

NOTICE OF ORGANIZATION

RE: ST. VINCENT GENERAL HOSPITAL DISTRICT,
LAKE COUNTY, COLORADO

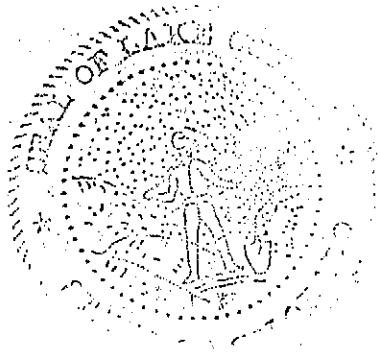
TO: DIVISION OF LOCAL GOVERNMENT, DEPARTMENT OF LOCAL
AFFAIRS, STATE OF COLORADO


I, JUNE OSSMAN, Clerk and Recorder of Lake County, Colorado, do hereby certify that I have received the following in connection with the organization of St. Vincent General Hospital District, Lake County, Colorado, to wit:

1. Certified copy of the Order And Decree Creating The District signed by Judge Richard H. Hart of the Lake County District Court on October 21, 1988. I recorded the Order And Decree in the records of my office on November 9, 1988 in Book 487 at Page 808 (Reception No. 296198). A copy of such recorded Order and Decree is marked Exhibit "A", attached hereto and incorporated herein by reference.

2. A copy of the approved Service Plan for the District.

Thank you.




JUNE OSSMAN

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

St. Vincent General
Hospital District
822 West 4th Street
Leadville, CO 80461

Person to Contact:

Liz Mayer

Telephone Number:

(202) 622-6467

Refer Reply to:

CP:E:EO:T:1

Date:

MAR 11 1996

Employer Identification Number: 84-0424585
Key District: Midstates (Dallas, TX)
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(iii)
Form 990 Required: No

Dear Applicant:

Based on the information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) indicated above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key district office of all changes in your name or address.

Unless you are an instrumentality of a state or a political subdivision of a state, or otherwise specifically excepted, you are liable for the social security and medicare taxes under the Federal Insurance Contributions Act (FICA) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

St. Vincent General Hospital District

If you are a wholly-owned instrumentality of a state or political subdivision of a state, you are liable for FICA taxes with regard to services included under an agreement entered into under section 218 of the Social Security Act. (For information in this regard, you may contact your state social security administrator.) Wages of any employees not covered under a section 218 agreement, but who were hired after March 31, 1986, are subject to the medicare portion of the FICA taxes. Finally, with regard to services performed after July 1, 1991, the wages of any employees not covered under a section 218 agreement and who are not members of a retirement system of the state, political subdivision, or instrumentality, are subject to the social security and medicare taxes.

Any questions you may have concerning your liability for FICA or FUTA taxes should be addressed to the Internal Revenue Service, Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations) CC:EBO, Room 5213, P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044.

In response to your request, we have determined that you are not required to file Form 990, Return of Organization Exempt From Income Tax, since you are exempt from tax under section 501(a) of the Internal Revenue Code and you are treated as an affiliate of a governmental unit pursuant to Revenue Procedure 95-48.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fund-raising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fund-raising events such as benefit dinners, shows, membership drives, etc., where something of value is received in return for payments, you are required to provide a written disclosure statement informing the donor of the fair market value of the specific items or services being provided. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that the donor can determine how much is deductible and how much is not. Your disclosure statement should be made, at the latest, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fund-raising circumstance where each complete payment, including the contribution portion, exceeds \$75. In addition, donors must have written substantiation from the charity for any charitable contribution of \$250 or more. For further details regarding these substantiation and disclosure requirements, see the enclosed copy of Publication 1771. For additional guidance in this area, see Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events, which is available at many IRS offices or by calling 1-800-TAX-FORM (1-800-829-3676).

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key district office of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

St. Vincent General Hospital District

If you have any immediate questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key district office.

Sincerely,



Marvin Friedlander
Chief, Exempt Organizations
Technical Branch 1

Enclosure:
Pub. 1771

New July 25

Filed for Record August 16, 1988 at 10:25 A.M.

Book 486 Page 673

Rec. No. 285639

Jane OSMAN, Lake County Recorder

MC

RECEIVED

JUL 25 1988

Asst.....

RECEIVED

JUL 25 1988

Asst.....

SERVICE PLAN FOR THE
ORGANIZATION OF THE PROPOSED
ST. VINCENT GENERAL HOSPITAL DISTRICT

RECEIVED

JUL 25 1988

Asst.....

INTRODUCTION

St. Vincent General Hospital is a non-profit hospital that desires to transfer all of its facilities to a proposed hospital district. These facilities consist of a hospital, land and equipment located in Lake County, Colorado. This proposal does not include any facilities to be constructed and, therefore, does not include any of the criteria surrounding construction of facilities. Since the facilities are already in operation and are presently self sustaining with no long term indebtedness, it will not be necessary for the district to conduct any bonded indebtedness for such facilities.

LOCATION

The boundaries of the proposed district are as shown on Exhibit "A". The district will encompass all of Lake County. The facilities to be transferred to the district are in Leadville. The facilities are located at the intersection of Washington Street and 4th Street.

POPULATION

The population of Lake County was reported as 6700 in 1986, 6671 in 1987 and is estimated to be 6299 in 1988.

VALUATION OF PROPOSED DISTRICT

The assessed value of Lake County in 1987 as supplied by the Lake County Assessor is \$100,161,020.

SERVICES OFFERED

Presently existing services include medical, surgical, obstetrical and pediatric care. Please see Exhibit "B" for the full range of services that will be provided.

FINANCIAL PLAN

Please see Exhibit "C" for the projected fiscal 1989 operating budget. This budget shows that \$200,000 will be derived from property taxes for the first budget year of the proposed district.

The estimated legal and miscellaneous expenses related to the proposed hospital district will be \$5,000.

At this time, there are no proposed arrangements with any political subdivisions.

ST. VINCENT GENERAL HOSPITAL

SERVICES OFFERED

LABORATORY is JCAHO and FDA accredited, undergoing official inspections on a routine basis. Normal operating hours are from 7:00 a.m. to 9:00 p.m., with a technician on call after hours. Services include routine chemistry and hematology, isolation and identification of micro-organisms, measurement of blood gases and monitoring of therapeutic drugs. An independent blood bank is also maintained providing the necessary services of drawing and processing donors. In addition to performing a myriad of inpatient and outpatient tests and services, the laboratory personnel are trained to evaluate and advise based on the data obtained.

DIETARY offers patient and cafeteria meal service as well as clinical nutrition consultation and instruction managed by a registered dietitian and food service supervisor. The department meets a variety of cuisines and dietary requests based on daily menu selections by patients.

RADIOLOGY is staffed by two board certified radiologists and three registered radiographic technologists, has normal operating hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, and Saturday mornings, with a technologist on call during off-hours for emergencies. A wide variety of services including diagnostic x-rays, ultrasound, mammography, and nuclear medicine are offered.

PHARMACY services at SVGH are provided by two clinically trained, registered hospital pharmacists providing 24 hour coverage. In addition to handling conventional medication for inpatient use, the pharmacy maintains a vertical flow hood for preparation of sterile products and cancer chemotherapy. Consultation and drug information services are also provided for the hospital staff.

RESPIRATORY THERAPY departmental staffing includes a registered therapist and two certified technicians, that provide 24 hour service. In addition to the normal equipment needed for assessment and treatment of all respiratory functions, SVGH has the ability to perform transcutaneous oxygen monitoring. Oxygen service for either the acutely or chronically ill is provided in tank form or through electrically operated oxygen concentrators.

HOUSEKEEPING AND LAUNDRY staff maintain high standards of cleanliness to insure optimum safety and aseptically clean conditions within the hospital. Working in conjunction with our Infection Control coordinator, our staff provides the best environment for patients, staff and visitors.

R.N.'s AND LPH's are well trained and are kept current through an active inservice program. Personalized care is provided for medicine, surgery, geriatric and pediatric patients. The Intensive Care Unit is fully equipped for cardiac monitoring, emergency and ongoing cardiac pacing, ventilatory assistance, as well as many other aspects of critical care.

Exhibit "B"
Continued
Page Two

Family centered childbirth is promoted by the obstetrical nurses at SVGH. The staff offers prepared childbirth and post-partum well baby classes several times a year. This specialized staff will closely monitor labor and delivery, encouraging participation of the coach. Fetal monitoring capabilities are available and will be utilized as necessary. We believe our philosophy of family centered childbirth is essential to a positive birth experience and growth and development of the new baby.

SILVER KING AMBULANCE TEAM: If the Service Plan is approved, the ambulance service currently being provided by Silver King Ambulance Service will be totally absorbed into the Hospital District responsibility. Separate corporations will be maintained and the Board of the Hospital District will also serve as the Board of SKAT. Total financial and management support would be provided by the Hospital District. There would be no additional tax support requested for SKAT. If the Service Plan is approved, the Hospital District will assume all assets and liabilities of SKAT on January 1, 1989.

SVGH has a fully equipped OPERATING ROOM, with a 24 hour on-call staff. An average of thirty-eight procedures per month are performed. Outpatient procedures as well as major abdominal and chest surgeries are performed. The staff includes a surgeon, board certified in general and cardio-thoracic surgery, three family practice physicians, two certified registered nurse anesthetists and five trained operating room nurses.

PHYSICAL THERAPY offers a wide range of rehabilitative needs with a fully equipped department. We offer all of the most up-to-date equipment - electric stimulators, cryotemp, whirlpools, ultrasound, Orthotron II as well as exercise programs specific to all injuries. General conditioning programs for the health individual can be set up on a one-time or a weekly basis.

A minimum of six NURSING HOME BEDS catering to those patients requiring intermediate care will be maintained by the Hospital.