ..... INDEPENDENT CONTRACTOR	10 00 ..... 0 00						X	10,067	0	0
THOMAS OLIVER ..... INDEPENDENT CONTRACTOR	10 00 ..... 0 00						X	29,720	0	0
THOMAS WISE ..... INDEPENDENT CONTRACTOR	10 00 ..... 0 00						X	21,593	0	0

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number  
80-0584319

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 (Form 990 or 990-EZ))

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 in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g

a

☐

**Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☐

**Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

**Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

**Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations . . . . .

g

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 (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(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 VI.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions)

12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14
15 Public support percentage for 2014 Schedule A, Part II, line 14	15

16a 33 1/3% support test—2015.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—2014.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—2015.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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2014.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 VI 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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2014 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2015</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2014</b> Schedule A, Part III, line 17	<b>18</b>	
<b>19a 33 1/3% support tests—2015.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b 33 1/3% support tests—2014.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.	1	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.	3a	
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.	3b	
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.	4a	
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.	4b	
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).	5a	
b <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b	
c <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?	5c	
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in <b>Part VI</b> .	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).	7	
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part II of Schedule L (Form 990).	8	
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .	9a	
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in <b>Part VI</b> .	9b	
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in <b>Part VI</b> .	9c	
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer b below.	10a	
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)	10b	
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.	11c	

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
<div>1</div> <div>Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i></div>		
<div>2</div> <div>Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i></div>		

Section C. Type II Supporting Organizations

	Yes	No
<div>1</div> <div>Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i></div>		

Section D. All Type III Supporting Organizations

	Yes	No
<div>1</div> <div>Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?</div>		
<div>2</div> <div>Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).</i></div>		
<div>3</div> <div>By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.</i></div>		

Section E. Type III Functionally-Integrated Supporting Organizations

<div>1</div> <div>Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)</div> <div><div>a</div><div><input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.</div><div><div>b</div><div><input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.</div><div><div>c</div><div><input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).</div></div></div></div>		
<div>2</div> <div>Activities Test. Answer (a) and (b) below.</div>		
<div>a</div> <div>Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i></div>		
<div>b</div> <div>Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i></div>		
<div>3</div> <div>Parent of Supported Organizations. Answer (a) and (b) below.</div>		
<div>a</div> <div>Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.</div>		
<div>b</div> <div>Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.</div>		



**Part V**    **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

**1**    Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970: **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E. ☐

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Net short-term capital gain	<b>1</b>	
<b>2</b>	Recoveries of prior-year distributions	<b>2</b>	
<b>3</b>	Other gross income (see instructions)	<b>3</b>	
<b>4</b>	Add lines 1 through 3	<b>4</b>	
<b>5</b>	Depreciation and depletion	<b>5</b>	
<b>6</b>	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	<b>6</b>	
<b>7</b>	Other expenses (see instructions)	<b>7</b>	
<b>8</b>	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	<b>8</b>	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
<b>1</b>	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	<b>1</b>	
<b>a</b>	Average monthly value of securities	<b>1a</b>	
<b>b</b>	Average monthly cash balances	<b>1b</b>	
<b>c</b>	Fair market value of other non-exempt-use assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, 1b, and 1c)	<b>1d</b>	
<b>e</b>	<b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI) _____		
<b>2</b>	Acquisition indebtedness applicable to non-exempt use assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	
<b>4</b>	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	
<b>5</b>	Net value of non-exempt-use assets (subtract line 4 from line 3)	<b>5</b>	
<b>6</b>	Multiply line 5 by .035	<b>6</b>	
<b>7</b>	Recoveries of prior-year distributions	<b>7</b>	
<b>8</b>	<b>Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>	

Section C - Distributable Amount		Current Year	
<b>1</b>	Adjusted net income for prior year (from Section A, line 8, Column A)	<b>1</b>	
<b>2</b>	Enter 85% of line 1	<b>2</b>	
<b>3</b>	Minimum asset amount for prior year (from Section B, line 8, Column A)	<b>3</b>	
<b>4</b>	Enter greater of line 2 or line 3	<b>4</b>	
<b>5</b>	Income tax imposed in prior year	<b>5</b>	
<b>6</b>	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	<b>6</b>	
<b>7</b>	Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions) <input type="checkbox"/>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013. . . . .			
e From 2014. . . . .			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013. . . . .			
d From 2014. . . . .			
e From 2015. . . . .			

**Part VI**   **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test	

Return Reference	Explanation
Part I   Additional Information	The following organizations with respective public charity statuses are part of this group return 1 Hampshire Memorial Hospital, Inc - Hospital2 Winchester Medical Center - Hospital3 Winchester Medical Center Foundation - Publicly supported organization4 Shenandoah Memorial Hospital - Hospital5 Shenandoah Memorial Hospital Foundation - Publicly supported organization6 Surgi-Center of Winchester, Inc - Publicly supported organization7 Warren Memorial Hospital - Hospital8 Warren Memorial Hospital Foundation - Publicly supported organization9 Valley Physician Enterprises - Publicly supported organization10 War Memorial Hospital - Hospital11 Page Memorial Hospital - Hospital12 East Mountain Health Advantage, Inc - Publicly supported organization

**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.  
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2015**

Open to Public Inspection

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

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

Name of the organization VALLEY HEALTH SYSTEM GROUP RETURN	Employer identification number 80-0584319
---	--

**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-
2				
3				
4				
5				
6				

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

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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a)2012	(b)2013	(c)2014	(d)2015	(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 on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

- 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?
- b** Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?
- c** Media advertisements?
- d** Mailings to members, legislators, or the public?
- e** Publications, or published or broadcast statements?
- f** Grants to other organizations for lobbying purposes?
- g** Direct contact with legislators, their staffs, government officials, or a legislative body?
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?
- i** Other activities?
- j** Total Add lines 1c through 1i
- 2a** Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?
- 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?

(a)		(b)
Yes	No	Amount
	No	
	No	
	No	
	No	
	No	
Yes		28,127
	No	
	No	
	No	
	No	28,127
	No	
	No	

**Part III-A**

**Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

- 1** Were substantially all (90% or more) dues received nondeductible by members?
- 2** Did the organization make only in-house lobbying expenditures of \$2,000 or less?
- 3** Did the organization agree to carry over lobbying and political expenditures from the prior year?

	Yes	No
<b>1</b>		
<b>2</b>		
<b>3</b>		

**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
- 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
- b** Carryover from last year
- c** Total
- 3** Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues
- 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?
- 5** Taxable amount of lobbying and political expenditures (see instructions)

<b>1</b>	
<b>2a</b>	
<b>2b</b>	
<b>2c</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	

**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, lines 1 and 2 (see instructions), and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Part II-B, Line 1i - Other Activities Description	The organization pays dues to the American Hospital Association and the West Virginia Hospital Association A portion of those dues are allocated to lobbying

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number  
80-0584319

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate value of contributions to (during year)	
3	Aggregate value of 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" on 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)

☐ Protection of natural habitat

☐ Preservation of open space

☐ Preservation of an historically important land area

☐ Preservation of a certified historic structure

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

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, handling of violations, and enforcing conservation easements during the year  
►

7

Amount of expenses incurred in monitoring, inspecting, handling of violations, 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" on 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)

Revenue included on 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

Revenue included on 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" on 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 22,888
d Additions during the year	1d 202,638
e Distributions during the year	1e 193,464
f Ending balance	1f 32,062

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? 

☐ Yes ☒ No

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

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	27,201,737	25,494,679	21,654,404	17,482,954	16,956,703
b Contributions . . . . .	2,675,838	2,610,287	2,072,601	2,129,545	1,206,212
c Net investment earnings, gains, and losses	381,145	-102,995	2,792,512	3,145,648	8,737
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	1,059,300	1,386,320	1,024,838	1,103,743	688,698
f Administrative expenses . . . . .					
g End of year balance . . . . .	29,426,900	27,201,737	25,494,679	21,654,404	17,482,954

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 ▶ 20 600 %

c Temporarily restricted endowment ▶ 79 400 %

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

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

(i) unrelated organizations . . . . .

(ii) related organizations . . . . .

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

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

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)	Accumulated (c) depreciation	(d) Book value
1a Land . . . . .		18,967,455		18,967,455
b Buildings . . . . .		780,039,553	301,047,885	478,991,668
c Leasehold improvements . . . . .		9,671,681	4,768,083	4,903,598
d Equipment . . . . .		359,102,431	243,434,492	115,667,939
e Other . . . . .		39,027,367	26,387,592	12,639,775
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . . . ▶				631,170,435





**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

Complete if the organization answered 'Yes' on 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 (losses) 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' on 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 IV, Line 1b Why is organization an agent, trustee, custodian or other intermediary for contrib	VALLEY HEALTH MANAGES CUSTODIAL ACCOUNTS FOR PATIENTS TREATED IN THE LONG TERM CARE FACILITY TO COVER INCIDENTAL EXPENSES THESE MONIES ARE CONSIDERED OWNED BY THE PATIENT AND ARE NOT INCLUDED IN THE BALANCE SHEET

**Part XIII**    **Supplemental Information** *(continued)*

Return Reference	Explanation

SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

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

► Attach to Form 990.

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization

VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number

80-0584319

Part I

General Information on Activities Outside the United States.

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

1

For grantmakers.

Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☐ Yes

☐ No

2

For grantmakers.

Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States

3

Activites per Region

(The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
( 1 ) CENTRAL AMERICAN & CARRIBBEAN	0	0	Investment		49,924,701
( 2 )					
( 3 )					
( 4 )					
( 5 )					
3a Sub-total					49,924,701
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					49,924,701

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

Cat No 50082W

Schedule F (Form 990) 2015

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

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

2

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

3

Enter total number of other organizations or entities . . . . . ▶

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

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

**Part IV Foreign Forms**

- 1

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

☒

Yes

☐

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U S Owner (see Instructions for Forms 3520 and 3520-A, do not file with Form 990)*

☐

Yes

☒

No
- 3

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

☐

Yes

☒

No
- 4

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

☐

Yes

☒

No
- 5

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

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713, do not file with Form 990)*

☐

Yes

☒

No

**Part V**   **Supplemental Information**

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

**990 Schedule F, Supplemental Information**

Return Reference	Explanation
Part I, Line 3f - Method of Accounting	The organization uses the accrual method of accounting



SCHEDULE H  
(Form 990)

Department of the  
Treasury  
Internal Revenue  
Service

Hospitals

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

▶ Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization VALLEY HEALTH SYSTEM GROUP RETURN	Employer identification number 80-0584319
---	--

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	7	7,367	23,900,976		23,900,976	3 180 %
b Medicaid (from Worksheet 3, column a)	11	27,458	74,003,529	56,340,932	17,662,597	2 350 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	18	34,825	97,904,505	56,340,932	41,563,573	5 530 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	4,680	46,897	1,615,810	269,279	1,346,531	0 180 %
f Health professions education (from Worksheet 5)	3,806	19,519	6,182,775	174,014	6,008,761	0 800 %
g Subsidized health services (from Worksheet 6)	1	7,059	5,051,296	2,931,345	2,119,951	0 280 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	41	4,487	62,629		62,629	0 010 %
j Total. Other Benefits	8,528	77,962	12,912,510	3,374,638	9,537,872	1 270 %
k Total. Add lines 7d and 7j	8,546	112,787	110,817,015	59,715,570	51,101,445	6 800 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support	203	4,756	31,708		31,708	
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building	20	695	4,248		4,248	
7Community health improvement advocacy						
8Workforce development	2	200	407		407	
9Other						
10Total	225	5,651	36,363		36,363	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

1

Yes

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

2

48,919,444

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

3

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

Section B. Medicare

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

5

263,600,817

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

6

280,709,347

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

7

-17,108,530

8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐ Cost accounting system

☐ Cost to charge ratio

☐ Other

Section C. Collection Practices

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

9a

Yes

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
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?  
**6**

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

		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)

A

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):

6

	Yes	No
<b>Community Health Needs Assessment</b>		
<b>1</b> Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....	<b>1</b>	No
<b>2</b> Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....	<b>2</b>	No
<b>3</b> 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 12 ..... If "Yes," indicate what the CHNA report describes (check all that apply) <b>a</b> <input type="checkbox"/> A definition of the community served by the hospital facility <b>b</b> <input type="checkbox"/> Demographics of the community <b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community <b>d</b> <input type="checkbox"/> How data was obtained <b>e</b> <input type="checkbox"/> The significant health needs of the community <b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups <b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs <b>h</b> <input type="checkbox"/> The process for consulting with persons representing the community's interests <b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs <b>j</b> <input type="checkbox"/> Other (describe in Section C)	<b>3</b> Yes	
<b>4</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
<b>5</b> 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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	<b>5</b> Yes	
<b>6a</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....	<b>6a</b> Yes	
<b>b</b> Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....	<b>6b</b>	No
<b>7</b> Did the hospital facility make its CHNA report widely available to the public? ..... If "Yes," indicate how the CHNA report was made widely available (check all that apply) <b>a</b> <input type="checkbox"/> Hospital facility's website (list url) <u>www.valleyhealthlink.com</u> <b>b</b> <input type="checkbox"/> Other website (list url) _____ <b>c</b> <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility <b>d</b> <input type="checkbox"/> Other (describe in Section C)	<b>7</b> Yes	
<b>8</b> Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 . . . . .	<b>8</b> Yes	
<b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>13</u>		
<b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website? ..... <b>a</b> If "Yes" (list url) <u>http://www.valleyhealthlink.com/About-Us/Community-Benefits/</u> <b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....	<b>10</b> Yes	
<b>10b</b>		No
<b>11</b> Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed		
<b>12a</b> 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)? .....	<b>12a</b>	No
<b>b</b> If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....	<b>12b</b>	
<b>c</b> If "Yes" on line 12b, 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 (FAP)

Name of hospital facility or letter of facility reporting group		A	
		Yes	No
13	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 included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	13	Yes
a	<input type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 200 0000 % and FPG family income limit for eligibility for discounted care of 300 0000 %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input type="checkbox"/> Asset level		
d	<input type="checkbox"/> Medical indigency		
e	<input type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance discount		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	14	Yes
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	15	Yes
a	<input type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	16	Yes
a	<input type="checkbox"/> The FAP was widely available on a website (list url) See Part VI		
b	<input type="checkbox"/> The FAP application form was widely available on a website (list url) See Part VI		
c	<input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) See Part VI		
d	<input type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	<input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> Other (describe in Section C)		
Billing and Collections			
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes
18	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	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Actions that require a legal or judicial process		
d	<input type="checkbox"/> Other similar actions (describe in Section C)		
e	<input type="checkbox"/> None of these actions or other similar actions were permitted		

Part V

Facility Information (continued)

A

Name of hospital facility or letter of facility reporting group

	Yes	No
<div>19</div> <div>Did the hospital facility or other authorized 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? . . . . .</div> <div>If "Yes," check all actions in which the hospital facility or a third party engaged</div> <div><div>a</div><input type="checkbox"/> Reporting to credit agency(ies)</div> <div><div>b</div><input type="checkbox"/> Selling an individual's debt to another party</div> <div><div>c</div><input type="checkbox"/> Actions that require a legal or judicial process</div> <div><div>d</div><input type="checkbox"/> Other similar actions (describe in Section C)</div>		

**Part V**   **Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.**

Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation

**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? 2

Name and address	Type of Facility (describe)
<b>1</b> VALLEY PHYSICIAN ENTERPRISE INC 220 CAMPUS BLVD WINCHESTER, VA 22601	PHYSICIAN PRACTICES
<b>2</b> SURGI CENTER OF WINCHESTER INC 1840 AMHERST STREET WINCHESTER, VA 22601	AMBULATORY SURGICAL CLINIC
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>6</b>	
<b>7</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	



**Part VI**   **Supplemental Information**

Provide the following information

- 1   Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2   Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3   Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4   Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5   Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6   Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7   State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Part I, Line 6a - Related Organization Community Benefit Report	Yes, Valley Health (VH) has prepared a formal annual community benefit report for the last six years In addition to developing its own community benefits report, VH has voluntarily provided its annual community benefits data to the Virginia Hospital and Healthcare Association in each of the last seven years (2008-2014)

Form and Line Reference	Explanation
Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense	Bad debt expense is at cost Cost to charge ratio applied to gross bad debt revenue to arrive at bad debt expense at cost

Form and Line Reference	Explanation
Part III, Line 4 - Bad Debt Expense	<p>In evaluating the collectability of accounts receivable, VHS 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. The allowance is based upon a review of the outstanding balances aged by financial class. Management uses collection percentages based upon historical collection experience to determine collectibility. Management also reviews troubled, aged accounts to determine collection potential. 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), VHS 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. Recoveries of accounts previously written off are recorded as a reduction to bad debt expense when received.</p>

Form and Line Reference	Explanation
Part III, Line 8 - Explanation Of Shortfall As Community Benefit	The organization does not treat any medicare shortfall as community benefit. The amounts are taken directly from the Medicare Cost Reports as filed using a cost to charge ratio method.

Form and Line Reference	Explanation
Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	<p>Throughout the collection process, Valley Health (VH) solicits information to determine if patients may qualify for charity or discounted assistance. Special attention is paid to patients who have qualified for charity assistance in the past six (6) months and/or have qualified at another facility within VH. For example, a patient who qualified within six months would not be required to submit an application or documentation to support assistance for the latest episode of care. Another example is a current patient would not be required to submit an application or documentation to support assistance if that documentation was on file from another VH hospital.</p>

Form and Line Reference	Explanation
Part VI - Needs Assessment	<p>Community health needs were identified by collecting and analyzing data and information from multiple quantitative and qualitative sources. Considering information from a variety of sources is important when assessing community health needs, to ensure the assessment captures a wide range of facts and perspectives and to assist in identifying the highest-priority health needs. Statistics for numerous health status, health care access, and related indicators were analyzed, including from local, state, and federal public agencies, community service organizations in the WMC community, and from Valley Health. Comparisons to benchmarks were made where possible. Details from these quantitative data are presented in the report's body, followed by a review of the principal findings of health assessments conducted by other organizations in the community in recent years. Input from persons representing the broad interests of the community was taken into account via interviews with 101 key informants in April and May 2013, a community survey with 1,077 respondents, and three "community response sessions" with interviewees and 16 additional community stakeholders in June 2013 where preliminary findings were discussed. Interviews and community response sessions included individuals with special knowledge of or expertise in public health, local and state health and other departments, and agencies with current data or information about the health needs of the community, and leaders, representative and members of medically underserved, low-income, and minority populations, and populations with chronic disease needs. Feedback from community response session participants helped to validate findings and prioritize identified health needs. Health care needs assessments seek to identify the most significant health care needs for particular geographic areas or populations. Accordingly, the following topics and data frequently are assessed: 1 Demographics (trends, comparisons, pockets of vulnerable people), 2 Economic issues (unique characteristics, strengths and weaknesses, impacts of state budget cuts), 3 Education issues, 4 Family issues (child care, family violence), 5 Community issues (homelessness, housing, environmental concerns, transportation and traffic, crime, availability of social services), 6 Health status indicators such as 7 Morbidity rates for various diseases and conditions, and 8 Mortality rates (leading causes of death), 9 Health access indicators (e.g., uninsurance rates, ambulatory care sensitive discharges, use of emergency rooms for non-emergent care) 10 Health disparities indicators, as available, and 11 Delivery system capacity and characteristics. Valley Health defined the geographic areas (communities) to be assessed. The assessments focused on zip codes in each hospital's service area that fall within the 14-county region identified as Valley Health's core service area. In the report, counties and zip codes generally are presented in alphabetical or numerical order. However, these areas may be arranged differently to facilitate drawing conclusions from the data presented. Principal data sets for the quantitative analyses include: 1 Demographic data provided by Valley Health (from Claritas, Inc.) and from the US Census Bureau, 2 Discharge data for Virginia and West Virginia provided by Valley Health, 3 Health status and access indicators available from the Community Health Status Indicators Project, County Health Rankings, and several other sources, 4 Additional internal data from Valley Health. Identifying the most significant health care needs involves benchmarking and trend analysis. Accordingly, statistics for several health status and health access indicators were analyzed and compared to state-wide and national benchmarks or goals. The assessment considers multiple data sources, including indicators from state and federal agencies. Multiple data sources and stakeholder views are important to assessing the level of consensus that exists regarding community health care needs that represent potential priorities for programmatic response. The assessment also quantified and analyzed ambulatory care sensitive (ACS) discharges. The ACS discharges methodology quantifies inpatient admissions for diabetes, perforated appendixes, chronic obstructive pulmonary disease, hypertension, congestive heart failure, dehydration, bacterial pneumonia, urinary tract infection, asthma, and other conditions that, in theory, could have been prevented if adequate ambulatory care resources were available and accessed by consumers. Findings from the ACS analysis are presented at the county, zip code, and Valley Health hospital-level of detail. The methodologies for quantifying ACS discharges have been well-tested for more than a decade. Disproportionately large numbers of ACS discharges indicate potential problems with the availability or accessibility of ambulatory (primary) care services. The Agency for Healthcare Research and</p>

Form and Line Reference	Explanation
Part VI - Needs Assessment	<p>Quality, part of the US Department of Health and Human Services, publishes software and methodologies for assessing ACS discharges. The AHRQ software was applied to analyze the prevalence of ACS discharges in geographic areas served by Valley Health and in each of the hospitals. The ACS analysis provides a single indicator of potential health status, access, and other problems - allowing comparisons to be made reliably across geographic areas and hospitals. This analysis also allows demonstrating a possible "return on investment" from interventions that reduce admissions (for example, for uninsured or Medicaid patients) that could have been prevented through better access to ambulatory care resources.</p>

Form and Line Reference	Explanation
Part VI - Patient Education of Eligibility for Assistance	<p>Valley Health System (VHS) rigorously applies the criteria set forth in Code of Virginia 32-1-137.01 regarding informing and educating patient regarding charity assistance opportunities and eligibility. This criteria is applied at all facilities.</p> <p>1 Posting of policies regarding free and discounted care in conspicuous, public areas of our facilities.</p> <p>2 Providing/having a handout of the eligibility criteria and procedures for applying for assistance at the point of service or admission.</p> <p>3 Notifying patients of the availability of assistance through messages on our billing statements.</p> <p>4 Policy and eligibility statements and associated application(s) are available on the VHS public web site (<a href="http://www.valleyhealthlink.com">www.valleyhealthlink.com</a>). Financial packets are available at the point of admission and through financial counselors located throughout our facilities.</p> <p>VH Financial counselors are available by phone, e-mail, and in person at each VH facility to answer patient questions and assist patients in completing the Financial Assistance Application, as well as to assist in connecting patients with other community assistance programs to help afford the cost of their healthcare.</p>



Form and Line Reference	Explanation
Part VI - Community Information	<p>Valley Health System (VHS) serves an eighteen (18) county area of Virginia, West Virginia and Maryland and two independent cities in Virginia. The total coverage area is approximately 6,766 square miles. (Square miles are in parentheses as follows) In the northern Shenandoah Valley of Virginia, VHS provides services to patients residing in Frederick (415), Clarke (177), Warren (214), Shenandoah (512), Page (311), Rappahannock (267), Fauquier (650) and Loudoun (520) counties and the independent cities of Winchester (9) and Harrisonburg (18). In the greater eastern panhandle of West Virginia, VHS provides services to patients residing in Jefferson (210), Berkeley (321), Morgan (229), Hampshire (642), Hardy (583), Grant (477) and Mineral (328) Counties. In Maryland, VHS facilities provide services for those residing in Washington (458) and Allegany (425) Counties. With the exception of several large population centers (Winchester, Harrisonburg and a major segment of Loudoun County, VA and Martinsburg, WV), the majority of the service area population resides in a rural-dominated environment. VHS has designated three service areas: a primary, a secondary and a tertiary service area in which it provides healthcare services, or transportation to services. The primary service area consists of the City of Winchester, Frederick, Clarke, Warren, Shenandoah, Page, Rappahannock Counties of Virginia, and Hampshire, Hardy and Morgan Counties of WV. The secondary service area consists of Jefferson, Berkeley, Grant and Mineral Counties of West Virginia. The tertiary service area consists of Loudoun, Fauquier and Rockingham Counties and Harrisonburg City in Virginia, and Washington and Allegany Counties of Maryland. The total estimated population for both the primary and secondary service area is 500,119. The total estimated population of the primary service area in 2015 was 291,413. The total estimated population of the secondary service area in 2015 was 208,706. The primary service area is projected to grow to 314,866 or 8.0% by 2020. The secondary service area is projected to grow to 219,360 or 5.1% by 2020. The overall catchment area population is approximately 91% white/Caucasian while the remaining 9% falls into other races/ethnic groups to include Hispanic or Latino population at 4.8%. Since VHS's service area is predominantly rural, many of the counties are designated as primary care, dental and/or mental health professional shortage areas (HPSAs) and/or Medically Underserved Area/Populations by the federal government. VHS provides a wide range of clinical services to the communities it serves through a full network of acute care hospitals (including four critical access hospitals), rural health clinics and other support programs. VHS provides patient access to progressive diagnostic and technologically advanced clinical services to the residents of the regions served. For community benefit reporting and not included within the IRS 990 Schedule H return, VHS (parent organization) has provided approximately \$2.1 million in total community benefit and other measures (to include Community Building).</p>

Form and Line Reference	Explanation
Part VI - Community Building Activities	<p>Valley Health System(VHS) engages in a series of Community Building Activities every year including coalition building, community health improvement advocacy, community support, economic development, physical improvements and housing and workforce development programs VHS is a very active corporate citizen in its service area VHSs Community Building Activities include but are not limited to the following Workforce Job Center Job Fair, United Way Day of Caring volunteer efforts, regional chambers of commerce board involvement, Rotary Club involvement, Our Health coalition building, Area Agencies on Aging programs, Boys and Girls Club and Big Brothers-Big Sisters funding, Shelter for Abused Women funding, Youth Development Center activities, and Blue Ridge Hospice programs Although many of its Community Building Activities do not provide any form of direct patient care, VHS believes that its community building programs provide significant indirect community benefit For example, by having numerous volunteers go into the community on the United Way Day of Caring, system employees are able to work on seniors and disabled individuals homes Through simple household improvements, VH makes home safer and more secure, helping occupants avoid potential injuries VHS is the largest employer in its service area, with the largest proportion of skilled workers As a result, it has an extensive economic impact on the communities where its employees live and work VHS is committed to being an engaged, dependable corporate citizen Sometimes, this means engaging the community in ways other than the direct provision of healthcare services The Community Building Activities that VHS engages in have tangible benefits to the communities served</p>

Form and Line Reference	Explanation
Part VI - Affiliated Health Care System Roles and Promotion	<p>Valley Health System (VHS) is a not-for-profit healthcare system headquartered in Winchester, Virginia, serving a population of 400,000 in an 18-county region of northwest Virginia, the Eastern Panhandle of West Virginia and western Maryland. Valley Health includes six acute care hospitals (four of them federally-designated Critical Access Hospitals), Urgent Care centers, home health equipment and supply stores, and a medical transport division. The system has a total of 594 licensed inpatient beds and 166 long-term care beds, more than 500 physician providers, and more than 6,500 employees. VHS entities have long, strong roots in their communities and contribute significantly to the health of their residents, offering clinical intervention, education, in-kind services and financial support. With our mission of Serving our community by improving health, the organization embraces well-care as seriously as sick-care. Wellness and fitness facilities and programs in each of our six hospital communities offer a continuity of care following outpatient rehabilitation, as well as a friendly, accessible place to maintain fitness. We organize and participate in a variety of community health and safety events throughout our service area, offering free health screenings, prevention and disease management education. Valley Health Heart Attack Risk Program screenings offer an easy check of key cardiac risk factors. Patient education and community programs help demystify the management of diabetes, COPD, asthma, obesity and more. We are actively partnering with regional law enforcement, the courts, and addiction professionals to address the alarming increase in opiate and heroin addiction and death. We provide substantial direct and in-kind support to free clinics in Winchester, Front Royal, Woodstock and Luray, VA and Martinsburg, WV. Valley Health System has also invested in creating a technologically advanced, clinically progressive environment to ensure our region has an adequate supply of healthcare providers in the future. Our initiatives to help educate and recruit talented health care providers begin with programs in the regions middle and high schools and extend to partnerships in nursing and allied health with dozens of area colleges. The Shenandoah Valley Family Practice Residency Program, an accredited three-year residency with Medical College of Virginia/Virginia Commonwealth University School of Medicine, prepares new family physicians in office and hospital practice in Front Royal and Winchester. Surgical residents from the VCU School of Medicine (and beyond) complete rotations at Winchester Medical Center.</p>

Form and Line Reference	Explanation
Part VI - States Where Community Benefit Report Filed	VA WV

Form and Line Reference	Explanation
Part VI - Additional Information	<p>Valley Health System (VHS) has affiliated hospitals located in Virginia and West Virginia. In the last seven years, 2008 - 2015 (including this year's filing-2015), VH has voluntarily participated in the statewide Virginia Hospital and Healthcare Association's Annual Community Benefit Survey by providing all relevant community benefit data for its Virginia-affiliated hospitals. Although the State of West Virginia does require certain financial data to be submitted annually, there is no known requirement to provide specific community benefit-related data to the State of West Virginia or the West Virginia Hospital Association.</p> <p>Schedule H Part 1 Line 7 Cost to charge ratio method is used based on worksheet 2 in the instructions. Total operating expense is divided by Total Gross Revenue (Schedule C Medicare Cost Report) to arrive at the cost to charge ratio.</p> <p>Schedule H Part 1 Line 7 G Subsidized health services loss calculated based on worksheet 6 in the instructions. Inpatient psychiatric services financial loss is measure after removing losses associated with bad debt, charity and Medicaid.</p> <p>Schedule H Part 1 Column 7 F The bad debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$49,133,640.</p> <p>Website URL for FAP <a href="http://www.valleyhealthlink.com/documents/Content-PDFs/2016-Financial-Assistance-Application.pdf">http://www.valleyhealthlink.com/documents/Content-PDFs/2016-Financial-Assistance-Application.pdf</a></p> <p>Website URL for FAP Application form <a href="http://www.valleyhealthlink.com/documents/Content-PDFs/2016-Financial-Assistance-Application.pdf">http://www.valleyhealthlink.com/documents/Content-PDFs/2016-Financial-Assistance-Application.pdf</a></p> <p>Website URL Plain language summary of the FAP <a href="http://www.valleyhealthlink.com/Patients-Visitors/For-Patients/Financial-Assistance.aspx">http://www.valleyhealthlink.com/Patients-Visitors/For-Patients/Financial-Assistance.aspx</a></p>

**Schedule H (Form 990) 2015**

Additional Data

Software ID: 15000324  
Software Version: 2015v2.0  
EIN: 80-0584319  
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990 Schedule H, Part V Section A. Hospital Facilities

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?  
6

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
1	WINCHESTER MEDICAL CENTER 1840 AMHERST STREET WINCHESTER,VA 22601 WWW.VALLEYHEALTHLINK.COM H1916	X	X		X			X		EIN 54-0505979	A
2	WARREN MEMORIAL HOSPITAL 1000 SHENANDOAH AVE WOODSTOCK,VA 22664 WWW.VALLEYHEALTHLINK.COM H1913	X	X		X			X		EIN 54-0488103	A
3	SHENANDOAH MEMORIAL HOSPITAL 759 S MAIN STREET WOODSTOCK,VA 22664 WWW.VALLEYHEALTHLINK.COM H1900	X	X			X		X		EIN 54-0490687	A
4	PAGE MEMORIAL HOSPITAL 200 MEMORIAL DRIVE LURAY,VA 22835 WWW.VALLEYHEALTHLINK.COM H1926	X	X			X		X		EIN 54-0551200	A
5	HAMPSHIRE MEMORIAL HOSPITAL 363 SUNRISE BLVD ROMNEY,WV 26757 WWW.VALLEYHEALTHLINK.COM 69	X	X			X		X		EIN 20-8241398	A
6	WAR MEMORIAL HOSPITAL INC 1 HEALTHY WAY BERKLEY SPRINGS,WV 25411 WWW.VALLEYHEALTHLINK.COM 60	X	X			X		X		EIN 80-047200	A

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

▶ **Attach to Form 990.**

# 2015

80-0584319

☒ Yes      ☐ No

**(h) Purpose of grant or assistance**

Schedule I (Form 990) 2015



**Part III**

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIPS	52	157,618		COST	

**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
Grantmaker's Description of How Grants are Used	VIRTUALLY ALL OF THE ORGANIZATIONS PROVIDED WITH GRANT FUNDS ARE LOCAL, AND CLOSELY MONITORED BY VALLEY HEALTH'S MANAGEMENT AND BOARD PERIODIC REPORTS ARE OBTAINED AS WELL FROM THESE GRANTEEES WHICH DISCUSS OPERATIONS AND BENEFITS RENDERED TO THE COMMUNITIES SERVED BEFORE FUNDING IS GRANTED, CONSISTENCY OF MISSION IS EVALUATED IN ORDER TO ASSURE LIKE DIRECTION WITH VALLEY HEALTH INITIATIVES

Additional Data

Software ID: 15000324  
Software Version: 2015v2.0  
EIN: 80-0584319  
Name: VALLEY HEALTH SYSTEM GROUP RETURN

Form 990,Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FAITH IN ACTION 333 WEST CORK STREET WINCHESTER,VA 15143	26-2937544	501c(3)	29,000	0			DIRECT GRANT SUPPORT
HEALTHY FAMILIES - SHENANDOAH 768 SPRING PARKWAY WOODSTOCK,VA 22664	27-3595454	501c(3)	7,500	0			Indigent Care
SHENANDOAH CNTY PUBLIC SCHOOL 600 N MAIN STREET SUITE 200 WOODSTOCK,VA 22664	54-6001605	PUBLIC SCHOOL DIV	15,632	0			BIOMEDICAL EDUCATION GRANT

**Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SHENANDOAH ONCOLOGY 1870 AMHERST ST SUITE F WINCHESTER, VA 22601	45-4759270	for profit	104,965	0			INDIGENT CARE
SHENANDOAH VALLEY COMP RX 507 AMHERST STREET WINCHESTER, VA 22601	04-3724034	501c(3)	45,000	0			INDIGENT CARE
VALLEY HEALTH 220 CAMPUS BLVD WINCHESTER, VA 22601	52-1357729	501c(3)	27,253	0			DIRECT GRANT

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" on Form 990, Part IV, line 23.  
 ► Attach to Form 990.  
 ► Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number  
80-0584319

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div> <div> <div> <input type="checkbox"/> First-class or charter travel                             <input checked="" type="checkbox"/> Housing allowance or residence for personal use                         </div> <div> <input type="checkbox"/> Travel for companions                             <input type="checkbox"/> Payments for business use of personal residence                         </div> <div> <input checked="" type="checkbox"/> Tax indemnification and gross-up payments                             <input type="checkbox"/> Health or social club dues or initiation fees                         </div> <div> <input checked="" type="checkbox"/> Discretionary spending account                             <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                         </div> </div>		
<div>b</div> <div>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.</div>	1b	Yes
<div>2</div> <div>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?</div>	2	Yes
<div>3</div> <div>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.</div> <div> <div> <input checked="" type="checkbox"/> Compensation committee                             <input checked="" type="checkbox"/> Written employment contract                         </div> <div> <input checked="" type="checkbox"/> Independent compensation consultant                             <input checked="" type="checkbox"/> Compensation survey or study                         </div> <div> <input checked="" type="checkbox"/> Form 990 of other organizations                             <input checked="" type="checkbox"/> Approval by the board or compensation committee                         </div> </div>		
<div>4</div> <div>During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment?</div>	4a	Yes
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	Yes
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>	4c	No
<div>                         If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.                     </div>		
<div>                         Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.                     </div>		
<div>5</div> <div>For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div>		
<div>a</div> <div>The organization?</div>	5a	Yes
<div>b</div> <div>Any related organization?</div>	5b	Yes
<div>                         If "Yes," on line 5a or 5b, describe in Part III.                     </div>		
<div>6</div> <div>For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div>		
<div>a</div> <div>The organization?</div>	6a	No
<div>b</div> <div>Any related organization?</div>	6b	No
<div>                         If "Yes," on line 6a or 6b, describe in Part III.                     </div>		
<div>7</div> <div>For persons listed on 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.</div>	7	No
<div>8</div> <div>Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div>	8	Yes
<div>9</div> <div>If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>	9	No

**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 on 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 in column(B) reported as deferred on 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 Relevant information in regards to selections on 1a	BASED ON AN EMPLOYMENT AGREEMENT CAROL KOENECKE-GRANT RECEIVED \$19,879 IN GROSSED UP PAYMENTS FOR MOVING RELATED EXPENSES including rent during 2015. THESE AMOUNTS WERE INCLUDED IN TAXABLE WAGES. BASED ON AN EMPLOYMENT AGREEMENT MARK MERRILL RECEIVED \$15,000 IN AN ALLOWANCE FOR DISCRETIONARY SPENDING DURING 2015. THESE AMOUNTS WERE INCLUDED IN TAXABLE WAGES.
Part I, Line 5b Explanation of organization compensation based on revenues of related organization	A PORTION OF PROVIDER COMPENSATION IS BASED ON RVU'S GENERATED. THIS IS DEFINED IN THEIR EMPLOYMENT CONTRACT AND IS IN ADDITION TO BASE COMPENSATION.
Part I, Line 8 Amounts reported on 990 VII pursuant to initial contract exemption described in Regs	CAROL KOENECKE-GRANT IS PAID ACCORDING TO A CONTRACT SUBJECT TO THE INITIAL CONTRACT EXCEPTION DURING THE 2015 YEAR.

Additional Data

Software ID: 15000324

Software Version: 2015v2.0

EIN: 80-0584319

Name: VALLEY HEALTH SYSTEM GROUP RETURN

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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1ABDUR CHOWDHURY MD EMPLOYED PHYSICIAN	(i)	152,631	3,345	526	5,037	31,224	192,763	
	(ii)					-	-	
1ANDREW BROWN Emp Physician	(i)	510,016	10,000	25,873	16,831	33,297	596,017	
	(ii)					-	-	
2ANNE WHITESIDE CHF NURSING OFF	(i)	228,037	35,420	4,206	24,139	37,864	329,666	
	(ii)					-	-	
3AUDREA WYNN MD Trustee/Emp Phy	(i)	593,338	47,437	30,792	19,580	32,013	723,160	
	(ii)					-	-	
4BARBARA WALTER Trustee/Emp Phy	(i)	204,506	12,192	800	6,748	10,078	234,324	
	(ii)					-	-	
5BRUCE FLAX INDEPENDENT CONTRACTOR	(i)	18,500					18,500	
	(ii)					-	-	
6CAROL KOENECKE-GRANT Vice President	(i)							
	(ii)	244,608		40,721	31,545	-	-	
7CATHERINE SMITH INDEPENDENT CONTRACTOR	(i)	10,422					10,422	
	(ii)					-	-	
8CHARLES HYRE EMPLOYED PHYSICIAN	(i)	305,618	72,665	242,591	10,085	31,206	662,165	
	(ii)					-	-	
9CHRISTINE LOWMAN Vice President	(i)							
	(ii)	167,220	24,996	1,497	5,518	-	-	
10CHRISTOPHER B RUMPF MD SR VP/ CQMO	(i)					10,108	209,339	
	(ii)	368,167	76,160	58,032	68,328	-	-	2,138
11CRAIG LEWISEX-CFO	(i)					34,868	605,555	
	(ii)			311,788		-	-	
12DAVID S SWITZER MD TRUSTEE/EMP PHY	(i)	171,913	24,084	40,095	5,673	31,058	272,823	
	(ii)					-	-	
13DWIGHT KEMP INDEPENDENT CONTRACTOR	(i)	23,636					23,636	
	(ii)					-	-	
14EDWARD R KOFSKY MD Emp Physician	(i)	586,945	20,000	237,783	19,369	33,428	897,525	
	(ii)					-	-	
15ELIZABETH SAVAGE-TRACY VP OF HR	(i)							
	(ii)	256,906	39,951	22,572	30,970	-	-	20,473
16ERICH BRUHN MD Pres WMC Staff	(i)	236,939	116,920	71,120	7,819	30,691	463,489	
	(ii)					-	-	
17FLOYD HEATER VP/PRES SMH	(i)	235,262	36,811	38,415	31,000	31,431	372,919	36,532
	(ii)					-	-	
18GERALD BECHAMPS EMPLOYED PHYSICIAN	(i)	201,466	33,914	2,993	6,648	28,013	273,034	
	(ii)					-	-	
19GRADY W PHILIPS III PRESIDENT WMC	(i)	379,618	62,850	29,261	65,835	35,247	572,811	
	(ii)					-	-	

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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
21GREG STANFORD EMPLOYED PHYSICIAN	(i)	328,016	54,000	2,202	10,825	37,676	432,719	
	(ii)					-	-	
1INGRID IWANOW INDEPENDENT CONTRACTOR	(i)	10,067					10,067	
	(ii)					-	-	
2JEFFREY FEIT MDCOO VPE	(i)	309,869	59,240	2,498	10,226	31,633	413,466	
	(ii)					-	-	
3JEFFREY LESSAR MDTrustee	(i)	172,257					172,257	
	(ii)					-	-	
4JOHN HOFFMAN MD Trustee/Emp Phy	(i)	150,855	16,200	760	4,978	27,386	200,179	
	(ii)					-	-	
5JORGE L POSADAS V CHAIR/EMP PHY	(i)	276,056	30,704	205,753	9,110	31,577	553,200	
	(ii)					-	-	
6JOSEPH F HASHEM TRUSTEE/EMP PHY	(i)	317,565	17,875	682	10,480	30,816	377,418	
	(ii)					-	-	
7KEN MASON MD Trustee/Emp Phy	(i)	318,011	41,222	13,673	10,494	28,546	411,946	
	(ii)					-	-	
8LEON SALEMEmp Physician	(i)	385,008		135,621	12,705	23,457	556,791	
	(ii)					-	-	
9MARK H MERRILL President & CEO	(i)							
	(ii)	768,418	144,326	788,701	178,214	50,046	1,929,705	681,453
10NEIL MCLAUGHLIN VP PRES WAR/HMH	(i)	175,837	28,897	10,187	18,447	33,311	266,679	7,036
	(ii)					-	-	
11NELSON T CLARK VP PRES WAR/HMH	(i)	189,559	24,491	14,807	23,642	30,214	282,713	14,191
	(ii)					-	-	
12NICOLAS C RESTREPO MD VP MED AFFAIRS	(i)	287,411	47,800	3,736	29,695	39,600	408,242	
	(ii)					-	-	
13PATRICIA A DALY MD CHAIR/EMP PHY	(i)	192,598	21,000	62,548	6,356	27,346	309,848	
	(ii)					-	-	
14PATRICK NOLAN VP/PRES WMH	(i)	150,554	40,619	16,115	10,425	22,599	240,312	14,945
	(ii)					-	-	
15PATRICK WAGNER Emp Physician	(i)	408,871	115,191	40,009	13,493	31,821	609,385	
	(ii)					-	-	
16PETER GALLAGHER Sr VP/CFO	(i)							
	(ii)	416,193	60,024	7,862	76,546	28,733	589,358	
17PHILLIP E GRAYBEAL II Vice President	(i)	177,942	27,012	342	5,872	31,052	242,220	
	(ii)					-	-	
18ROBERT AMOS Vice President	(i)							
	(ii)	249,666	41,632	6,444	22,623	16,630	336,995	
19SUZANNE STEVENS Emp Physician	(i)	434,266	47,700	3,002	14,331	24,335	523,634	
	(ii)					-	-	



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

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
41THOMAS OLIVER INDEPENDENT CONTRACTOR	(i)	29,720					29,720	
	(ii)					-	-	
1THOMAS WISE INDEPENDENT CONTRACTOR	(i)	21,593					21,593	
	(ii)					-	-	
2TROY GLEMBOT MD SECR /EMP PHY	(i)	346,673	55,544	55,229	11,440	16,487	485,373	
	(ii)					-	-	

Schedule K  
(Form 990)

Department of the Treasury

Internal Revenue Service

Name of the organization

VALLEY HEALTH SYSTEM GROUP RETURN

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.

▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Employer identification number

80-0584319

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 IDA OF CITY OF WINCHESTER	52-1232253	973129DW6	01-31-2007	91,415,663	SEE ADDITIONAL INFO		X		X		X
B IDA OF CITY OF WINCHESTER	52-1232253		11-17-2009	100,000,000	SEE ADDITIONAL INFO		X		X		X
C IDA OF CITY OF WINCHESTER	52-1232253		12-04-2013	105,665,000	SEE ADDITIONAL INFO		X		X		X
D EDA OF CITY OF WINCHESTER	90-0049785	973121ar7	10-07-2014	47,099,886	SEE ADDITIONAL INFO		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired . . . . .	4,105,663				1,160,000		169,440	
2	Amount of bonds legally defeased . . . . .	84,955,000							
3	Total proceeds of issue . . . . .	91,415,663		100,000,000		105,665,000		47,099,886	
4	Gross proceeds in reserve funds . . . . .								
5	Capitalized interest from proceeds . . . . .	2,045,798							
6	Proceeds in refunding escrows . . . . .								
7	Issuance costs from proceeds . . . . .	1,262,420		703,621		344,640		576,776	
8	Credit enhancement from proceeds . . . . .								
9	Working capital expenditures from proceeds . . . . .								
10	Capital expenditures from proceeds . . . . .	73,022,445		99,296,379		35,000,000			
11	Other spent proceeds . . . . .	15,085,000				70,322,192		46,523,000	
12	Other unspent proceeds . . . . .								
13	Year of substantial completion . . . . .	2008		2012		2015		2014	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue? . . . . .	X			X	X		X	
15	Were the bonds issued as part of an advance refunding issue? . . . . .		X		X	X			X
16	Has the final allocation of proceeds been made? . . . . .	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .	X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .				X		X		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		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? . . . . .								
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		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		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 1.141-12 and 1.145-2? . . . . .	X		X		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, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . .	X		X		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 "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
3	Is the bond issue a variable rate issue? . . . . .								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		X
b	Name of provider . . . . .	MERRILL LYNCH		Wells Fargo					
c	Term of hedge . . . . .	3300 00 %		3300 00 %					
d	Was the hedge superintegrated? . . . . .		X		X				
e	Was the hedge terminated? . . . . .		X		X				

**Part IV**    **Arbitrage** *(Continued)*

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

**Part V**    **Procedures To Undertake Corrective Action**

		<b>A</b>		<b>B</b>		<b>C</b>		<b>D</b>	
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
	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		X		X

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

<b>Return Reference</b>	<b>Explanation</b>
Part VI	PART I LINE A Funds used to refinance 2003 of Warren Memorial Hospital and Shenandoah Memorial Hospital, purchase of equipment,construction of ambulatory care center at Warren,renovations and upgrades at Warren, Shenandoah, and Winchester Medical Center PART I LINE B Funds used for WMC Campus expansion, East Parking Garage and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE C \$70 million used to refinance 2000 Winchester Medical Center Bonds and \$35 million used to build a new hospital for Page Memorial HospitalPART 1 LINE D Funds used to refinance 2009 bond for WMC Campus expansion, East parking garage and reimbursement for the Diagnostic Center and CE Infrastructure PART 1 LINE E Funds used to refinance 2009 bond for Hampshire Memorial Hospital Construction PART 1 LINE F \$12 million used to fund Shenandoah Memorial Hospital Emergency Department and Medical Office Building construction PART 1 LINE G Funds used to refinance 2009 funds used for WMC Campus expansion, East Parking Garage,and reimbursement for Diagnostic Center and campus expansion infrastructure PART 1 LINE H Funds used to refinance 2009 funds used to build new Hampshire Memorial Hospital

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

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.  
▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2015

Open to Public Inspection

Employer identification number  
80-0584319

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 WV HOSPITAL AUTHORITY	62-1256910	956622H72	10-07-2014	20,743,547	SEE ADDITIONAL INFO		X		X		X
B EDA OF CITY OF WINCHESTER	90-0049785		10-07-2014	12,000,000	SEE ADDITIONAL INFO		X		X		X
C EDA OF CITY OF WINCHESTER	90-0049785	973121BN5	07-22-2015	125,300,316	SEE ADDITIONAL INFO		X		X		X
D WV HOSPITAL AUTHORITY	62-1256910	956622H98	07-22-2015	5,533,505	SEE ADDITIONAL INFO		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired . . . . .	71,092							
2	Amount of bonds legally defeased . . . . .								
3	Total proceeds of issue . . . . .	20,743,547		12,000,000		125,300,316		5,533,505	
4	Gross proceeds in reserve funds . . . . .								
5	Capitalized interest from proceeds . . . . .								
6	Proceeds in refunding escrows . . . . .								
7	Issuance costs from proceeds . . . . .	257,984		120,000		996,927		119,631	
8	Credit enhancement from proceeds . . . . .								
9	Working capital expenditures from proceeds . . . . .								
10	Capital expenditures from proceeds . . . . .			4,091,000					
11	Other spent proceeds . . . . .	20,485,563				124,303,391		5,413,074	
12	Other unspent proceeds . . . . .			7,789,000					
13	Year of substantial completion . . . . .	2014		2015		2015		2015	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue? . . . . .	X			X		X		X
15	Were the bonds issued as part of an advance refunding issue? . . . . .		X		X	X		X	
16	Has the final allocation of proceeds been made? . . . . .	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use											
					A	B	C	D			
					Yes	No	Yes	No	Yes	No	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		X	X
2	Are there any lease arrangements that may result in private business use of bond-financed property? . . . . .					X		X		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		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? . . . . .								
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		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		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		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, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . .	X		X		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 "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .								
3	Is the bond issue a variable rate issue? . . . . .								
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		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
<b>5a</b>	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
<b>b</b>	Name of provider . . . . .								
<b>c</b>	Term of GIC . . . . .								
<b>d</b>	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? . . . . .								
<b>6</b>	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
<b>7</b>	Has the organization established written procedures to monitor the requirements of section 148? . . . .		X		X		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		X		X

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

**Open to Public Inspection**

► Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

80-0584319

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

**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 . . . . . **▶** \$ \_\_\_\_\_

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

Total

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

Schedule L (Form 990 or 990-EZ) 2015



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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SUSAN LESSAR	SEE BELOW	82,954	EMPLOYMENT AGREEMENT		No
(2) TRACEY O'NEAL	SEE BELOW	89,065	EMPLOYMENT AGREEMENT		No
(3) BRENDA HASHEM	SEE BELOW	21,451	EMPLOYMENT AGREEMENT		No
(4) CSA MED PC	SEE BELOW	112,500	PROF SERV AGREE		No

**Part V Supplemental Information**

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

Return Reference	Explanation
Schedule L, Part V Supplemental Information	1 SUSAN LESSAR- CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JEFFREY LESSAR, A CURRENT TRUSTEE \$82,954-EMPLOYEE COMPENSATION2 TRACEY O'NEAL- CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JONATHAN O'NEAL, A CURRENT TRUSTEE \$89,065- EMPLOYEE COMPENSATION3 BRENDA HASHEM - CURRENT EMPLOYEE AND FAMILY MEMBER OF DR JOSEPH HASHEM, A CURRENT TRUSTEE \$21,451 - EMPLOYEE COMPENSATION4 CSA MED, P C - PROFESSIONAL CORPORATION WITH MORE THAN 35% OWNERSHIP INTEREST HELD BY JONATHAN O'NEAL, MD, A CURRENT TRUSTEE\$112,500 PROFESSIONAL SERVICES AGREEMENT

**SCHEDULE O  
(Form 990 or  
990-EZ)**Department of the  
Treasury  
Internal Revenue  
Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**2015****Open to Public  
Inspection**Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN**Employer identification number**

80-0584319

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	SEVERAL DIRECTORS AND OFFICERS HAVE AN EMPLOYEE/ EMPLOYER RELATIONSHIP WITH IN VALLEY SYSTEMS (EIN 52-1357729)
Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	The corporation shall have two classes of members regular and honorary The number of regular members shall not exceed 100 In addition, there may be an unlimited number of honorary members Qualifications for both classes of membership shall be established in the Bylaws of the Corporation Honorary members have no voting or any other rights whatsoever Regular members shall have voting rights solely with respect to the election of regular member s, honorary members and trustees, as established in the Bylaws of the Corporation

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	Members elect the governing body (Board of Trustees) They have no other functions with respect to oversight of the governing body
Form 990, Part VI, Line 7b Describe Decisions of Governing Body Approval by Members or Shareholders	Recommendations for the election of trustees shall be approved by the Board of Trustees

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Form 990, Part VI, Line 11b Form 990 Review Process	The 990 is prepared by internal staff and reviewed by an outside accounting firm, who is the paid preparer. The return then undergoes several levels of review including the CFO and CEO. Further, the board reviews the 990 during one of its recurring monthly meetings where any issues of concern or question are addressed by Senior Management.
Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	All board members sign a conflict of interest policy annually and upon appointment to the board. All employees that are managers, including officers, have purchasing rights with defined limits, or may enter into a contract on behalf of the organization are required to sign a conflict of interest attestation upon employment and annually. All employees can report breaches in VH policy. VH has an employee integrity hotline and a compliance officer. The audit committee is advised of compliance activity on a quarterly basis in addition to monthly follow up by the CEO on any immediate issues. Any infractions can result in disciplinary action or dismissal.

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Form 990, Part VI, Line 15a Compensation Review & Approval Process - CEO, Top Management	The Board of Trustees is responsible for the compensation review. They use compensation literature and outside consultants to determine the appropriate compensation for the CEO, Officers, and Senior Management. As new individuals are hired into management positions, recruiting firms use FMV information to establish salary and general compensation levels.
Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	The organization makes all records available as required by law.

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Increases	GAIN/LOSS ON INT RATE SWAP = \$603260
Other Changes In Net Assets Or Fund Balances - Other Increases	POST RETIREMENT OBLIGATION = \$11262433

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
Other Changes In Net Assets Or Fund Balances - Other Decreases	TRANSFERS TO AFFILIATES = -\$7014161
1099s	1099s ARE FILED UNDER RELATED ORGANIZATION VALLEY HEALTH SYSTEM'S EIN 52-1357729

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
990T	Form 990 T cannot be filed under a group EIN A Form 990T w as filed under Winchester Medical Center, Inc EIN 54-0505979
W-2S	W-2S AND THE RELATED FORM 941'S ARE FILED UNDER RELATED ORGANIZATION VALLEY HEALTH SYSTEM' S EIN 52-1357729 SALARIES REFLECTED ON THIS RETURN ARE BASED ON ALLOCATIONS OF PAYROLL



SCHEDULE R  
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

▶ Attach to Form 990. ▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
VALLEY HEALTH SYSTEM GROUP RETURN

Employer identification number  
80-0584319

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

Part II

Identification of Related Tax-Exempt Organizations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) VALLEY HEALTH SYSTEM 220 CAMPUS BLVD  WINCHESTER, VA 22601 52-1357729	HEALTHCARE MGMT SERVICES	VA	501(C)(3)	11c	NA		No

Part IIIPart III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) WINCHESTER OPEN MRI  160 EXETER DRIVE WINCHESTER, VA 22601 54-2041643	MRI SERVICE	VA	NA					No			No	
(2) WINCHESTER ENDOSCOPY LLC  190 CAMPUS BLVD WINCHESTER, VA 22601 26-3886651	ENDOSCOPY SERVICES	VA	NA					No			No	
(3) MEDICAL CIRCLE LLC  12-A MEDICAL CIRCLE WINCHESTER, VA 22601 20-3390908	MRI SERVICES	VA	NA					No			No	
(4) NORTHERN WV HOME HEALTH LLC  220 CAMPUS BLVD WINCHESTER, VA 22601 11-3779341	HOME HEALTH	WV	NA	Related	-205,623	1,663,805		No			No	100 000 %

Part IVPart IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
COMMUNITY HEALTHCARE (1)MANAGEMENT COMPANY  220 CAMPUS BOULEVARD WINCHESTER, VA 22601 54-1725765	INSURANCE SERVICES	VA	N/A	C CORP	108,218	146,105	91 000 %		No
VALLEY REGIONAL (2)ENTERPRISES INC  220 CAMPUS BLVD WINCHESTER, VA 22601 54-1456064	MED EQUIP/ AMBLANCE	VA	NA					Yes	
VIRGINIA SOLUTIONS SPE (3)LTD  PO BOX 10233 GRAND CAYMAN, CARRIBBEAN KY1-10 CJ 98-0507760	OTHER INSURANCE FUNDS	CJ	NA					Yes	

Part V

Transactions With Related Organizations

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

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

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

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

1a

No

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

1b

Yes

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

Yes

i Exchange of assets with related organization(s) . . . . .

1i

No

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

1j

Yes

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

Yes

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

No

p Reimbursement paid to related organization(s) for expenses . . . . .

1p

Yes

q Reimbursement paid by related organization(s) for expenses . . . . .

1q

Yes

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

1r

Yes

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

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

[illegible]

**Part VII**   **Supplemental Information**

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

Return Reference	Explanation
------------------	-------------