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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 06-01-2010 and ending 05-31-2011

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

C Name of organization
BryanLGH Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 1600 SOUTH 48TH STREET

Room/suite

City or town, state or country, and ZIP + 4
LINCOLN, NE 685061299

D Employer identification number
47-0376552

E Telephone number
(402) 481-3190

G Gross receipts $ 530,388,731

F Name and address of principal officer
RUSSELL GRONEWOLD
1600 SOUTH 48TH STREET
LINCOLN, NE 68506

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www bryanlgh org

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

L Year of formation 1926

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE EXCELLENT CARE AND PROMOTE HEALTH WITH A FOCUS ON QUALITY, COLLABORATION AND COMPASSION

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	3,770
6	Total number of volunteers (estimate if necessary)	**6**	573
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,784,255
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	800,117	764,566
9	Program service revenue (Part VIII, line 2g)	450,431,844	452,503,131
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,801,433	18,243,908
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,847,868	7,467,177
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	462,881,262	478,978,782
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	274,457	422,309
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	206,340,017	207,842,203
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	226,477,666	227,730,546
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	433,092,140	435,995,058
19	Revenue less expenses Subtract line 18 from line 12	29,789,122	42,983,724

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	703,189,931	725,252,233
21	Total liabilities (Part X, line 26)	295,722,942	289,808,237
22	Net assets or fund balances Subtract line 21 from line 20	407,466,989	435,443,996

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2012-04-06

RUSS GRONEWOLD VP-FINANCE & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ ERNST & YOUNG US LLP				Firm's EIN ▶
Firm's address ▶ 190 CARONDELET PLAZA SUITE 1300 CLAYTON, MO 63105				Phone no ▶ (314) 290-1000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TO PROVIDE EXCELLENT CARE AND PROMOTE HEALTH WITH A FOCUS ON QUALITY, COLLABORATION AND COMPASSION

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 exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 399,983,709 including grants of $ 422,309) (Revenue $ 452,496,910)

BryanLGH Medical Center provides the community, state and region with comprehensive patient-centered, safety-focused quality care It promotes wellness, provides healthcare services for those in need regardless of their ability to pay, and is sensitive to those who are culturally diverse or have disabilities In fiscal year 2011, BryanLGH provided life-saving procedures and medications to thousands of individuals who simply could not pay for these services and whom no other public support was available Unreimbursed cost for charity care totaled $11 7 million BryanLGH also incurred $41 3 million in unreimbursed Medicare costs, and $13 2 million in Medicaid costs and support of other public programs BryanLGH Medical Center's commitment to Health Professionals' education, through residency programs and the College of Health Sciences, totaled $3 1 million Community education, and support programs and services subsidized by the Medical Center, totaled more than $1 4 million Donations to charitable organizations and community building activities totaled more than $501,000 BryanLGH Medical Center's quantifiable community benefit for fiscal year 2011 totals more than $71 million The Medical Center is a 639-licensed bed, not for profit, locally owned, healthcare organization serving patients from throughout Nebraska, as well as part of Kansas, Iowa, South Dakota and other states in the region Premier services include cardiology, neuroscience, orthopedics, vascular, trauma and emergency centers, intensive care, women's and children's health, imaging and mental health The Medical Center is the community's only provider of inpatient mental health services and has helped thousands of citizens through the BryanLGH Independence Center residential substance abuse treatment program BryanLGH College of Health Sciences offers graduate and undergraduate degrees through its School of Nursing, School of Health Professions, and School of Nurse Anesthesia Programs In calendar year 2011, the Medical Center was recognized for its quality care and expertise by numerous accrediting agencies, culminating in the survey by the Joint Commission on Accreditation of Healthcare Organizations

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 399,983,709

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	856		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	3,770		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

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

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

RUSSELL GRONEWOLD
1600 SOUTH 48TH STREET
LINCOLN, NE 685061299
(402) 481-3190

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								5,469,866	1,784,246	548,784

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 79

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
COMMUNITY BLOOD BANK 100 NORTH 84TH STREET SUITE 200 LINCOLN, NE 68505	BLOOD BANK SERVICES	3,207,728
INPATIENT PHYSICIAN ASSOCIATES 2300 SOUTH 16TH STREET LINCOLN, NE 68502	Medical Services	2,460,896
HEARTLAND SURGICAL SERVICES 2300 SOUTH 16TH STREET LINCOLN, NE 68502	MEDICAL SERVICES	1,946,109
AIR METHODS CORPORATION 7301 SOUTH PEORIA STREET ENGLEWOOD, CO 80112	AIR AMBULANCE	1,705,131
ASSOCIATED ANESTHESIOLOGIST 6911 VAN DORN SUITE 2 LINCOLN, NE 68506	ANESTHESIOLOGY SERV	1,450,285

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 38

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b	119,400				
	c Fundraising events 1c					
	d Related organizations 1d	141,453				
	e Government grants (contributions) 1e	12,000				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	491,713				
	g Noncash contributions included in lines 1a-1f $	0				
	h **Total.** Add lines 1a-1f		764,566			
Program Service Revenue		Business Code				
	2a NET PATIENT REVENUE	621990	443,818,193	443,733,470	84,723	
	b BRYANLGH COLLEGE OF HEALTH SCIENCES REV	611600	5,732,951	5,732,951		
	c PROGRAM RENTAL REVENUE	531190	2,855,302	2,855,302		
	d PHARMACY	446110	96,685	96,685		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		452,503,131			
	3 Investment income (including dividends, interest and other similar amounts)		3,787,698			3,787,698
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	553,542				
	b Less rental expenses	594,378				
	c Rental income or (loss)	-40,836				
	d Net rental income or (loss)		-40,836		-40,836	
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	65,097,034	174,747			
	b Less cost or other basis and sales expenses	50,216,813	598,758			
	c Gain or (loss)	14,880,221	-424,011			
	d Net gain or (loss)		14,456,210			14,456,210
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA	722210	2,790,355		54,059	2,736,296
	b CHILD CARE	624410	1,380,525		5,129	1,375,396
	c PURCHASE DISCOUNTS/REBATES	900099	1,227,488		0	1,227,488
	d All other revenue		2,109,645		1,681,180	428,465
	e **Total.** Add lines 11a–11d		7,508,013			
	12 **Total revenue.** See Instructions		478,978,782	452,418,408	1,784,255	24,011,553

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	422,309	422,309		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	3,884,295	2,252,891	1,631,404	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	144,643,291	141,113,995	3,529,296	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	15,772,020	15,387,183	384,837	
9	Other employee benefits	33,036,808	32,230,710	806,098	
10	Payroll taxes	10,505,789	10,249,448	256,341	
a	Fees for services (non-employees) Management	148,590		148,590	
b	Legal	69,129		69,129	
c	Accounting	152,248		152,248	
d	Lobbying	8,313		8,313	
e	Professional fundraising services *See Part IV, line 17*	0			
f	Investment management fees	1,579,344		1,579,344	
g	Other	38,638,921	37,541,190	1,097,731	
12	Advertising and promotion	939,994		939,994	
13	Office expenses	90,783,212	88,568,102	2,215,110	
14	Information technology	6,326,214	6,171,854	154,360	
15	Royalties	0			
16	Occupancy	7,145,542	6,971,191	174,351	
17	Travel	353,775	334,062	19,713	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	126,207	116,869	9,338	
20	Interest	6,996,346	6,825,635	170,711	
21	Payments to affiliates	21,652,906		21,652,906	
22	Depreciation, depletion, and amortization	33,841,188	33,015,463	825,725	
23	Insurance	1,425,834	1,391,044	34,790	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	15,192,413	15,189,905	2,508	
b	RECRUITMENT EXPENSES	595,025	580,506	14,519	
c	MISCELLANEOUS FEES	1,755,345	1,621,352	133,993	
d					
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	435,995,058	399,983,709	36,011,349	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		63,551,440	2	82,864,257
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		49,467,404	4	51,529,323
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		7,923,325	8	7,935,907
	9	Prepaid expenses and deferred charges		2,791,463	9	4,410,164
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 644,633,148			
	b	Less accumulated depreciation	10b 300,331,319	366,685,025	10c	344,301,829
	11	Investments—publicly traded securities		139,120,415	11	162,038,146
	12	Investments—other securities See Part IV, line 11		32,199,530	12	28,960,817
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		41,451,329	15	43,211,790
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		703,189,931	16	725,252,233
Liabilities	17	Accounts payable and accrued expenses		31,677,255	17	36,418,947
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		179,030,000	20	173,215,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		85,015,687	25	80,174,290
	26	**Total liabilities.** Add lines 17 through 25		295,722,942	26	289,808,237
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		399,027,285	27	425,220,446
	28	Temporarily restricted net assets		3,884,054	28	5,485,775
	29	Permanently restricted net assets		4,555,650	29	4,737,775
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		407,466,989	33	435,443,996
	34	Total liabilities and net assets/fund balances		703,189,931	34	725,252,233

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	478,978,782
2	Total expenses (must equal Part IX, column (A), line 25)	2	435,995,058
3	Revenue less expenses Subtract line 2 from line 1	3	42,983,724
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	407,466,989
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-15,006,717
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	435,443,996

Part XII Financial Statements and Reporting

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

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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

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

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

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

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

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

_____

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

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

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

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

9 ☐ An organization that normally receives (1) more than 331/3% 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 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** 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—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2009 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
BryanLGH Medical Center	47-0376552

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 funtion activities ▶ $ _____

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable 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)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		8,313
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			8,313
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION - LOBBYING	SCHEDULE C, PART II-B, LINE F	BRYANLGH MEDICAL CENTER IS A MEMBER OF THE NEBRASKA HOSPITAL ASSN (NHA) DURING THE CURRENT YEAR, THE REPORTING ORGANIZATION MADE PAYMENTS FOR MEMBERSHIP DUES TO THE NHA OF $108,239, OF THIS AMOUNT THE NHA REPORTED THAT 7 68% OR $8,313 OF THE TOTAL DUES PAID WERE USED FOR LOBBYING ACTIVITIES SCHEDULE C, PART II-B, LINE G ON VARIOUS OCCASIONS THROUGHOUT THE YEAR, THE CEO MET WITH STATE AND LOCAL LEGISLATORS TO DISCUSS ISSUES RELATED TO HEALTHCARE WHILE SOME RELATED TO HEALTHCARE REFORM, OTHER ISSUES DISCUSSED INCLUDED MEETING THE NEEDS OF INDIGENT/UNINSURED AND UNDERINSURED PATIENTS, AS WELL AS THE ONGOING NEED FOR HEALTH SERVICES INCLUDING MENTAL HEALTH SERVICES FOR THE COMMUNITY

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	1,194,316	1,190,240	1,184,822		
b Contributions	-447,554	761	647		
c Investment earnings or losses	12,092	13,872	19,961		
d Grants or scholarships					
e Other expenditures for facilities and programs	2,690	10,557	15,190		
f Administrative expenses	2,318				
g End of year balance	753,846	1,194,316	1,190,240		

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶ 0 %
- c Term endowment ▶ 0 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	9,573,616		9,573,616
b Buildings	0	397,897,406	139,897,093	258,000,313
c Leasehold improvements	0	321,677	210,507	111,170
d Equipment	0	225,314,991	157,762,867	67,552,124
e Other	0	11,525,458	2,460,852	9,064,606
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				344,301,829

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

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

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

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

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

(a) Description	(b) Book value
(1) DEFERRED FINANCING COSTS, NET	1,367,031
(2) RECS FROM CRETE AREA MEDICAL	14,783,826
(3) HOSPITALIST SVCS CONTRACT REC	4,608,795
(4) FAS 109 DEFERRED TAX ASSET	808,394
(5) OTHER ACCOUNTS RECEIVABLE	496,076
(6) INTEREST IN AFFILIATES	21,147,468
(7) CRETE AREA MEDICAL-2008C BONDS	200
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	43,211,790

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
SELF INSURANCE LIABILITY	725,000
INTEREST RATE SWAP LIABILITY	10,700,931
HOSPITALIST SVCS CTRT PAYABLE	4,608,795
CRETE AREA MEDICAL 2008C BOND	1,764,178
CAPITAL LEASE OBLIGATIONS	44,890
ORIGINAL ISSUE PREMIUM	1,609,862
ACCRUED PENSION BENEFIT OBLIGA	50,389,133
OTHER LIABILITIES	10,331,501
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	80,174,290

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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 XIV)	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 XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	BRYANLGH MEDICAL CENTER'S ("MEDICAL CENTER") ENDOWMENT FUNDS ARE ESTABLISHED TO PROVIDE FOR LOANS FOR THE STUDENTS WHO ATTEND THE BRYANLGH COLLEGE OF HEALTH SCIENCES BRYANLGH COLLEGE OF HEALTH SCIENCES PROVIDES HEALTHCARE PROFESSIONAL EDUCATION WITH PROGRAMS LEADING TO GRADUATE AND UNDERGRADUATE ACADEMIC DEGREES BRYANLGH COLLEGE OF HEALTH SCIENCES IS PART OF THE MEDICAL CENTER AND ITS OPERATIONS ARE INCLUDED THE MEDICAL CENTER'S FORM 990 FOOTNOTE FROM THE ORG FIN STMTS THAT REPORTS LIABILITY UNDER FIN 48 SCHEDULE D, PART X, LINE 2 THE CONSOLIDATED FINANCIAL STATEMENTS OF BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES DO NOT INCLUDE A FOOTNOTE TO REPORT THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER ASC 740 AS THEY WERE DEEMED IMMATERIAL FOR DISCLOSURE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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

7 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 Worksheets 1 and 2)			11,741,472	0	11,741,472	2 790 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			13,165,544	0	13,165,544	3 130 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			1,827,150	1,842,447	-15,297	0 %
d **Total** Financial Assistance and Means-Tested Government Programs			26,734,166	1,842,447	24,891,719	5 920 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,400,979	5,804	1,395,175	0 330 %
f Health professions education (from Worksheet 5)			11,487,524	8,365,157	3,122,367	0 740 %
g Subsidized health services (from Worksheet 6)			263,471	213,826	49,645	0 010 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			358,170	0	358,170	0 090 %
j **Total** Other Benefits			13,510,144	8,584,787	4,925,357	1 170 %
k **Total.** Add lines 7d and 7j			40,244,310	10,427,234	29,817,076	7 090 %

Part II **Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			143,154	0	143,154	0 030 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			143,154	0	143,154	0 030 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	5,682,994		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	134,348,804
6	Enter Medicare allowable costs of care relating to payments on line 5	6	175,650,008
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-41,301,204
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		No

Part IV **Management Companies and Joint Ventures**

	(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	NONE				
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, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	BRYANLGH MEDICAL CENTER EAST 1600 SOUTH 48TH ST LINCOLN, NE 68506	X	X		X			X		
2	BRYANLGH MEDICAL CENTER WEST 2300 SOUTH 16TH STREET LINCOLN, NE 68502	X	X		X		X	X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BRYANLGH MEDICAL CENTER EAST

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BRYANLGH MEDICAL CENTER WEST

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **12**

Name and address	Type of Facility (Describe)
1 See Additional Data Table	

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
SUPPLEMENTAL INFORMATION	SCHEDULE H, PART VI	PART 1, LINE 3C IN RECENT YEARS, BRYANLGH MEDICAL CENTER AND THE AFFILIATES OF BRYANLGH H EALTH SYSTEM HAVE FOCUSED ON IDENTIFYING AND ADOPTING MANY OF OUR INDUSTRY'S GOVERNANCE BE ST PRACTICES IN ORDER TO PROVIDE THE BEST CARE FOR THE COMMUNITIES WE SERVE DURING FISCAL YEAR 2011, BRYANLGH MEDICAL CENTER AND AFFILIATES TOOK ANOTHER IMPORTANT STEP IN THIS DIR ECTION BY BRINGING GREATER AND MORE THOUGHTFUL CONSISTENCY TO PATIENT CHARITY AND PAYMENT COLLECTION PRACTICES BY DEVELOPING A SYSTEM WIDE FINANCIAL ASSISTANCE POLICY THIS SYSTEM WIDE POLICY WAS REVIEWED AND APPROVED BY THE FINANCE COMMITTEE OF BRYANLGH HEALTH SYSTEM O N DECEMBER 16, 2010 MEMBERS OF THE FINANCE COMMITTEE ARE COMPOSED OF VOLUNTEER BOARD MEMB ERS WHO ALL RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA, AND UNDERSTAND THE NEEDS OF THE COMMUNITY OUR NEW POLICY IS DESIGNED TO PROVIDE FAIR DISCOUNTS AND CATASTROPHIC PROTECTI ON TO LOW INCOME UNINSURED PATIENTS AND ENSURES CONSISTENT AND FAIR COLLECTION PRACTICES T HROUGHOUT THE HEALTH SYSTEM THE GUIDELINES OF THE POLICY PROVIDE FOR FULL CHARITY CARE TO LOW INCOME UNINSURED PATIENTS EARNING LESS THAN 200% OF THE FEDERAL POVERTY GUIDELINES (" FPG") THIS POLICY ALSO PROVIDES DISCOUNTED CARE FOR OUR LOW INCOME UNINSURED PATIENTS EAR NING BETWEEN 200% AND 400% OF THE FPG THESE DISCOUNTS ARE APPLIED BY USING A SLIDING SCAL E FEE SCHEDULE TO CALCULATE THE PERCENTAGE OF THE BALANCE DUE UNDER THE CATASTROPHIC SECT ION OF THE POLICY, A PATIENT'S BILL WILL NEVER EXCEED 30% OF THEIR ANNUAL INCOME PART I, LINE 6A BRYANLGH MEDICAL CENTER'S COMMUNITY BENEFIT REPORT IS CONTAINED IN A REPORT PREPA RED ANNUALLY BY BRYANLGH HEALTH SYSTEM, THE SOLE MEMBER OF THE ORGANIZATION THIS BRYANLGH HEALTH SYSTEM COMMUNITY BENEFIT REPORT DESCRIBES THE PROGRAMS AND SERVICES THAT PROMOTE T HE HEALTH OF THE COMMUNITIES THAT ARE SERVED BY BRYANLGH MEDICAL CENTER AND ITS AFFILIATES THE REPORT IS MAILED TO VARIOUS HOUSEHOLDS IN EASTERN NEBRASKA AND THE SURROUNDING AREA THE REPORT IS ALSO AVAILABLE ONLINE AT WWW BRYANLGH COM/COMMUNITYBENEFIT PART I, LINE 7G THE SUBSIDIZED COSTS REPORTED ON LINE 7G DO NOT INCLUDE ANY COSTS ATTRIBUTABLE TO PHYSIC IAN CLINICS PART I, LINE 7 COLUMN (F) BAD DEBT EXPENSE INCLUDED IN TOTAL EXPENSES ON FORM 990, PART IX, LINE 25(A) IS $15,192,413 THIS BAD DEBT EXPENSE WAS SUBTRACTED FROM EXPENS ES FOR PURPOSES OF CALCULATING THE PERCENTAGE LISTED IN COLUMN (F) ($435,995,058 - 15,192, 413 = $420,802,645) PART I, LINE 7 THE MEDICAL CENTER'S UNCOMPENSATED CARE COST-TO-CHARGE RATIO WAS USED TO CALCULATE THE AMOUNT ON LINE 7A DIRECT AND INDIRECT COSTS WERE DEDUCTE D FROM PAYMENTS TO CALCULATE THE AMOUNTS ON 7B AND 7C FOR LINES 7E, 7F, 7G AND 7I, ANY OF FSETTING REVENUE WAS DEDUCTED FROM EXPENSES DIRECTLY ATTRIBUTABLE TO THE COMMUNITY BENEFIT ACTIVITY PART II, COMMUNITY BUILDING ACTIVITIES The Medical Center is involved in numer ous community building activities which promote the health of the communities it serves N umerous community concerns are addressed, including disease prevention, health improvement , education and access to care Many of our employees serve on community collaboration boa rds and health advocacy programs to further the health of the communities we serve And, w e work with neighborhood programs, including schools, work sites and safety net providers to promote health and wellness and prevent disease PART III, LINE 4 THE COST OF BAD DEBT EXPENSE WAS DETERMINED BY TAKING THE MEDICAL CENTER'S BAD DEBT COST-TO-CHARGE RATIO TIMES THE BAD DEBT EXPENSE THAT WAS STATED IN THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2011 The amount of the Medical Center's bad debt expense at cost attributable to patients eligible under the Medical Center's charity care policy is estima ted to be zero based on the following (1) BryanLGH Medical Center has established policie s that define charity care and provide guidelines for assessing a patient's ability to pay , and once eligibility is verified, the Medical Center will write accounts off to charity care and no longer pursue debt collection procedures, (2) BryanLGH Medical Center has coun selors who work individually with each patient both pre and post discharge to assess finan cial need and recommend appropriate assistance, (3) BryanLGH Medical Center provides presu mptive financial assistance when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to the lack of supporting documenta tion O nce determined, due to the inherent nature of presumptive circumstances, the only d iscount that can be granted is a 100% write-off of the account balance THE FOLLOWING IS T HE FOOTNOTE FROM BRYANLGH HEALTH SYSTEM'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS REGARD ING BAD DEBT EXPENSE "ADDITIONS TO THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF THE PROVISION FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS (BAD DEBTS EXPENSE) ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED

Identifier	ReturnReference	Explanation
SUPPLEMENTAL INFORMATION	SCHEDULE H, PART VI	FROM THE ALLOWANCE, AND SUBSEQUENT RECOVERIES ARE ADDED THE AMOUNT OF THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND E XPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN FEDERAL AND STATE GOV ERNMENTAL HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS INFORMATION USED IN MANAG EMENT'S ASSESSMENT INCLUDES ITS REVIEW OF HISTORICAL COLLECTIONS AND WRITE-OFFS THAT REPRE SENT A MAJORITY OF THE SYSTEM'S REVENUES AND ACCOUNTS RECEIVABLE MANAGEMENT EVALUATES THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE BY EVALUATING ITS PAYOR COMPOSITION AND AGING AND B Y UTILIZING ITS REVIEW OF THE RESULTS OF HISTORICAL COLLECTIONS AND WRITE-OFF EXPERIENCE, ADJUSTED FOR CHANGES IN TRENDS AND CONDITIONS, TO DETERMINE THE ALLOWANCE FOR THE CURRENT REPORTING DATE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE SYSTEM FOLLOWS ESTAB LISHED GUIDELINES FOR PLACING CERTAIN PAST DUE PATIENT BALANCES WITH COLLECTION AGENCIES " PART III, LINE 8 THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE MEDICAL CENTER'S MEDICARE COST REPORT IS THE STEP-DOWN METHOD OF COST ALLO CATION THE ENTIRE MEDICARE SHORTFALL AS REPORTED IN PART III, LINE 7 SHOULD BE TREATED AS A COMMUNITY BENEFIT HOSPITALS RELIEVE THE GOVERNMENT OF A FINANCIAL BURDEN WHEN THEY PRO VIDE CARE TO PUBLICLY INSURED PATIENTS PART III, LINE 9B N/A PART V, SECTION B N/A PART VI, LINE 2, NEEDS ASSESSMENT BryanLGH Medical Center is committed to improving the healt h of our community by continually working with community partners to assess the health nee ds of the community The Medical Center has participated over the past fifteen years in co mmunity needs assessments in cooperation with other health care providers and the Lincoln-Lancaster County Health Department through a collaborative group called Health Partners In itiative The group has held community forums and conducted community needs assessments ov er the years and has participated in the development of Healthy People 2010 Plan for Linco ln-Lancaster County In addition, the Medical Center is actively participating in the MAPP Steering Committee (Mobilizing for Action through Planning and Partnership) MAPP is an 1 8-month community-driven strategic planning process to identify health needs and develop a Community Health Improvement Plan The process is scheduled to be completed in 2012 The Medical Center will utilize this data to update service line and overall strategic plans f or the organization to meet the health needs of the community In addition to participatio n in community health status needs assessments, BryanLGH conducts an annual perception sur vey both locally, in Lincoln-Lancaster County and regionally across the state The survey assesses perception of the quality and availability of health care providers in the region In addition, as part of the annual strategic planning process, the Medical Center assess es market share and utilization trends as well as changes in population demographics PART VI, LINE 3, PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE AT BRYANLGH MEDICAL CENTER W E ARE COMMITTED TO TREATING ALL PATIENTS WITH COMPASSION THIS IS AN IMPORTANT PART OF OUR MISSION BRYANLGH MEDICAL CENTER HAS FINANCIAL ASSISTANCE PROCEDURES THAT REFLECT OUR COM MITMENT TO PROVIDE ASSISTANCE TO PATIENTS WHO CANNOT AFFORD TO PAY FOR PART OR ALL OF THE CARE THEY RECEIVE EDUCATION REGARDING OUR CHARITY CARE POLICY IS PROVIDED AT EACH NEW EMP LOYEE ORIENTATION SO THAT EACH EMPLOYEE WILL HAVE A CLEAR UNDERSTANDING OF THE FINANCIAL A SSISTANCE THAT IS AVAILABLE TO OUR PATIENTS BRYANLGH MEDICAL CENTER HAS TRAINED COUNSELOR S WHO WORK INDIVIDUALLY WITH PATIENTS PRE-REGISTRATION AND POST-DISCHARGE, OR AT ANY OTHER TIME THE STAFF ENCOUNTERS INFORMATION DETAILING THE PATIENT'S FINANCIAL NEED THE COUNSEL ORS RECOMMEND APPROPRIATE ASSISTANCE SUCH AS FEDERAL, STATE OR LOCAL PROGRAMS, OR ELIGIBIL ITY FOR ASSISTANCE UNDER THE ORGANIZATIO

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	990 SCHEDULE H, PART VI	NONE

Additional Data

Software ID:
Software Version:
EIN: 47-0376552
Name: BryanLGH Medical Center

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **12** Name and address	Type of Facility (Describe)
BRYANLGH MEDICAL CENTER 1500 SOUTH 48TH ST SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYANLGH MEDICAL CENTER 1500 SOUTH 48TH ST 1ST FLOOR LINCOLN, NE 68506	LAB & RADIOLOGY SERVICES
BRYANLGH MEDICAL CENTER 2222 SOUTH 16TH ST TOWER B SUITE LINCOLN, NE 68502	RADIOLOGY SERVICES
BRYANLGH MEDICAL CENTER 2221 SOUTH 17TH ST SUITE 100 LINCOLN, NE 68502	LABORATORY SERVICES
BRYANLGH MEDICAL CENTER 1600 SOUTH 48TH ST SUITE 600 RM LINCOLN, NE 68506	CARDIAC OUTPATIENT SERVICES
BRYANLGH MEDICAL CENTER 3901 PINE LAKE ROAD SUITE 110 LINCOLN, NE 68516	OUTPATIENT RADIOLOGY SERVICES
BRYANLGH MEDICAL CENTER 1500 SOUTH 48TH ST SUITE 614 RM LINCOLN, NE 68506	VASCULAR OUTPATIENT SERVICES
BRYANLGH MEDICAL CENTER 1640 LAKE ST LINCOLN, NE 68502	COUNSELING SERVICES
BRYANLGH MEDICAL CENTER 2222 SOUTH 16TH ST TOWER B SUITE LINCOLN, NE 68502	MRI SERVICES
BRYANLGH MEDICAL CENTER 7501 S 27TH ST LINCOLN, NE 68512	THERAPY SERVICES
BRYANLGH MEDICAL CENTER 3901 PINE LAKE ROAD SUITE 111 LINCOLN, NE 68516	LINEAR ACCELERATOR & CT SCANNER SERVICES
BRYANLGH MEDICAL CENTER 7441 O ST SUITE 105 LINCOLN, NE 68510	MAMMOGRAPHY SERVICES CENTER CLOSED EFF 2/1/2011

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) BRYANLGH FOUNDATION1600 SOUTH 48TH ST LINCOLN,NE 68506	23-7005720	501(C)(3)	219,260	0	N/A	N/A	CHARITABLE
(2) AMERICAN HEART ASSOCIATION1550 SOUTH 70TH LINCOLN,NE 68506	13-5613797	501(C)(3)	35,000	0	N/A	N/A	CHARITABLE
(3) YMCA OF LINCOLN570 FALLBROOK BLVD 210 LINCOLN,NE 68521	47-0376578	501(C)(3)	15,000	0	N/A	N/A	CHARITABLE
(4) AMERICAN RED CROSS 220 OAK CREEK DRIVE LINCOLN,NE 68528	53-0196605	501(C)(3)	12,500	0	N/A	N/A	CHARITABLE
(5) LINCOLN CHILDRENS' MUSEUM1420 P STREET LINCOLN,NE 68508	47-0716636	501(C)(3)	10,000	0	N/A	N/A	CHARITABLE
(6) LINCOLN CHILDRENS' ZOO1222 S 27TH ST LINCOLN,NE 68502	47-0482255	501(C)(3)	10,000	0	N/A	N/A	CHARITABLE
(7) CLINIC WITH A HEART INC1701 S 17TH ST STE 4G LINCOLN,NE 68502	20-2850139	501(C)(3)	9,000	0	N/A	N/A	CHARITABLE
(8) MARCH OF DIMES4700 VALLEY RD 100 LINCOLN,NE 68510	13-1846366	501(C)(3)	8,400	0	N/A	N/A	CHARITABLE
(9) FOODNET INC5516 SEA MOUNTAIN ROAD LINCOLN,NE 68521	47-0791448	501(C)(3)	0	85,000	ACTUAL COST	FOOD	CHARITABLE
(10) SPECIAL OLYMPICS NEBRASKA INC11011 Q STREET NO 104C OMAHA,NE 68137	47-0546346	501(C)(3)	0	12,205	ACTUAL COST	SUPPLIES	CHARITABLE
(11) SOLIDARITY BRIDGE INC1577 FLORENCE AVE EVANSTON,IL 60202	36-4481213	501(C)(3)	0	8,000	ACTUAL COST	SUPPLIES	CHARITABLE
(12) MATT TALBOT KITCHEN & OUTREACH INC 1911 R STREET LINCOLN,NE 68503	36-3945814	501(C)(3)	0	7,200	ACTUAL COST	FOOD	CHARITABLE

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 12

3 Enter total number of other organizations . . . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
Form 990, Schedule I, PART 1, LINE 2	Description of Organization's Procedures for Monitoring the Use of Grants	THE ORGANIZATION RECEIVING THE GRANT IS REQUIRED TO SUBMIT INVOICES FOR THE COST OF THE EQUIPMENT/PROJECT, BEFORE BRYANLGH MEDICAL CENTER RELEASES ANY FUNDS TO THE ORGANIZATION THE ORGANIZATION IS ALSO REQUIRED TO SUBMIT NEWSPAPER CLIPPINGS/NEWSLETTERS TO PROVE THAT THE FUNDS WERE USED FOR THEIR INTENDED PURPOSE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

Part I Questions Regarding Compensation

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

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
QUESTIONS REGARDING COMPENSATION	SCHEDULE J, PART I, LINE 1A	TRAVEL OF COMPANIONS SEVERAL OF THE MEMBERS OF THE BOARD OF THE TRUSTEES ARE INDEPENDENT COMMUNITY MEMBERS WHO ARE VOLUNTEER BOARD MEMBERS, AND DO NOT RECEIVE ANY COMPENSATION FOR THEIR TIME AND DUTIES AS MEMBERS OF THE BOARD OF TRUSTEES RESPONSIBILITIES OF TRUSTEES ARE COMPLEX, AND EFFECTIVE GOVERNANCE DEPENDS UPON HAVING BOARD MEMBERS THAT ARE WELL EDUCATED ABOUT ALL ASPECTS OF HEALTH CARE AND HEALTH CARE GOVERNANCE BRYANLGH MEDICAL CENTER ENCOURAGES ONGOING EDUCATION OF ITS TRUSTEES BY PROVIDING REIMBURSEMENT FOR REASONABLE TRAVEL EXPENSES THAT FURTHER THE MISSION OF BRYANLGH MEDICAL CENTER REIMBURSEMENT FOR COMPANIONS IS LIMITED BY THE BOARD OF TRUSTEES' TRAVEL POLICY TO AIR TRAVEL AT THE COACH LEVEL ALL TRAVEL OF COMPANIONS IS APPROVED IN ADVANCE BY THE CHIEF EXECUTIVE OFFICER OF BRYANLGH HEALTH SYSTEM, AND SUBSTANTIATION OF ALL TRAVEL RELATED EXPENSES IS REQUIRED BEFORE PAYMENT THIS BENEFIT IS TREATED AS TAXABLE COMPENSATION TO THE TRUSTEES CEO/EXECUTIVE COMPENSATION SCHEDULE J, PART I, LINE 3 The Health System Board of Trustees believes compensation for the senior management team must reflect the complexities of leading and managing a multi-hospital health system that provides services throughout much of the state The Health System board recognizes that leaders of the Health System are responsible for the quality of care, patient services and overall financial health of the largest private employer in Lincoln/Lancaster County The Health System board has established a compensation plan that matches this level of responsibility This Plan, known as the Senior Management Compensation Philosophy is reviewed at least annually by the Health System Board of Trustees and the Compensation Committee This Compensation Philosophy targets base salary for senior managers at the 50th percentile of the market The Compensation Committee is appointed by the Health System Board of Trustees and is made up of independent community leaders who all serve voluntarily, and who must adhere to a stringent conflict of interest policy Executive compensation is determined and reviewed pursuant to guidelines outlined in the intermediate sanction rules under IRC Section 4958 including taking steps to meet the rebuttable presumption standard of reasonableness under Treasury Regulation Section 53 4958-6 The Compensation Committee conducts a comprehensive annual review of all compensation and benefits provided by the organization to the senior management team This review is conducted by the Committee by utilizing national salary surveys, conducted by independent external firms Compensation for senior managers is compared to compensation of senior managers at like institutions across the U S to determine that the value of compensation and benefits provided are reasonable and at fair market value The Compensation Committee also works directly with an external independent compensation consultant to review the reasonableness of total compensation provided to the senior management team, and to assure that the total compensation paid conforms to the overall Compensation Philosophy The compensation consultant provides written opinions to the Compensation Committee that assesses the reasonableness of the total executive compensation paid to senior managers All decisions of the Compensation Committee are contemporaneously documented in the Compensation Committee minutes which are timely reviewed and approved by the Committee SEVERANCE PAYMENT SCHEDULE J, PART I, LINE 4A JENNIFER LESOING-LUCS, FORMER VP-FINANCE AND CFO OF BRYANLGH HEALTH SYSTEM, RECEIVED SEVERANCE PAYMENTS TOTALING $280,252 DURING CALENDAR YEAR 2010 MS LESOING-LUCS RECEIVED SEVERANCE PAYMENTS TOTALING $30,693 DURING CALENDAR YEAR 2011 THIS COMPENSATION HAS BEEN INCLUDED AS REQUIRED ON SCHEDULE J, PART II LAWRENCE ELLIOTT, FORMER VP-DIAGNOSTIC & TREATMENT SERVICES, OF BRYANLGH MEDICAL CENTER, RECEIVED SEVERANCE PAYMENTS, TOTALING $101,166 DURING CALENDAR YEAR 2011 THIS COMPENSATION HAS BEEN INCLUDED AS REQUIRED ON SCHEDULE J, PART II SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN SCHEDULE J, PART 1, LINE 4B THE FOLLOWING PEOPLE LISTED IN FORM 990, PART VII, SECTION A, LINE 1A PARTICIPATED IN, OR RECEIVED A PAYMENT FROM, A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN KATHLEEN CAMPBELL $42,974 CAROLYN CODY, MD $38,478 LAWRENCE ELLIOTT $83,094 Jennifer Lesoing-Lucs $111,348 DAVID REESE $7,971 KIMBERLY RUSSEL $216,065 SHIRLEY TRAVIS $31,950 COMPENSATION CONTINGENT ON REVENUES OR NET EARNINGS SCHEDULE J, PART 1, LINE 5A IN THE CASE OF CERTAIN PHYSICIAN EMPLOYEE AGREEMENTS, COMPENSATION IS PAID ON A PERCENTAGE OF PROFESSIONAL COLLECTIONS PERFORMED ABOVE A PREDETERMINED THRESHOLD FOUR PHYSICIANS RECEIVED CONTINGENT COMPENSATION PAYMENTS DURING THE CALENDAR YEAR ENDED DECEMBER 31, 2010 COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES & KEY EMPLOYEES SCHEDULE J, PART II IN KEEPING WITH BRYANLGH HEALTH SYSTEM'S BELIEFS AND STANDARDS OF BEHAVIOR REGARDING STEWARDSHIP, NO BOARD MEMBER SERVING ON THE BOARD OF TRUSTEES, OR ANY AFFILIATED BOARD, IS COMPENSATED FOR THEIR SERVICE AS A BOARD MEMBER COMPENSATION AMOUNTS REPORTED ARE FOR SERVICES PROVIDED AS MEDICAL PROFESSIONALS OR EXECUTIVES OF THE ORGANIZATION, OR A RELATED ORGANIZATION COMPENSATION AMOUNTS REPORTED ON SCHEDULE J, PART II ARE BASED ON THE CALENDAR YEAR ENDED DECEMBER 31, 2010

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 47-0376552
Name: BryanLGH Medical Center

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOHN WOODRICH	(I)	303,031	24,480	11,183	0	22,068	360,762	0
	(II)	0	0	0	0	0	0	0
KIMBERLY RUSSEL	(I)	0	0	0	0	0	0	0
	(II)	605,858	120,479	262,724	13,475	17,009	1,019,545	0
CAROLYN CODY MD	(I)	165,698	10,496	44,353	10,099	10,296	240,942	0
	(II)	0	0	0	0	0	0	0
DAVID HUGHES MD	(I)	763,257	118,639	720	13,475	21,028	917,119	0
	(II)	0	0	0	0	0	0	0
EDWARD RAINES MD	(I)	845,962	15,000	915	13,475	21,028	896,380	0
	(II)	0	0	0	0	0	0	0
Lawrence Elliott	(I)	99,658	23,846	211,605	118,114	18,707	471,930	80,049
	(II)	0	0	0	0	0	0	0
KATHLEEN CAMPBELL	(I)	192,534	25,231	50,576	10,936	7,411	286,688	0
	(II)	0	0	0	0	0	0	0
SHIRLEY TRAVIS	(I)	162,638	18,416	71,571	21,014	8,708	282,347	0
	(II)	0	0	0	0	0	0	0
DAVID REESE	(I)	151,391	14,532	20,499	10,604	21,230	218,256	0
	(II)	0	0	0	0	0	0	0
ELIZABETH MACLEOD WALLS PHD	(I)	163,471	6,094	6,031	6,488	20,698	202,782	0
	(II)	0	0	0	0	0	0	0
DAVID BINGHAM MD	(I)	504,512	269,281	17,295	13,475	17,354	821,917	0
	(II)	0	0	0	0	0	0	0
STUART MYERS MD	(I)	479,461	145,229	17,295	13,475	21,028	676,488	0
	(II)	0	0	0	0	0	0	0
CHARLES MEYER	(I)	134,850	15,830	30,090	16,377	17,295	214,442	0
	(II)	0	0	0	0	0	0	0
WILLIAM CORKLE	(I)	115,658	33,151	13,311	12,500	7,462	182,082	0
	(II)	0	0	0	0	0	0	0
RUSSELL GRONEWOLD	(I)	0	0	0	0	0	0	0
	(II)	279,814	0	9,936	0	19,174	308,924	0
JAMES CUDDEFORD	(I)	156,711	0	4,038	14,518	7,385	182,652	0
	(II)	0	0	0	0	0	0	0
JENNIFER LESOING-LUCS	(I)	0	0	0	0	0	0	0
	(II)	22,938	0	482,497	1,752	20,281	527,468	280,252

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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	HOSPITAL AUTHORITY NO 1 OF LANCASTER COUNTY NE	47-0721900	513886SR3	05-27-2008	115,216,759	REFUNDED SERIES 2007A & 2002 B		X		X		X
B	HOSPITAL AUTHORITY NO 1 OF SALINE COUNTY NE	47-0843167	79517TAW6	05-27-2008	13,480,000	REFUNDED SERIES 2007B BONDS		X		X		X
C	HOSPITAL AUTHORITY NO 1 OF LANCASTER COUNTY NE	47-0490169	513886RR4	12-21-2006	61,381,548	REFUNDED SER 1997A & 1997B BON		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0	0	
2	Amount of bonds legally defeased	0	0	0	
3	Total proceeds of issue	115,216,759	13,480,000	61,381,548	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	0	
6	Proceeds in refunding escrow	0	0	0	
7	Issuance costs from proceeds	981,595	88,670	555,587	
8	Credit enhancement from proceeds	859,107	141,505	0	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	0	0	0	
11	Other spent proceeds	0	0	0	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2008	2008	2006	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X	X			
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

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?								
b	Are there any research agreements that may result in private business use of bond-financed property?								
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?	X		X			X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X			X		
b	Name of provider	PIPER JAFFRAY		PIPER JAFFRAY					
c	Term of hedge	22		22					
d	Was the hedge superintegrated?		X		X		X		
e	Was a hedge terminated?		X		X		X		
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
TAX EXEMPT BONDS	SCHEDULE K, PART 1, LINE A	THE REFUNDED SERIES 2007A BONDS WERE ISSUED ON FEBRUARY 8, 2007 THE REFUNDED SERIES 2002 BONDS WERE ISSUED ON DECEMBER 20, 2002 SCHEDULE K, PART I, LINE B THE REFUNDED SERIES 2007B BONDS WERE ISSUED ON FEBRUARY 8, 2007 SCHEDULE K, PART I, LINE C THE REFUNDED SERIES 1997A BONDS WERE ISSUED ON SEPTEMBER 18, 1997 THE REFUNDED SERIES 1997B BONDS WERE ISSUED ON OCTOBER 31, 1997 SCHEDULE K, PART III PART III HAS NOT BEEN COMPLETED GIVEN THAT ALL REFUNDED BONDS WERE ISSUED SOLELY TO REFUND BONDS ISSUED PRIOR TO 2003

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) US BANK	SEE PART V	22,015,769	PAYMENT FOR BANKING SERVICES		No
(2) NEBRASKA EMERGENCY MEDICINE	SEE PART V	1,096,592	PAYMENT FOR EMERGENCY PHYS		No
(3) ED ASSOCIATES LLC	SEE PART V	339,040	PAYMENT FOR MED DIRECTOR FEES		No
(4) LINCOLN POULTRY	SEE PART V	107,541	PAYMENT FOR FOOD SERV PRODUCTS		No
(5) PRAIRIE SURGICAL ASSOCIATES PC	SEE PART V	110,795	PAYMENT FOR PHYSICIAN SERVICES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
RELATIONSHIPS BETWEEN INTERESTED PERSON AND THE ORGANIZATION	SCHEDULE L, PART IV, COLUMN (B)	(1) BOARD MEMBER STEVE ERWIN IS ALSO AN OFFICER OF US BANK (2) & (3) BOARD MEMBER EDWARD MLINEK, M D IS ALSO AN OFFICER OF NEBRASKA EMERGENCY MEDICINE AND E D ASSOCIATES, LLC (4) BOARD MEMBER RICHARD EVNEN WAS ALSO AN OFFICER OF LINCOLN POULTRY UNTIL JULY, 2010 (5) KEVIN MOTA, M D IS ALSO AN OFFICER OF PRAIRIE SURGICAL ASSOCIATES, PC

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493103003202

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

Identifier	Return Reference	Explanation
Description of Relationships	Form 990, Part VI, Question 2	The following business and family relationships were reported during the fiscal year between the organization's trustees, officers or key employees Business Relationships STEVE ERWIN AND BYRON BOSLAU STEVE ERWIN AND RICHARD EVNEN STEVE ERWIN AND RON HARRIS STEVE ERWIN AND JENNIFER LESOING-LUCS STEVE ERWIN AND MARTIN MASSENGALE STEVE ERWIN AND KIMBERLY RUSSEL STEVE ERWIN AND JOHN WOODRICH FAMILY RELATIONSHIP GENE BRAKE AND DAVID REESE DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS FORM 990, PART VI, QUESTION 6 AS STATED IN THE CORPORATION'S ORGANIZING DOCUMENTS, THE SOLE MEMBER OF THE ORGANIZATION IS BRYANLGH HEALTH SYSTEM ("HEALTH SYSTEM") HEALTH SYSTEM HAS THE RIGHTS UNDER THE ORGANIZING DOCUMENTS TO (1) APPROVE SIGNIFICANT DECISIONS OF THE ORGANIZATION'S GOVERNING BODY, (2) ELECT THE MEMBERS OF THE GOVERNING BODY, AND (3) RECEIVE ANY REMAINING ASSETS AFTER DISSOLUTION OF THE ORGANIZATION DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS FORM 990, PART VI, QUESTION 7A BRYANLGH HEALTH SYSTEM ("HEALTH SYSTEM") AS SOLE MEMBER OF THE ORGANIZATION, HAS THE RIGHT UNDER THE ORGANIZING DOCUMENTS TO REMOVE ANY TRUSTEE FROM OFFICE AT ANY TIME, WITH OR WITHOUT CAUSE BY A TWO-THIRDS (2/3) VOTE OF THE VOTING TRUSTEES OF HEALTH SYSTEM DESCR CLASSES OF PERSONS, DECISIONS REQ APPR & TYPE OF VOTING RIGHTS FORM 990, PART VI, QUESTION 7B BRYANLGH HEALTH SYSTEM ("HEALTH SYSTEM") IS THE SOLE MEMBER OF BRYANLGH MEDICAL CENTER ("MEDICAL CENTER") PURSUANT TO THE GOVERNING DOCUMENTS, THE BOARD OF THE MEDICAL CENTER MAY MANAGE THE AFFAIRS OF THE CORPORATION, HOWEVER, THE BOARD MAY NOT, WITHOUT THE PRIOR APPROVAL OF THE HEALTH SYSTEM (1) ADOPT ANY LONG-TERM CAPITAL OR OPERATIONAL BUDGET, (2) ADOPT ANY CHANGES IN ANY ANNUAL OR LONG-TERM CAPITAL BUDGET OR OPERATIONAL EXPENSE BUDGET EXCEEDING $5,000,000 IN ANY SINGLE TRANSACTION OR $10,000,000 IN ANY CORPORATION FISCAL YEAR, (3) APPROVE OR IMPLEMENT AMENDMENTS TO ITS MISSION STATEMENT OR STRATEGIC PLAN, (4) APPROVE ANY INDEBTEDNESS OR INCUR A MORTGAGE OR LIEN OF ANY KIND OR NATURE ON ASSETS OF THE CORPORATION WHERE THE BORROWING OR INDEBTEDNESS EXCEEDS $5,000,000 IN ANY SINGLE TRANSACTION OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (5) ENGAGE IN OR ENTER INTO ANY TRANSACTION OR TRANSACTIONS PROVIDING FOR THE TRANSFER, SALE OR OTHER DISPOSITION OF CAPITAL ASSETS IN ANY SINGLE TRANSACTION OF $5,000,000 OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (6) APPROVE THE ELECTION OF MEMBERS OF THE BOARD, (7) APPROVE THE APPOINTMENT OF THE CHIEF EXECUTIVE OFFICER, (8) APPROVE PARTICIPATION IN OTHER HEALTH CARE SYSTEMS BY AFFILIATION OR MERGER, (9) APPROVE ITS LIQUIDATION OR DISSOLUTION, (10) ORGANIZE OR ACQUIRE, OR AUTHORIZE THE ORGANIZATION OR ACQUISITION OF ANY INTEREST IN, AS ALLOWED BY THE CODE, OF ANY CORPORATION, ASSOCIATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, TRUST, SHARED SERVICE ARRANGEMENT, JOINT VENTURE OR OTHER ENTITY, DIRECTLY OR INDIRECTLY, WHERE THE CAPITAL EXPENDITURES OR OPERATING EXPENSES BY THE CORPORATION IN CONNECTION WITH SUCH ORGANIZATION OR ACQUISITION IN ANY SINGLE TRANSACTION EXCEEDS $5,000,000 OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (11) AMEND THE ARTICLES OF INCORPORATION OR BYLAWS OF THE CORPORATION, (12) TAKE ANY OTHER ACTIONS WHICH MAY BE INCONSISTENT WITH THE SYSTEM'S GOALS AND OBJECTIVES DESCRIBE THE PROCESS USED BY MGMT &/OR GOVERNING BODY TO REVIEW 990 FORM 990, PART VI, QUESTION 11B THIS FORM 990 WAS REVIEWED BY AN INDEPENDENT ACCOUNTING FIRM THE 990 WAS ALSO REVIEWED BY BRYANLGH HEALTH SYSTEM'S CEO AND CFO THE 990 WAS DISTRIBUTED TO EACH MEMBER OF BRYANLGH HEALTH SYSTEM'S FINANCE COMMITTEE PRIOR TO THE SUBMISSION OF THE FORM TO THE INTERNAL REVENUE SERVICE DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICT OF INTEREST FORM 990, PART VI, QUESTION 12C BRYANLGH MEDICAL CENTER ("MEDICAL CENTER") HAS ADOPTED A WRITTEN CONFLICT OF INTEREST POLICY THAT IS MONITORED AND ENFORCED BY THE GOVERNANCE COMMITTEE OF BRYANLGH HEALTH SYSTEM, THE SOLE MEMBER OF THE CORPORATION BOARD MEMBERS AND SENIOR MANAGERS ARE REQUIRED TO ANNUALLY COMPLETE A CONFLICT OF INTEREST AND DISCLOSURE QUESTIONNAIRE TO IDENTIFY ANY POSSIBLE CONFLICTS OF INTEREST THE GOVERNANCE COMMITTEE OF BRYANLGH HEALTH SYSTEM REVIEWS ALL IDENTIFIED CONFLICTS RELATIVE TO THE MEMBER'S ABILITY TO VOTE ON CERTAIN TYPES OF TRANSACTIONS AND/OR WHETHER ANY IDENTIFIED CONTRACTS/TRANSACTIONS WILL REQUIRE FURTHER REVIEW/ALTERATION OFFICES/POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN FORM 990, PART VI, QUESTION 15 The Health System Board of Trustees believes compensation for the senior management team must reflect the complexities of leading and managing a multi-hospital health system that provides services throughout much of the state The Health System board recognizes that leaders of the Health System are responsible for the quality of care, patient services and overall financial health of the largest private empl

Identifier	Return Reference	Explanation
Description of Relationships	Form 990, Part VI, Question 2	oyer in Lincoln/Lancaster County The Health System board has established a compensation p lan that matches this level of responsibility This Plan, know n as the Senior Management C ompensation Philosophy is review ed at least annually by the Health System Board of Trustee s and the Compensation Committee This Compensation Philosophy targets base salary for sen ior managers at the 50th percentile of the market The Compensation Committee is appointed by the Health System Board of Trustees and is made up of independent community leaders w h o all serve voluntarily, and w ho must adhere to a stringent conflict of interest policy E xecutive compensation is determined and review ed pursuant to guidelines outlined in the in termediate sanction rules under IRC Section 4958 including taking steps to meet the rebutt able presumption standard of reasonableness under Treasury Regulation Section 53 4958-6 T he Compensation Committee conducts a comprehensive annual review of all compensation and b enefits provided by the organization to the senior management team This review is conduct ed by the Committee by utilizing national salary surveys, conducted by independent externa l firms Compensation for senior managers is compared to compensation of senior managers a t like institutions across the U S to determine that the value of compensation and benefi ts provided are reasonable and at fair market value The Compensation Committee also w orks directly w ith an external independent compensation consultant to review the reasonablenes s of total compensation provided to the senior management team, and to assure that the tot al compensation paid conforms to the overall Compensation Philosophy The compensation con sultant provides w ritten opinions to the Compensation Committee that assesses the reasonab leness of the total executive compensation paid to senior managers All decisions of the C ompensation Committee are contemporaneously documented in the Compensation Committee minut es w hich are timely review ed and approved by the Committee JOINT VENTURE POLICY FORM 990, PART VI, QUESTION 16B ON NOVEMBER 1, 2010, BRYANLGH HEALTH SYSTEM AND ITS AFFILIATES ADOP TED A WRITTEN JOINT VENTURE POLICY TO PROTECT THE TAX-EXEMPT STATUS OF THE HEALTH SYSTEM A ND AFFILIATES

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		AVAIL OF GOV DOCS, CONFLICT OF INT POLICY, & FIN STMTS TO GEN PUBLIC FORM 990, PART VI, QUESTION 19 THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE FOR PUBLIC DISCLOSURE AS A CONDITION RELATED TO BOND DISCLOSURE REQUIREMENTS, THE FINANCIAL STATEMENTS ARE AVAILABLE FOR REVIEW ON THE MUNICIPAL SECURITIES RULEMAKING BOARD WEBSITE AT THE FOLLOWING ADDRESS HTTP //EMMA MSRB ORG COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES & KEY EMPLOYEES FORM 990, PART VII, SECTION A IN KEEPING WITH BRYANLGH HEALTH SYSTEM'S BELIEFS AND STANDARDS OF BEHAVIOR REGARDING STEWARDSHIP, NO BOARD MEMBER SERVING ON BRYANLGH MEDICAL CENTER'S BOARD, OR ANY AFFILIATED BOARD, IS COMPENSATED FOR THEIR SERVICES AS BOARD MEMBERS COMPENSATION AMOUNTS REPORTED ARE FOR SERVICES PROVIDED AS MEDICAL PROFESSIONALS OR EXECUTIVES OF THE ORGANIZATION, OR A RELATED ORGANIZATION COMPENSATION AMOUNTS REPORTED ON FORM 990, PART VII, SECTION A, COLUMNS (D),(E) AND (F) ARE BASED ON THE CALENDAR YEAR ENDED DECEMBER 31, 2010 OVERSIGHT OF CONSOLIDATED AUDIT FORM 990, PART XI, QUESTION 2C BRYANLGH MEDICAL CENTER'S FINANCIAL STATEMENTS WERE AUDITED AS PART OF A CONSOLIDATED FINANCIAL STATEMENT FOR BRYANLGH HEALTH SYSTEM, THE ORGANIZATION'S SOLE MEMBER THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES OF BRYANLGH HEALTH SYSTEM IS RESPONSIBLE FOR OVERSEEING THE AUDIT OF THE FINANCIAL STATEMENTS, AND THE SELECTION OF THE INDEPENDENT ACCOUNTING FIRM THAT PERFORMS THE AUDIT OTHER CHANGES IN NET ASSETS OR FUND BALANCES FORM 990, PART XI, QUESTION 5 DESCRIPTION AMOUNT UNREALIZED GAINS ON INVESTMENT, NET $ 2,719,044 PENSION LIABILITY ADJUSTMENT $ 6,833,124 CORPORATE COST ALLOCATION TRANSFERS $ 21,652,906 CHANGE IN TEMP RESTRICTED INTEREST-BRYANLGH FOUNDATION $ 1,592,203 OTHER CHANGES IN TEMP RESTRICTED NET ASSETS, NET $ 9,518 CHANGE IN PERM RESTRICTED INTEREST-BRYANLGH FOUNDATION $ 182,125 TRANSFER (TO) FROM RELATED ENTITY $(47,985,386) DEBT FINANCED RESIDENTIAL RENTAL PROPERTY $ 23,892 RENT FROM RELATED ENTITY $ 16,944 DEFERRED TAX BENEFIT $ (65,005) MEDICAL STAFF SERVICES NET ASSETS $ 13,927 ROUNDING $ (9) ---------- TOTAL $(15,006,717)

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN WOODRICH TITLE CHIEF OPERATING OFFICER HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KIMBERLY RUSSEL TITLE PRESIDENT & CEO HOURS 36

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CAROLYN CODY, M D TITLE TRUSTEE HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RUSSELL GRONEWOLD TITLE VP-FIN & CFO, EFF 1/19/10 HOURS 32

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KATHLEEN CAMPBELL TITLE VP-PATIENT CARE SERVICES, CNO HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SHIRLEY TRAVIS TITLE VP-CLINICAL SERVICES HOURS 24

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BryanLGH Medical Center

Employer identification number
47-0376552

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) BRYANLGH HEALTH SYSTEM 1600 SOUTH 48TH STREET LINCOLN, NE 68506 36-3414823	HEALTHCARE	NE	501(c)(3)	11C	NA		
(2) CRETE AREA MEDICAL CENTER 2910 BETTEN DRIVE CRETE, NE 68333 47-0841285	HEALTHCARE	NE	501(c)(3)	3	NA		
(3) BRYANLGH FOUNDATION 1600 SOUTH 48TH STREET LINCOLN, NE 68506 23-7005720	CHARITABLE	NE	501(c)(3)	7	NA		
(4) BRYANLGH PHYSICIAN NETWORK INC 1600 SOUTH 48TH STREET LINCOLN, NE 68506 20-1357375	HEALTHCARE	NE	501(c)(3)	9	NA		

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) BRYANLGH ENTERPRISES INC 1600 SOUTH 48TH STREET LINCOLN, NE68506 47-0701037	MEDICAL SERVICES	NE	NA	C	0	0	0 %
(2) INTEGRATED CARDIOLOGY GROUP LLC 1600 SOUTH 48TH STREET LINCOLN, NE68506 47-0844961	CARDIOLOGY	NE	NA	C	0	0	0 %

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

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 47-0376552
Name: BryanLGH Medical Center

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	CRETE AREA MEDICAL CENTER	A	601,264	
(2)	BRYANLGH PHYSICIAN NETWORK INC	A	229,420	
(3)	BRYANLGH ENTERPRISES INC	A	84,956	
(4)	INTEGRATED CARDIOLOGY GROUP LLC	A	334,626	
(5)	BRYANLGH FOUNDATION	B	219,260	
(6)	BRYANLGH FOUNDATION	C	141,453	
(7)	CRETE AREA MEDICAL CENTER	D	13,115,000	
(8)	BRYANLGH ENTERPRISES INC	J	82,064	
(9)	CRETE AREA MEDICAL CENTER	K	215,819	
(10)	BRYANLGH PHYSICIAN NETWORK INC	L	670,959	
(11)	CRETE AREA MEDICAL CENTER	N	60,234	
(12)	CRETE AREA MEDICAL CENTER	P	238,020	
(13)	BRYANLGH PHYSICIAN NETWORK INC	P	91,296	
(14)	INTEGRATED CARDIOLOGY GROUP LLC	Q	1,912,096	
(15)	BRYANLGH ENTERPRISES INC	Q	706,293	
(16)	BRYANLGH FOUNDATION	Q	496,631	
(17)	INTEGRATED CARDIOLOGY GROUP LLC	R	51,242	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103003202

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2010

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
BryanLGH Medical Center		47-0376552

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	**1**	$ 500,000
2 Total cost of section 179 property placed in service (see instructions)	**2**	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	$ 2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	**5**	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost

7 Listed property Enter the amount from line 29	**7**		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	**8**		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	**9**		
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	**10**		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	**11**		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	**12**		
13 Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	**13**		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	
15 Property subject to section 168(f)(1) election	**15**	
16 Other depreciation (including ACRS)	**16**	360

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	**17**	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	**21**	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	**22**	360
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1						**29**		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

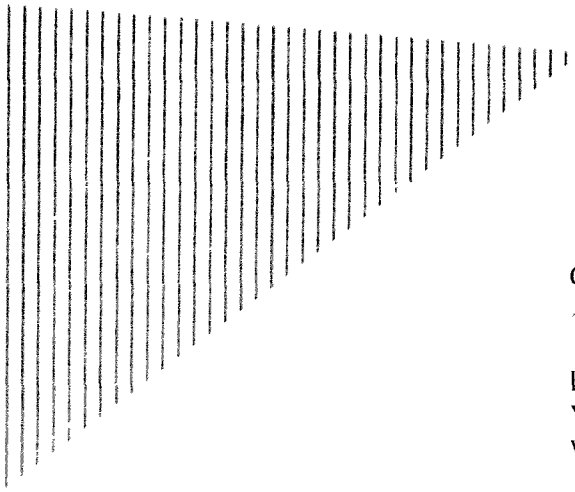
Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	



Consolidated Financial Statements and Other Financial Information

BryanLGH Health System, Inc. and Subsidiaries
Years Ended May 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Financial Statements
and Other Financial Information

Years Ended May 31, 2011 and 2010

Contents

Report of Independent Auditors

The Board of Trustees
BryanLGH Health System, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of BryanLGH Health System, Inc and Subsidiaries as of May 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of BryanLGH Health System, Inc 's management Our responsibility is to express an opinion on these financial statements based on our audits We did not audit the financial statements of BryanLGH Heart Institute, BryanLGH Foundation, and Crete Area Medical Center, wholly owned subsidiaries, which statements reflect total assets of 5% as of both May 31, 2011 and 2010, and total revenue of 7% for both of the years then ended, of the consolidated totals. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for BryanLGH Heart Institute, BryanLGH Foundation, and Crete Area Medical Center, is based solely on the reports of other auditors

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of BryanLGH Health System, Inc.'s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BryanLGH Health System, Inc 's internal control over financial reporting. Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BryanLGH Health System, Inc and Subsidiaries at May 31, 2011 and 2010, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended, in conformity with U S. generally accepted accounting principles

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating balance sheet, statement of operations, and statement of changes in net asset, BryanLGH Medical Center's statements of cash flows, and BryanLGH College of Health Sciences' statements of revenue and expenses included on pages 47 through 55 are presented for purposes of additional analysis and are not a required part of the 2011 basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2011 basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2011 basic consolidated financial statements taken as a whole

Ernst & Young LLP

September 15, 2011

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	May 31 2011	May 31 2010
Assets		
Current assets		
Cash and cash equivalents	$ 92,838	$ 70,771
Investments limited as to use	7,870	7,690
Patient accounts receivable, net of allowances for estimated uncollectible accounts of $13,891 in 2011 and $12,360 in 2010	52,117	50,702
Inventories	8,328	8,315
Other current assets	11,383	8,084
Total current assets	172,536	145,562
Long-term investments *(Note 5)*	57,170	48,150
Investments limited as to use *(Notes 5 and 7)*		
Board-designated	141,269	128,744
Held under bond indenture agreement by trustee	8,330	7,724
Revocable trusts for self-insurance and other	1,436	1,422
Student loan funds	753	1,194
	151,788	139,084
Less amount required to meet current obligations	7,870	7,690
	143,918	131,394
Property and equipment, net *(Note 6)*	377,134	386,047
Deferred financing costs, net	1,367	1,471
Other long-term assets	20,279	19,624
Total assets	$ 772,404	$ 732,248

	May 31 2011	May 31 2010
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt *(Note 7)*	$ 6,147	$ 5,995
Accounts payable	12,675	12,438
Accrued interest	2,045	2,129
Accrued salaries and wages	7,034	7,594
Accrued employee benefits	15,427	14,894
Estimated third-party payor settlements	3,902	1,519
Other current liabilities	10,041	10,061
Total current liabilities	57,271	54,630
Long-term debt, less current installments *(Note 7)*	168,795	175,167
Accrued liability for self-insured claims	725	725
Accrued pension benefit obligations *(Note 9)*	55,069	59,723
Other liabilities	17,953	17,734
Total liabilities	299,813	307,979
Commitments and contingencies *(Note 11)*		
Net assets		
Unrestricted	462,018	415,421
Temporarily restricted	5,593	4,048
Permanently restricted	4,980	4,800
Total net assets	472,591	424,269
Total liabilities and net assets	$ 772,404	$ 732,248

See accompanying notes.

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Statements of Operations

(In Thousands)

	Year Ended May 31	
	2011	**2010**
Unrestricted revenues, gains, and other support:		
Net patient service revenue	**$ 478,107**	$ 473,485
Other operating revenue	**27,429**	28,095
Total unrestricted revenues, gains, and other support	**505,536**	501,580
Expenses:		
Salaries	**192,300**	189,909
Employee benefits	**68,949**	66,982
Professional fees	**25,493**	23,598
Supplies	**83,115**	83,610
Bad debts	**17,819**	21,546
Interest	**3,733**	4,057
Depreciation and amortization	**37,376**	37,806
Other	**58,681**	57,668
Total expenses	**487,466**	485,176
Operating income	**18,070**	16,404
Nonoperating gains (losses):		
Investment income, net	**18,674**	4,498
Other-than-temporary investment impairment losses	**(394)**	(354)
Change in fair market value of interest rate swaps	**(352)**	(914)
Deferred tax benefit	**(28)**	32
Other, net	**(184)**	1,384
Total nonoperating gains, net	**17,716**	4,646
Excess of revenues over expenses	**35,786**	21,050
Unrealized gains on investments, net	**3,012**	6,030
Amortization of cumulative changes in fair market value of cash flow hedge swap	**–**	721
Pension liability adjustment	**7,303**	(14,215)
Contributions of real property	**46**	230
Net assets released from restrictions	**450**	–
Increase in unrestricted net assets	**$ 46,597**	$ 13,816

See accompanying notes

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets

(In Thousands)

	Year Ended May 31	
	2011	**2010**
Unrestricted net assets:		
Excess of revenues over expenses	**$ 35,786**	$ 21,050
Unrealized gains on investments, net	**3,012**	6,030
Amortization of cumulative changes in fair market value of cash flow hedge swap	**–**	721
Pension liability adjustment	**7,303**	(14,215)
Contributions of real property	**46**	230
Net assets released from restrictions	**450**	–
Increase in unrestricted net assets	**46,597**	13,816
Temporarily restricted net assets:		
Contributions	**1,444**	288
Investment income	**492**	485
Other-than-temporary investment impairment losses	**(58)**	(29)
Unrealized gains on investments, net	**360**	406
Net assets released from restrictions and other, net	**(693)**	(192)
Increase in temporarily restricted net assets	**1,545**	958
Permanently restricted net assets:		
Contributions	**177**	123
Other	**3**	11
Increase in permanently restricted net assets	**180**	134
Increase in net assets	**48,322**	14,908
Net assets at beginning of year	**424,269**	409,361
Net assets at end of year	**$ 472,591**	$ 424,269

See accompanying notes

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended May 31	
	2011	**2010**
Operating activities		
Increase in net assets	**$ 48,322**	$ 14,908
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized gains on investments, net	**(3,372)**	(6,436)
Other-than-temporary investment impairment losses	**452**	383
Pension liability adjustment	**(7,303)**	14,215
Change in fair market value of interest rate swaps	**352**	914
Contributions of real property	**(46)**	(230)
Deferred tax benefit	**28**	(32)
Depreciation and amortization	**37,376**	37,806
Amortization of cumulative changes in fair market value of cash flow hedge swap	**–**	(721)
Loss on disposal of property and equipment	**443**	327
Bad debts	**17,819**	21,546
(Increase) decrease in:		
Patient accounts receivable	**(19,232)**	(22,686)
Inventories	**(13)**	(29)
Other assets	**(3,301)**	178
Increase (decrease) in:		
Accounts payable	**237**	(2,621)
Accrued expenses and certain other liabilities	**2,385**	2,359
Estimated third-party payor settlements	**2,383**	(2,185)
Net cash provided by operating activities	**76,530**	57,696
Investing activities		
Decrease (increase) in investments and investments limited as to use, net	**(18,804)**	3,333
Additions to property and equipment	**(29,103)**	(29,289)
Proceeds from sale of property and equipment	**346**	151
Increase in investing portion of other assets	**(683)**	(978)
Net cash used in investing activities	**(48,244)**	(26,783)

BryanLGH Health System, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	Year Ended May 31	
	2011	**2010**
Financing activities		
Payment for defeasance of long-term debt	**$ –**	$ (9,500)
Principal payments on long-term debt	**(5,815)**	(8,580)
Other, net	**(404)**	(329)
Net cash used in financing activities	**(6,219)**	(18,409)
Net increase in cash and cash equivalents	**22,067**	12,504
Cash and cash equivalents at beginning of year	**70,771**	58,267
Cash and cash equivalents at end of year	**$ 92,838**	$ 70,771

See accompanying notes

BryanLGH Health System, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
(In Thousands)

May 31, 2011

1. Organization

BryanLGH Health System, Inc (the Health System) is the parent holding company of BryanLGH Medical Center, BryanLGH Enterprises, Inc., BryanLGH Foundation, Crete Area Medical Center, BryanLGH Physician Network, Inc., and Integrated Cardiology Group, d/b/a BryanLGH Heart Institute, herein collectively referred to as the "System." The Health System provides financial and management assistance to its members. The Health System is organized as a nonprofit corporation

BryanLGH Medical Center (the Medical Center) is a nonprofit, 639-licensed acute-care bed regional medical center, which includes two acute care campuses, the East Campus and the West Campus, both located in Lincoln, Nebraska. The Medical Center offers a comprehensive range of medical services to residents of Lancaster County and greater Nebraska, and is especially recognized as a leading referral hospital, providing a complete cardiac medical specialty program, including open-heart surgery on the East Campus, and a neurosciences institute, as well as trauma and mental health services, on the West Campus. Substantially all of the Medical Center's expenses relate to providing health care services The Medical Center is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

BryanLGH Enterprises, Inc. (Enterprises) is a taxable entity engaged in retail services, as well as operating a health and wellness facility under the trade name LifePointe

BryanLGH Foundation (the Foundation) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Foundation was organized to support and encourage health and human services through providing financial and fund-raising assistance principally to the Medical Center and BryanLGH College of Health Sciences The Foundation's Board of Trustees is elected by the Board of Trustees of the Health System

1. Organization (continued)

Crete Area Medical Center (CAMC) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code CAMC operates a 24-licensed-bed critical access hospital and two physician clinics, serving patients principally from Saline and Lancaster Counties.

BryanLGH Physician Network, Inc. (Physician Network) (formerly named Physicians Inc.) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code Physician Network provides a continuum of healthcare services to patients in Lincoln, Nebraska and the surrounding community through the employment of physicians providing primary and specialty care services to members of the community.

Integrated Cardiology, L.L.C., a limited liability company d/b/a BryanLGH Heart Institute (BHI), is a physician practice specializing in the provision of cardiac services to patients in and around the city of Lincoln, Nebraska, as well as cardiac services to the state of Nebraska BHI has elected to be taxed as a C corporation for federal income tax purposes.

BryanLGH Health Services, Inc. (Health Services) makes investments in healthcare-related programs and joint ventures. Health Services is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Health Services provides financial support to the Dialysis Center of Lincoln A determination to dissolve Health Services was made in July 2009 All assets and liabilities of Health Services were transferred to the Medical Center and Enterprises, and the company was completely dissolved on February 1, 2010

The consolidated financial statements include the accounts of the Health System and its wholly owned subsidiaries All significant intercompany balances and transactions have been eliminated in consolidation

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified with Board of Trustees-designated investments limited as to use and long-term investments, are considered cash equivalents The System routinely invests in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Financial instruments that potentially subject the System to concentrations of credit risk include the System's cash and cash equivalents The System places its cash and cash equivalents with institutions with high credit quality. However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and other insurers for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are rendered, and adjusted in future periods as additional information becomes available, and as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex, and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by approximately $2,300 and $3,300 for the years ended May 31, 2011 and 2010, respectively

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

A summary of patient service revenue is as follows:

	Year Ended May 31	
	2011	**2010**
Gross charges	**$ 1,077,275**	$ 1,024,391
Charity care	**(34,034)**	(21,117)
Deductions from charges	**(565,134)**	(529,789)
Net patient service revenue	**$ 478,107**	$ 473,485

The System receives payment for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers, and patients During 2011 and 2010, approximately 31% and 30%, respectively, of the System's net revenues related to patients participating in the Medicare program, 4% and 5%, respectively, from the Medicaid program, and 32% from a specific managed care payor.

The System recognizes that revenues and receivables from government agencies are significant to the System's operations, but does not believe that there are significant credit risks associated with these governmental agencies. At May 31, 2011 and 2010, the System has 26% and 22%, respectively, of net accounts receivable due from Medicare, and 33% and 29%, respectively, of net accounts receivable due from a specific managed care payor The System does not believe that there are any other significant concentrations of revenues from any particular payor that would subject the System to any significant credit risks in the collection of its accounts receivable. The System grants credit to its patients, most of whom are local or state residents, and are insured under third-party arrangements

Additions to the allowance for estimated uncollectible accounts are made by means of the provision for estimated uncollectible accounts (bad debts expense) Accounts written off as uncollectible are deducted from the allowance, and subsequent recoveries are added

2. Summary of Significant Accounting Policies (continued)

The amount of the allowance for estimated uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators Information used in management's assessment includes its review of historical collections and write-offs that represent a majority of the System's revenues and accounts receivable. Management evaluates the collectibility of accounts receivable by evaluating its payor composition and aging, and by utilizing its review of the results of historical collections and write-off experience, adjusted for changes in trends and conditions, to determine the allowance for the current reporting date. After satisfaction of amounts due from insurance, the System follows established guidelines for placing certain past due patient balances with collection agencies

Regulatory Compliance

As is the case with certain other hospitals and health systems, various federal and state agencies have initiated inquiries and investigations regarding reimbursement claims by the System, and certain other patient practices The ultimate resolution of these matters, including liabilities, if any, cannot be determined at this time. However, it is management's opinion that the results of these inquiries and investigations will not have a material adverse impact on the consolidated financial statements.

Charity Care

The System provides care to patients who are deemed unable to pay for services provided to them. These patients, who meet certain criteria under the System's charity care policies, are provided service without charge, or at amounts less than their established rates. Accordingly, such amounts are not reported as revenue in the accompanying consolidated financial statements

Inventories

Inventories, which consist primarily of drugs and supplies, are determined primarily by physical count, and are stated at the lesser of cost (first-in, first-out method) or market value

2. Summary of Significant Accounting Policies (continued)

Investments Limited as to Use and Other Long-Term Investments

Investments limited as to use include assets set aside by the Board of Trustees for, among other things, future capital improvements, retirement of debt, and for claims in excess of professional liability and health insurance, all over which the Board retains control and which it may, at its discretion, subsequently use for other purposes. Investments limited as to use also include investments held by trustees under indenture agreements and student loan funds. Amounts required to meet certain current liabilities of the System, including current installments of long-term debt and accrued interest to be paid from the trusteed assets, have been classified as current investments limited as to use in the consolidated balance sheets. Long-term investments are assets, excluding investments limited as to use, which the System does not intend to expend within the next 12 months, and that consist of equities, mutual funds, and alternative investments

Limited partnerships are stated at fair value as estimated in an unquoted market utilizing the equity method of accounting Fair values of the limited partnerships are determined by the investment managers or general partners. Changes in the fair value of investments in limited partnerships are recorded as investment income. Certain of the partnerships may hold some securities without readily determinable fair values, and consequently, the general partner may estimate the fair value for such securities. These estimates may differ from the values that would have been used had a ready market existed, and may also differ from the values at which such investments may be sold.

In order to evaluate the realizable value of its investments, the System's management evaluates the available facts and circumstances, including its investment intent and estimated 12-month target prices This evaluation requires significant judgment, including determinations involving the estimation of the outcome of future events, and also consists of an accumulation of factors about general market conditions, which reflect prospects for the economy as a whole, the specific industries, and/or the specific securities under consideration These factors are considered by management in determining whether the security still has earnings potential in the near future, and whether the security has an anticipated recovery in market value

2. Summary of Significant Accounting Policies (continued)

Management's position as to why an impairment is temporary, and no adjustment to the cost basis is deemed necessary, includes:

- The intent and ability to retain the investments for a period of time sufficient to allow for the anticipated recovery in market value
- The decline in fair value has not existed for an extended period of time to suggest other-than-routine market fluctuations.
- The individual stocks still have earnings potential in the near term sufficient to recover any decline in investment balance.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of gift Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Land improvements	20 years
Buildings and improvements	20 – 40 years
Equipment	3 – 15 years

Leasehold improvements are depreciated over the term of the corresponding lease, or the life of the asset, whichever is less

Donated property and equipment are recorded at fair value at the date of donation, and are then depreciated similar to purchased property and equipment.

Asset Impairment

The System considers whether indicators of impairment are present, and performs the necessary test to determine if the carrying value of an asset is appropriate. Impairment write-downs are recognized in operating income at the time the impairment is identified, except for alternative investment impairments, which are recognized in investment income

2. Summary of Significant Accounting Policies (continued)

Costs of Borrowings

Costs incurred in connection with the issuance of debt are amortized over the term of the bonds using the bonds outstanding method.

Tax-Exempt Status and Income Taxes

The Internal Revenue Service has established standards to be met to maintain tax-exempt status. In general, such standards require the Medical Center and CAMC to meet a community benefits standard, and comply with the laws and regulations governing the Medicare and Medicaid programs.

For those activities not deemed tax exempt, deferred taxes are provided on a liability method, whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Financial Instruments

Financial instruments consist of cash and cash equivalents, patient accounts receivable, investments limited as to use, long-term investments, interest rate swaps, current liabilities, and long-term debt obligations. Management's estimate of the fair value of investments limited as to use, long-term investments, interest rate swaps, and long-term debt is described in Notes 4 and 7, respectively

Derivative Financial Instruments

As part of its debt management programs, the System may enter into interest rate swaps The System recognizes all derivative instruments as either assets or liabilities in the balance sheets at fair value The System uses pricing models for various types of derivative instruments that take into account the present value of estimated future cash flows

2. Summary of Significant Accounting Policies (continued)

The System does not account for any of its interest rate swap agreements as hedges, and accordingly, the gains and losses resulting from changes in the fair values are reflected in the consolidated statements of operations as nonoperating gains (losses). Included in other expenses in the consolidated statements of operations are net settlement payments on interest rate swap agreements.

Functional Classification of Expenses

The Medical Center, BHI, Physician Network, and Enterprises provide general healthcare services to residents of Lancaster County and greater Nebraska, including acute inpatient, subacute inpatient, outpatient, ambulatory, mental health, and home care, as well as related general and administrative services. CAMC, as a critical access hospital, serves patients and residents principally from Saline and Lancaster Counties in Nebraska.

The System does not present expense information by functional classification because its resources and activities are primarily related to providing healthcare services. Furthermore, since the System receives substantially all of its resources from providing healthcare services in a manner similar to a business enterprise, other indicators contained in these financial statements are considered important in evaluating how well management has discharged its stewardship responsibilities.

Performance Indicator

The System's performance indicator (excess of revenues over expenses) includes all changes in unrestricted net assets other than unrealized gains and losses on investments, amortization of cumulative changes in fair value of cash flow hedge swap, contributions of real property, net assets released from restrictions, and pension liability adjustment.

Operating and Nonoperating Income (Expense)

Activities directly associated with the furtherance of the System's mission are considered operating activities. Other activities that result in gains or losses peripheral to the System's primary mission are considered to be nonoperating. Nonoperating activities include investment income (loss), other-than-temporary investment impairment losses, changes in fair market value of interest rate swaps, deferred tax benefit, and other.

2. Summary of Significant Accounting Policies (continued)

Pledges, Bequests, and Gifts for Specific Purposes

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received Gifts are recorded as an increase in restricted net assets if they are received with donor stipulations that limit the use of the assets. Upon expenditure in accordance with a donor's restrictions, net assets restricted for capital acquisitions are reported as direct additions to unrestricted net assets, and assets restricted for operating purposes are reported as an increase in other operating revenues. Donor-restricted contributions whose restrictions are met within the same year as received, and contributions received by donors without restrictions, are reflected as other operating revenue in the accompanying consolidated statements of operations.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use has been limited by donors to a specific time period, or for plant expansion purposes. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, and whose related income is to be primarily used for research, education, and nursing endowment scholarships

Use of Estimates

The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates and assumptions also affect the reported amounts of revenues and expenses during the year Actual results could differ from management's estimates

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Guidance Not Yet Adopted

In August 2010, the FASB issued ASU No 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosure* ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes, and that cost be identified as the direct and indirect costs of providing the charity care, and requires disclosure of the method used to identify or determine such costs. This ASU is effective for the System on June 1, 2011. The System is currently evaluating the impact on its disclosures from the adoption of this pronouncement.

In August 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*. The amendments in this ASU clarify that a healthcare entity may not net insurance recoveries against related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. This ASU is effective for the System on June 1, 2011 The System is currently evaluating the impact on its financial position and results of operations from the adoption of this pronouncement.

In July 2011, the FASB issued ASU No 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (a consensus of the FASB Emerging Issues Task Force) The amendments in this update require certain healthcare entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those healthcare entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts), as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The amendments in this ASU are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted. The System is currently evaluating the impact on its financial position and results of operations from the adoption of this pronouncement

3. Charity Care

In accordance with its mission objectives, the System provides free care to patients who lack financial resources. This voluntary free care, measured by the difference between standard charges for services rendered and the amount, if any, ultimately received, was $34,034 and $21,117 in 2011 and 2010, respectively. The term "charity care" is used to define different types of patient write-offs. It identifies those individuals deemed to be financially indigent. It also identifies those individuals who have incurred charges to the extent that payment of the billed charges would be financially catastrophic to the patient. In catastrophic cases, the System may write off a portion or the entire amount due. Charity care does not include the unrecovered costs associated with providing services to Medicare or Medicaid patients, or other services provided to the community.

4. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement), and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the System's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income, equity instruments, and interest rate swap agreements. The three levels of the fair value hierarchy, and descriptions of the valuation methodologies used for instruments measured at fair value, are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date

Level 2 Pricing inputs other than quoted prices included in Level 1, which are either directly observable, or that can be derived or supported from observable data as of the reporting date

(In Thousands)

4. Fair Value Measurements (continued)

Level 3 - Pricing inputs include those that are significant to the fair value of the financial asset or financial liability, and are not observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The System does not have any financial assets or financial liabilities with significant Level 3 inputs.

There were no significant transfers into or out of Level 1 or Level 2 that occurred between June 1, 2010 and May 31, 2011

The fair value of financial assets and financial liabilities, measured at fair value on a recurring basis, was determined using the following inputs at May 31, 2011:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and temporary cash investments	$ 53,646	$ –	$ –	$ 53,646
Certificates of deposit	–	15,719	–	15,719
Equity securities				
Mutual funds – equity securities	24,589	–	–	24,589
Mutual funds – equity securities international	17,966	–	–	17,966
Mutual funds – fixed income	33,192	–	–	33,192
Mutual funds – fixed income international	5,666	–	–	5,666
Common stock	10,043	–	–	10,043
Common stock – international	2,101	–	–	2,101
Fixed income securities				
Government-sponsored enterprise securities	–	14,014	–	14,014
Corporate bonds	–	2,966	–	2,966
Other	95	–		95
Investments	147,298	32,699	–	179,997
Beneficial interest in charitable remainder trust	–	762	–	762
Total assets	$ 147,298	$ 33,461	$ –	$ 180,759
Liabilities				
Interest rate swaps	$ –	$ 12,465	$ –	$ 12,465

(In Thousands)

4. Fair Value Measurements (continued)

The fair value of financial assets and financial liabilities, measured at fair value on a recurring basis, was determined using the following inputs at May 31, 2010:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and temporary cash investments	$ 50,464	$ -	$ --	$ 50,464
Certificates of deposit	-	16,615	-	16,615
Equity securities				
Mutual funds - equity securities	25,773	-	-	25,773
Mutual funds - fixed income securities	40,800	-	-	40,800
Common stock	15,603	-	-	15,603
Fixed income securities				
Government agency issues		3,930		3,930
Corporate bonds	-	1,776	-	1,776
Other	73	-		73
Investments	132,713	22,321		155,034
Beneficial interest in charitable remainder trust	--	670	-	670
Total assets	$ 132,713	$ 22,991	$	$ 155,704
Liabilities				
Interest rate swaps	$	$ 12,113	$ -	$ 12,113

Fair value for Level 1 is based upon quoted market prices. The fair values of certificates of deposit, government agency issues, and corporate bonds included in Level 2 are determined using quoted market prices from observable pricing sources at the reporting date. The fair values of the beneficial interest in charitable trusts included in Level 2 are determined based on the fair value of the investments held in the trusts, net of the discounted estimated annuity liability based on life expectancy tables and discount rates appropriate with the risk involved. The fair values of the interest rate swap contracts included in Level 2 are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The valuations reflect a credit spread adjustment to the LIBOR discount curve in order to reflect the credit value adjustment for nonperformance risk. The credit spread adjustment is derived from other comparable-rated entities priced in the bond market.

4. Fair Value Measurements (continued)

In addition, certain of the System's investments are made through alternative investments and private investment funds, primarily partnership investment trusts (investment trusts). These investment trusts provide the System with a proportionate share of the investment gains and losses, and take their positions in part through derivative contracts. The System accounts for its ownership in the investment trusts under the equity method. As a result, investments totaling $28,961 and $32,200 at May 31, 2011 and 2010, respectively, are excluded from the fair value disclosures.

Beneficial interest in charitable remainder trust and the liability related to interest rate swaps are included in other long-term assets and other liabilities in the consolidated balance sheets, respectively.

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, patient accounts receivable, and current liabilities approximate fair value due to the short-term nature of these financial instruments.

The fair value of the System's fixed rate 2008A and 2006 Bonds is estimated using discounted cash flow analysis, based on the quoted market prices for similar types of borrowing arrangements, and approximates $82,800 and $86,200 at May 31, 2011 and 2010, respectively. The fair value of the 2008B and 2008C Bonds approximately equals the carrying amount of $93,200 and $94,400 as of May 31, 2011 and 2010, respectively, and excludes the impact of third-party credit enhancements.

Due to the volatility of the stock market, there is a reasonable possibility of changes in fair value and additional gains and losses in the near term subsequent to May 31, 2011.

(In Thousands)

5. Investments Limited as to Use and Long-Term Investments

Investments limited as to use and long-term investments as of May 31 are as follows:

	2011	2010
Investments:		
Cash and temporary cash investments	$ **53,646**	$ 50,464
Certificates of deposit	**15,719**	16,615
Government-sponsored enterprise securities	**14,014**	3,930
Fixed income mutual funds	**38,857**	40,800
Marketable equity securities	**54,700**	41,376
Corporate bonds	**2,966**	1,776
Limited partnerships:		
Real estate	**7,450**	6,318
Hedge fund of funds	**14,226**	13,205
Other	**7,285**	12,677
Accrued investment income	**95**	73
Total investments	$ **208,958**	$ 187,234

The System's investments are exposed to various kinds and levels of risk. Equity securities expose the System to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a particular company's operating performance. Liquidity risk is affected by the willingness of market participants to buy and sell.

At May 31, 2011, the System held investments in two limited partnership interests through a hedge fund of funds and a real estate fund investment, and two limited partnership interests in private mutual funds. Through these investments, the System is involved indirectly in investment activities such as securities lending, short sales of securities, options, warrants, trading in futures and forward contracts, swap contracts, forward foreign currency contracts, and various domestic and international derivative products. Derivatives are tools used to maintain asset mix or adjust portfolio risk exposure.

5. Investments Limited as to Use and Long-Term Investments (continued)

While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment. These interests have varying degrees of liquidity. The hedge fund of funds investment requires a minimum of 70 days' notice prior to the end of any calendar quarter in order to divest, is subject to redemption provisions of the portfolio funds, and, if a divesture is requested, the proceeds to be received from the sale reflect market value as of the actual sale date. The real estate fund shares can be redeemed at any time, subject to a general partner's right to determine the extent to which liquid assets are available.

The gross unrealized gains and losses from investments at May 31, 2011 were $12,385 and $37, respectively, and at May 31, 2010, were $8,980 and $4, respectively

Unrealized gains and temporary losses on investments that are not limited partnerships or other-than-temporary impairments are excluded from the excess of revenues over expenses since they are not trading investments.

The System evaluates its holdings for other-than-temporary declines in fair value below the cost basis If an investment is determined to have an other-than-temporary decline in fair value, the unrealized losses for the investment are realized in investment income. The System has recorded other-than-temporary losses to investment income in the consolidated statements of operations of $452 and $383 for the years ended May 31, 2011 and 2010, respectively

(In Thousands)

5. Investments Limited as to Use and Long-Term Investments (continued)

Investment return for the years ended May 31

	2011	2010
Interest and dividends	$ 6,201	$ 4,617
Net realized gains	14,006	1,389
Other-than-temporary impairment losses	(452)	(383)
Net unrealized gains	3,372	6,436
Total investment return	$ 23,127	$ 12,059
Included in other operating revenue	$ 1,041	$ 1,023
Included in nonoperating gains, net	18,280	4,144
Reported separately as an increase in unrestricted net assets	3,012	6,030
Reported separately as an increase in temporarily restricted net assets	794	862
Total investment return	$ 23,127	$ 12,059

Interest and dividend income on the revocable trust for self-insurance is included in other operating revenue with income earned on tax-exempt borrowings to the extent that the income earned is not capitalized. All other interest and dividend income and realized gains and losses are included in other investment income The cost of substantially all securities sold is based on the specific identification method.

(In Thousands)

6. Property and Equipment

The following is a summary of property and equipment as of May 31.

	2011	2010
Land	$ 11,588	$ 11,588
Land improvements	4,493	4,462
Buildings and improvements	426,076	416,523
Leasehold improvements	535	535
Equipment	245,617	242,016
	688,309	675,124
Accumulated depreciation	(320,913)	(297,870)
	367,396	377,254
Construction in progress	9,738	8,793
	$ 377,134	$ 386,047

(In Thousands)

7. Long-Term Debt

The following reflects the Health System's long-term debt at May 31:

	2011	2010
Series 2008A Revenue Bonds:		
Serial, 3.0% – 5.0% per annum, due June 1, 2011 to 2018	**$ 26,840**	$ 29,760
Series 2008 B-1 Revenue Bonds:		
Variable rate demand securities, daily interest rate period (0.13% per annum at May 31, 2011), due June 1, 2011 to 2031	**40,055**	40,595
Series 2008 B-2 Revenue Bonds:		
Variable rate demand securities, weekly interest rate period (0.18% per annum at May 31, 2011), due June 1, 2011 to 2031	**40,065**	40,620
Series 2008 C Revenue Bonds:		
Variable rate demand securities, weekly interest rate period (0.18% per annum at May 31, 2011), due June 1, 2011 to 2031	**13,115**	13,225
Series 2006 Revenue Bonds:		
Serial, 4.0% – 5.0% per annum, due June 1, 2011 to 2022	**53,140**	54,830
	173,215	179,030
Capital leases for medical equipment	**117**	363
	173,332	179,393
Unamortized original issue premium, 2008A and 2006 bonds	**1,610**	1,769
Current portion	**(6,147)**	(5,995)
	$ 168,795	$ 175,167

7. Long-Term Debt (continued)

On May 27, 2008, Hospital Authority No 1 of Lancaster County, Nebraska, issued $114,860 of Hospital Revenue Refunding Bonds, Series 2008A (the 2008A Bonds), 2008 B-1, and 2008 B-2 (the 2008B Bonds), and Hospital Authority No 1 of Saline County, Nebraska, issued $13,480 of Hospital Revenue Refunding Bonds, Series 2008 C (the 2008C Bonds). Proceeds from the sale of the 2008A Bonds were used to refinance the Series 2002 variable rate obligations with par amounts totaling $31,890, with maturity dates through June 2018, and issuance costs of the 2008A Bonds. Proceeds from the sale of the 2008B and 2008C Bonds were used to refinance the Series 2007A and 2007B auction rate securities with par amounts totaling $94,550, with maturity dates through June 2031, and issuance costs of the 2008B and 2008C Bonds. The proceeds of the 2008C Bonds were loaned to CAMC in a manner coterminous to the underlying bond obligations.

The Medical Center entered into a Letter of Credit agreement (the LOC) with a bank in conjunction with the 2008B and 2008C Bonds to enhance the marketability of the bonds. Under the terms of the LOC, if bonds are not successfully remarketed, and thereby purchased by the bank, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and the System would pay a defined rate, based upon a formula within the agreement. The current LOC expires May 27, 2014. The Medical Center pays a LOC commitment fee rate of 0.75% per annum, based on the Medical Center's credit rating, with a maximum rate of 1.15% per annum At May 31, 2011 and 2010, all bonds had been successfully remarketed

On December 13, 2006, Hospital Authority No 1 of Lancaster County, Nebraska, issued $59,465 of Hospital Revenue Refunding Bonds, Series 2006 (the 2006 Bonds) Proceeds from the sale of the 2006 Bonds were used to refinance the Series 1997A and 1997B fixed rate obligations with par amounts totaling $59,165, interest rates ranging from 5 100% to 5 375% per annum with maturity dates through June 2022, and issuance costs of the 2006 Bonds

The Series 1996 Bonds were called in December 2009, in the amount of $9,500, and have been fully defeased

(In Thousands)

7. Long-Term Debt (continued)

Scheduled principal repayments on long-term debt for each of the next five fiscal years and thereafter are as follows

2012	$ 6,147
2013	6,271
2014	10,119
2015	10,515
2016	10,855
Thereafter	129,425
	$ 173,332

The obligations of the Medical Center for the 2008 Bonds and 2006 Bonds are general obligations secured by a pledge of the revenues of the Medical Center, but are not otherwise secured by any security interest in or mortgage on assets of the Medical Center or the System

The bond indenture assets held in the debt service reserve fund are to be used solely for the payment of principal and interest on the 2008 Bonds and 2006 Bonds. These funds (approximately $8,330 at May 31, 2011) consist of cash balances designated to fund the semiannual interest and annual principal payments on the outstanding bonds.

The financing documents contain certain restrictive covenants relating to debt service coverage, maintenance of minimum funding in certain bond indenture funds, and use and maintenance of Medical Center facilities

The amount of interest paid to the bondholders by the trustee was $3,895 and $4,712 in 2011 and 2010, respectively

8. Interest Rate Swaps

The Medical Center has interest rate-related derivative instruments to manage its exposure on its variable rate debt instruments, and does not enter into derivative instruments for any purpose other than risk management purposes Interest rate swap contracts between the Medical Center and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate, and expose the Medical Center to market risk and credit risk

(In Thousands)

8. Interest Rate Swaps (continued)

Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for the Medical Center's counterparties. The Medical Center does not anticipate nonperformance by its counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken. Management also mitigates risk through periodic reviews of their derivative positions in the context of their blended cost of capital.

The following is a summary of the outstanding positions under these interest rate swap agreements at May 31:

Bond Series	Maturity Date	Annual Rate Paid	Annual Rate Received	2011 Notional Amount	2010 Notional Amount
2008	June 1, 2031	3.681% – 3.686%	68% of LIBOR	**$ 93,235**	$ 94,440

The fair value of derivative instruments at May 31

	Balance Sheet Location	2011	2010
Derivates not designated as hedging instruments			
Interest rate contracts	Other liabilities	**$ 12,465**	$ 12,133

(In Thousands)

8. Interest Rate Swaps (continued)

Derivatives Not Designated as Hedging Instruments	Location of Loss on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Loss on Derivatives Recognized in Excess of Revenues Over Expenses	
		2011	2010
Interest rate contracts	Change in fair market value of interest rate swaps	$ (352)	$ (914)
	Other expense	$ (3,264)	$ (3,309)

In October 2009, in conjunction with the early extinguishment of the 1996 Bonds, the Medical Center paid $934 to terminate the 1996 swaps. At the date of termination, the remaining accumulated loss in unrestricted net assets of $721 was reclassified to other income.

9. Pension Plans

The Health System has a noncontributory, defined-benefit pension plan (the Plan) On January 1, 2007, the Plan was closed to new entrants, and benefits were frozen for participants under age 40 as of December 31, 2006. All participants continue to earn additional vesting credited service while they remain employed. The Plan is administered by the Health System, and covers all employees who were 21 years of age and worked at least 1,000 hours during one year of service, prior to December 31, 2006. Plan benefits are based on each participant's indexed career average compensation, providing benefits of 1.2% of covered compensation plus 0.5% of compensation in excess of the social security maximum indexed by an annual cost of living factor, all subject to the Plan's changes The Health System's funding policy is to contribute annually normal cost plus an amount equal to amortization of prior service liability over ten years

(In Thousands)

9. Pension Plans (continued)

The following table sets forth the Plan's funded status, as recognized on the Health System's consolidated balance sheets as of May 31

	2011	2010
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$ 179,844	$ 146,652
Service cost	6,111	5,094
Interest cost	10,379	10,164
Actuarial losses	13,024	21,413
Benefits paid	(3,745)	(3,479)
Projected benefit obligation at end of year	205,613	179,844
Change in plan assets:		
Fair value of plan assets at beginning of year	120,121	103,932
Actual return on plan assets	26,168	12,668
Employer contributions	8,000	7,000
Benefits paid	(3,745)	(3,479)
Fair value of plan assets at end of year	150,544	120,121
Reconciliation of funded status:		
Underfunded status	$ (55,069)	$ (59,723)
Accumulated benefit obligation at end of year	$ 185,869	$ 163,407
Fair value of plan assets at end of year	150,544	120,121
Funded status (based on accumulated benefit obligation)	$ (35,325)	$ (43,286)

	Year Ended May 31	
Items not yet recognized as a component of net periodic pension cost		
Net actuarial loss	$ 46,548	$ 54,489
Prior service benefit	(4,919)	(5,559)
Total plan	$ 41,629	$ 48,930

(In Thousands)

9. Pension Plans (continued)

Changes in plan assets and benefit obligation recognized in unrestricted net assets include

	Year Ended May 31, 2011
Unrecognized actuarial gain	$ (4,018)
Amortization of net loss	(3,925)
Amortization of prior service cost	640
Total plan	$ (7,303)

Prior service credit and actuarial losses included in unrestricted net assets, and expected to be recognized in net periodic benefit cost during the year ending May 31, 2012, are $640 and $(3,057), respectively.

The weighted-average annual rate assumptions used to determine the projected benefit obligation as of May 31 are as follows:

	2011	2010
Discount rates	**5.41%**	5.83%
Rates of salary increase	**3.00**	3.00

The impact of the decrease in annual discount rate from May 31, 2010 to May 31, 2011, on the projected benefit obligation of the Plan was an increase of approximately $13,000 at May 31, 2011, which was reflected as an actuarial loss

Weighted-average assumptions used to determine net periodic benefit costs are as follows.

	Year Ended May 31	
	2011	2010
Discount rates	**5.83%**	7.00%
Expected long-term return on plan assets	**7.50**	7.50
Rates of salary increase	**3.00**	4.00

(In Thousands)

9. Pension Plans (continued)

The Plan's weighted-average asset allocations, by asset category, as of May 31, are as follows

	Target Asset Allocation	Plan Assets 2011	Plan Assets 2010
Equity securities	44 0%	**57.0%**	61 6%
Fixed income investments	41.0	**32.8**	22.6
Limited partnerships.			
Real estate	0.0	**0.0**	6.5
Hedge fund of funds	10.0	**7.4**	8.6
Other	5.0	**0.0**	0.0
Cash and cash equivalents	0.0	**2.8**	0.7
Total	100.0%	**100.0%**	100 0%

The Plan's investments in real estate and hedge fund of funds limited partnerships are identical to those investments described in Note 5.

The System employs a total return investment approach whereby a mix of marketable equity securities, fixed income investments (government and agency securities and corporate bonds), and limited partnerships are used to optimize the long-term return of plan assets for a prudent level of risk. The System's goal is to maintain parity between the duration of assets and liabilities to meet the anticipated growth of liabilities, and, thus, risk tolerance is established through careful consideration of the Plan's liabilities and funded status The Plan's investment portfolio contains a diversified blend of marketable equity securities, fixed income investments, limited partnerships (including real estate and an investment in a hedge fund of funds), and cash and cash equivalents. The equity investments are further distributed across growth and value styles and large and small capitalizations

(In Thousands)

9. Pension Plans (continued)

The fair value of pension plan assets was determined using the following inputs at May 31, 2011:

	Level 1	Level 2	Level 3	Fair Value
Cash and temporary cash investments	$ 4,249	$ –	$ –	$ 4,249
Equity securities				
Mutual funds – equity securities	17,835	–	–	17,835
Mutual funds – international	24,287	9,653	–	33,940
Mutual funds – real estate	7,956	–	–	7,956
Mutual funds – commodity futures	5,816	–	–	5,816
Common stock	8,796	–	–	8,796
Common stock – international	1,602	–	–	1,602
Common/collective trusts	–	9,975	–	9,975
Fixed income:				
Mutual funds – fixed income securities	28,751	–	–	28,751
Mutual funds – fixed income international	7,797	–	–	7,797
Corporate bonds	–	984	–	984
Government-sponsored enterprise securities	–	11,671	–	11,671
Limited partnerships:				
Hedge fund of funds	–	–	11,172	11,172
	$ 107,089	$ 32,283	$ 11,172	$ 150,544

(In Thousands)

9. Pension Plans (continued)

The fair value of pension plan assets was determined using the following inputs at May 31, 2010.

	Level 1	Level 2	Level 3	Fair Value
Cash and temporary cash investments	$ 821	$ –	$ –	$ 821
Equity securities:				
Mutual funds – equity securities	17,072	–	–	17,072
Mutual funds – international	–	24,443	–	24,443
Common stock	14,154	–	–	14,154
Common stock – international	1,096	–	–	1,096
Common/collective trusts	–	17,190	–	17,190
Fixed income:				
Mutual funds – fixed income securities	27,194	–	–	27,194
Limited partnerships:				
Hedge fund of funds	–	–	10,370	10,370
Real estate	–	–	7,781	7,781
	$ 60,337	$ 41,633	$ 18,151	$ 120,121

Fair value methodologies for Level 1 investments are consistent with the inputs described in Note 4. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market, or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Level 3, which consists of alternative investments (principally limited partnership interests in hedge fund of funds and real estate), represents the Plan's ownership interest in the net asset value (NAV) of the respective partnership.

(In Thousands)

9. Pension Plans (continued)

Information about the expected cash flows for the Plan follows for each of the respective System's fiscal years.

The System expects to make an employer pension contribution of $6,556 during fiscal year 2012.

Expected benefit payments

2012	$ 4,398
2013	5,034
2014	5,858
2015	6,727
2016	7,623
2017 – 2021	51,828

The net periodic cost included the following components as of May 31:

	2011	2010
Service cost	**$ 6,111**	$ 5,094
Interest cost	**10,379**	10,164
Expected return on plan assets	**(9,126)**	(7,686)
Amortization on prior service cost	**(640)**	(637)
Amortization of net actuarial loss	**3,925**	2,853
Net periodic benefit cost of the plan	**$ 10,649**	$ 9,788

The Health System has a contributory defined-contribution retirement plan (the Savings Plan). The Savings Plan is administered by the Health System, and covers all employees of the System, excluding BHI, who were 21 years of age and have worked at least 1,000 hours during one year of service. The Savings Plan is subject to the provision of the Employee Retirement Income Security Act of 1974. Contributions to the Savings Plan, made individually by each subsidiary, are included in the consolidated statements of operations as employee benefits, and for the years ended May 31, 2011 and 2010, amounted to $6,491 and $5,904, respectively.

(In Thousands)

9. Pension Plans (continued)

ASC Subtopic 820-10 allows for the use of a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. Management opted to use the NAV per share, or its equivalent Valuations provided by the respective investment's management consider variables such as the financial performance of underlying investments, recent sales prices of underlying investment, and other pertinent information In addition, actual market exchanges at period end provide additional observable market inputs of the exit price.

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy

	Hedge Fund of Funds	Real Estate
Fair value at June 1, 2009	$ 10,452	$ 10,493
Purchases, issuances, and settlements, net	(1,195)	(889)
Actual return on plan assets	1,113	(1,823)
Fair value at May 31, 2010	10,370	7,781
Fair value at June 1, 2010	10,370	7,781
Purchases, issuances, and settlements, net	–	(8,873)
Actual return on plan assets	802	1,092
Fair value at May 31, 2011	**$ 11,172**	**$ –**

The System determines the expected long-term rate of return for plan assets in consultation with its external investment advisor

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets Peer data and historical returns are reviewed by management to challenge for appropriateness

9. Pension Plans (continued)

BHI has a defined-contribution pension plan for its employees. The BryanLGH Heart Institute Retirement Savings Plan (the BHI Plan) covers all BHI employees who were over 21 years of age and have worked at least 1,000 hours during one year of service. The BHI Plan is subject to certain limits in accordance with Code Section 401(k) Contributions to the BHI Plan are included in the consolidated statements of operations as employee benefits, and amounted to $386 and $365 for the years ended May 31, 2011 and 2010, respectively.

10. Medical Malpractice

On July 20, 1996, the East Campus qualified under the Nebraska Hospital Medical Liability Act (the Act), and provisions of its Excess Fund. Effective November 1, 1997, the West Campus joined the East Campus's coverage under the Act. CAMC, Physician Network, and BHI also retain coverage under the Act. To qualify under the Act, the Medical Center, CAMC, and Physician Network are required by statute to commercially insure at minimum limits of $500 per occurrence and $3,000 in aggregate. The Excess Fund pays for eligible losses in excess of the required commercial limits specified in the Act up to the tort limitations as defined by the Act. The Act limits the per claim liability of a qualifying hospital to between $1,000 and $1,750, depending on the date an incident occurred. The Medical Center, CAMC, and Physician Network are commercially insured on a claims-made basis up to $1,000 per covered occurrence and $3,000 in aggregate. BHI carries a professional liability policy (including malpractice), which provides $2,000 of coverage for injuries per occurrence and $4,000 aggregate coverage. The statute limits covered claims above $1,750. These policies provide coverage on a claims-made basis covering only those claims that have occurred, and are reported to the insurance company while the coverage is in force.

Since June 1, 2002, the Medical Center's commercial policy includes a self-insured retention of $100 for each claim with an annual aggregate of $500 on a claims-made basis Amounts funded, based on the estimated liability for both reported and unreported self-insured claims, have been placed in a revocable self-insurance trust fund administered by a trustee The Medical Center and CAMC also carry an excess professional liability insurance policy through a commercial carrier on a claims-made basis. In fiscal 1997, the East Campus purchased tail coverage associated with incurred but not reported claims occurring prior to July 20, 1996

The System could have additional exposure on possible incidents that have occurred for which claims will be made in the future, if professional liability insurance is not obtained, coverage is limited and/or not available, the Excess Fund becomes insolvent, or the Act changes.

(In Thousands)

10. Medical Malpractice (continued)

In the event BHI and CAMC should elect not to purchase insurance from the present carrier, or the carrier should elect not to renew the policy, any unreported claims that occurred during the policy year may not be recoverable from the carrier.

11. Commitments and Contingencies

The Medical Center and Jefferson Community Health Center are the sole members of a Nebraska nonprofit corporation that has constructed an assisted-living facility in Fairbury, Nebraska This nonprofit corporation owns and operates the Cedarwood Assisted Living facility, which was incorporated in March 2001. The Medical Center has entered into a Bond Guarantee Agreement to guarantee the payment of one-half of the debt service on $4,805 worth of bonds issued by Hospital Authority No. 1 of Jefferson County, Nebraska As of May 31, 2011, $3,065 remains outstanding.

The System has operating leases for occupancy of space and computer, medical, communications, and other equipment Rental expense associated with the operating leases was $1,969 and $1,919 for the years ended May 31, 2011 and 2010, respectively.

Future minimum lease payments on noncancelable operating leases in effect on May 31, 2011, for each of the five subsequent years, are as follows.

2012	$ 928
2013	153
2014	-
2015	-
2016	-
	$ 1,081

Certain of the System's organizations are involved in litigation arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the System's consolidated financial position

11. Commitments and Contingencies (continued)

During April 2011, the Medical Center received a letter from the U.S. Department of Justice (DOJ) indicating that an investigation was being conducted to determine whether the Medical Center improperly submitted claims for the implantation of implantable cardioverter defibrillators ("ICDs"). The DOJ's investigation covers the period commencing with Medicare's expansion of coverage for ICDs in 2003 to 2010. The letter from the DOJ further indicates that the claims for certain patients submitted by the Medical Center for ICDs and related services need to be reviewed to determine if Medicare coverage and payment were appropriate. During 2010 and 2011 the DOJ sent similar letters and other requests to a large number of unrelated hospitals and hospital operators across the country as part of a nation-wide review of ICD billing under the Medicare program. The Medical Center has fully cooperated with the DOJ in its ongoing investigation, which could potentially give rise to claims against the Medical Center under the False Claims Act or other statutes, regulations or laws. Additionally, as part of its ongoing compliance efforts and prior to receiving any communication from the DOJ, the Medical Center had reviewed medical records related to ICDs and continues to monitor similar cases for compliance with Medicare coverage rules. To date, the DOJ has not asserted any monetary or other claims against the Medical Center; however, this matter is in its early stages and the Medical Center is unable to determine the potential impact, if any, that will result from the final resolution of the investigation.

12. Guarantees

The System records contract-based intangible assets and related guarantee liabilities for nonemployed physician minimum revenue guarantees entered into on or after January 1, 2006, and amortizes the contract-based intangible assets to physician expense on a straight-line basis over the contract period, which currently is three years. For nonemployed physician minimum revenue guarantees issued before January 1, 2006, the System expenses the payments as they are paid to the physicians.

At May 31, 2011, the maximum potential amount of future payments under these guarantees was $9,268. At May 31, 2011 and 2010, the System recorded a liability for contract-based physician minimum revenue guarantees of $2,631 and $2,549, respectively, in other current liabilities, and $4,609 and $4,466, respectively, in other liabilities in the consolidated balance sheets. As of May 31, 2011 and 2010, the System's corresponding net intangible asset balance was $7,240 and $7,015, respectively, included in other assets in the consolidated balance sheets.

(In Thousands)

13. Income Taxes

Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse

The components of the income tax benefit for the year ended May 31 are as follows:

	2011	2010
Deferred tax benefit	$ (28)	$ 32

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and income tax purposes Significant components of the System's net deferred income taxes as of May 31 are as follows:

	2011	2010
Deferred tax assets – noncurrent:		
Net operating loss carryforward	$ 8,851	$ 6,221
Allowance for uncollectible accounts	276	259
Vacation accrual	159	151
Other	24	21
Deferred tax assets – noncurrent	9,310	6,652
Valuation allowance	(7,562)	(4,891)
Deferred tax assets – noncurrent	1,748	1,761
Deferred tax liabilities - noncurrent		
Depreciation adjustment	(80)	(65)
Deferred tax assets – noncurrent, net	$ 1,668	$ 1,696

The System records a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of $7,562 and $4,891 at May 31, 2011 and 2010, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized

14. Endowments

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted on April 4, 2007 NUPMIFA sets out guidelines to be considered when managing and investing donor-restricted endowment funds.

The System's endowments consist of funds established to invest permanently restricted donations As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments and beneficial interest in trust assets, are classified and reported based on the existence or absence of donor-imposed restrictions

The Board of Trustees of the Foundation has interpreted NUPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by NUPMIFA.

In accordance with NUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the System and the donor-restricted endowment fund.
3. General economic conditions
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments

(In Thousands)

14. Endowments (continued)

6 Other resources of the System

7. The investment policies of the System.

Donor-restricted endowment funds of $4,899 and $4,722 at May 31, 2011 and 2010, respectively, were all permanently restricted Temporarily restricted donor-restricted endowment funds were $1,764 and $1,131 at May 31, 2011 and 2010, respectively Board-designated endowment funds were $827 and $1,030 at May 31, 2011 and 2010, respectively

The changes in endowment net assets for the years ended May 31, 2011 and 2010, are as follows:

2011	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at beginning of year	$ 1,030	$ 1,131	$ 4,722	$ 6,883
Investment return:				
Investment income	17	138	–	155
Net realized gain	35	278	–	313
Net unrealized gain	60	332	–	392
Total investment return	112	748	–	860
Appropriation of endowment assets for expenditure	(15)	(115)	–	(130)
Contributions	1	–	177	178
Funds undesignated by the Board	(301)	–	–	(301)
Net assets at end of year	$ 827	$ 1,764	$ 4,899	$ 7,490

(In Thousands)

14. Endowments (continued)

2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at beginning of year	$ 926	$ 433	$ 4,599	$ 5,958
Investment return:				
Investment income	25	144	–	169
Net realized gain	52	301	–	353
Net unrealized gain	69	396	–	465
Total investment return	146	841	–	987
Appropriation of endowment assets for expenditure	(43)	(143)	–	(186)
Contributions	1	–	123	124
Net assets at end of year	$ 1,030	$ 1,131	$ 4,722	$ 6,883

Return Objectives and Risk Parameters

The System has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while complying with all donor-imposed restrictions. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that maximizes total returns over long periods of time, primarily through capital appreciation Endowment assets are invested in a combination of the following, equities (40 70%), fixed income (30 – 60%), and cash reserves (0 – 20%).

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved primarily through the purchase of securities of high quality.

14. Endowments (continued)

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The System preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary Interest, dividend, and net appreciation of the donor-restricted endowment funds are deemed appropriated for expenditure when spent.

The spending policy on income earned on permanently restricted funds was established and approved in August 2003. The current policy sets the payout rate at 4% of the market value based on the average of the previous 12 quarters. The rate is reviewed each August and, if adjusted, is done so by the Foundation Board of Trustees upon recommendation of the Foundation Finance Committee. Earnings in excess of the payout rate are used to grow the fund over time and provide a hedge against inflation Unspent dollars remain available for use in future years. This spending policy does not apply if the donor otherwise defines or restricts the spendable income of a specific fund

15. Subsequent Events

The Health System evaluated events and transactions occurring subsequent to May 31, 2011, through September 15, 2011, the date the financial statements were issued During this period, there were no subsequent events that required recognition or disclosure in the consolidated financial statements.

Other Financial Information

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Balance Sheet

(In Thousands)

May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 3,437	$ 236	$ 3,432	$ (25)	$ 328	$ 2,701	$ 82,729	$ –	$ 92,838
Investments limited as to use	–	–	–	–	–	203	7,870	(203)	7,870
Patient accounts receivable, net	–	–	–	834	1,572	2,087	47,624	–	52,117
Inventories	–	–	193	–	1	198	7,936	–	8,328
Other current assets	3,594	357	93	188	2,121	228	8,812	(4,010)	11,383
Total current assets	7,031	593	3,718	997	4,022	5,417	154,971	(4,213)	172,536
Long-term investments	–	9,725	479	–	–	–	46,966	–	57,170
Investments limited as to use									
Board-designated	–	–	–	–	–	7,755	133,514	–	141,269
Held under bond indenture agreement by trustee	–	–	–	–	–	203	8,330	(203)	8,330
Revocable trusts for self-insurance and other	–	–	–	–	–	–	1,436	–	1,436
Student loan funds	–	–	–	–	–	–	753	–	753
	–	–	–	–	–	7,958	144,033	(203)	151,788
Less amount required to meet current obligations	–	–	–	–	–	(203)	(7,870)	203	(7,870)
	–	–	–	–	–	7,755	136,163	–	143,918
Investments in subsidiaries	459,611	–	–	–	–	–	–	(459,611)	–
Investment in net assets of BryanLGH Foundation	–	–	–	–	–	–	9,020	(9,020)	–
Property and equipment, net	4,501	–	14,113	647	342	13,229	344,302	–	377,134
Deferred financing costs, net	–	–	–	–	–	95	1,367	(95)	1,367
Long-term receivable – CAMC	–	–	–	–	–	–	14,784	(14,784)	–
Other long-term assets	194	1,138	1,324	–	–	79	17,544	–	20,279
Total assets	$ 471,337	$ 11,456	$ 19,634	$ 1,644	$ 4,364	$ 26,575	$ 725,117	$ (487,723)	$ 772,404

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Liabilities and net assets									
Current liabilities									
Current portion of long-term debt	$ –	$ –	$ –	$ –	$ –	$ 160	$ 6 147	$ (160)	$ 6 147
Accounts payable	2.718	–	125	79	203	837	12 924	(4.211)	12 675
Accrued interest	–	–	–	–	–	2	2 045	(2)	2 045
Accrued salaries and wages	539	–	32	324	1 648	202	4.289	–	7 034
Accrued employee benefits	1.382	–	46	124	620	617	12 638	–	15.427
Estimated third-party payor settlements	–	–	–	–	–	(545)	4 447	–	3 902
Other current liabilities	–	23	–	–	–	6	10 012	–	10.041
Total current liabilities	4 639	23	203	527	2.471	1 279	52 502	(4 373)	57.271
Long-term debt, less current installments	–	–	–	–	–	12 955	168.795	(12.955)	168.795
Accrued liability for self-insured claims	–	–	–	–	–	–	725	–	725
Accrued pension benefit obligations	4 680	–	–	–	–	–	50 389	–	55 069
Other liabilities	–	–	479	–	80	1 764	17 394	(1 764)	17 953
Total liabilities	9.319	23	682	527	2 551	15.998	289 805	(19 092)	299 813
Capital stock and additional paid-in capital	–	–	4.204	–	4 131	–	–	(8 335)	–
Retained earnings (deficit)	–	–	14.748	–	(2.318)	–	–	(12 430)	–
Net assets									
Unrestricted	462 018	1 663	–	1 117	–	10 527	425.539	(438 846)	462 018
Temporarily restricted	–	4.790	–	–	–	50	5.035	(4.282)	5.593
Permanently restricted	–	4 980	–	–	–	–	4.738	(4 738)	4 980
Total net assets	462.018	11 433	–	1.117	–	10.577	435.312	(447 866)	472 591
Total liabilities and net assets	$ 471 337	$ 11 456	$ 19 634	$ 1 644	$ 4 364	$ 26 575	$ 725 117	$ (487 723)	$ 772.404

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Statement of Operations

(In Thousands)

Year Ended May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Unrestricted revenues, gains, and other support									
Net patient service revenue	$ –	$ –	$ –	$ 6,824	$ 13,912	$ 18,256	$ 439,115	$ –	$ 478,107
Other operating revenue	729	468	3,802	865	3,127	380	22,282	(4,224)	27,429
Total unrestricted revenues, gains, and other support	729	468	3,802	7,689	17,039	18,636	461,397	(4,224)	505,536
Expenses									
Salaries	11,808	–	1,365	6,188	17,712	7,035	148,262	(70)	192,300
Employee benefits	4,126	–	339	1,009	2,328	1,617	59,580	(50)	68,949
Professional fees	1,265	25	80	168	1,285	796	24,756	(2,882)	25,493
Supplies	5	–	93	302	321	1,942	80,452	–	83,115
Bad debts	2	14	–	805	935	871	15,192	–	17,819
Interest	–	–	–	–	–	33	3,733	(33)	3,733
Depreciation and amortization	1,364	–	195	273	102	1,606	33,841	(5)	37,376
Other	4,733	258	1,073	1,162	822	3,474	48,201	(1,042)	58,681
Corporate cost allocations	(22,590)	47	245	107	29	509	21,653	–	–
Total expenses	713	344	3,390	10,014	23,534	17,883	435,670	(4,082)	487,466
Operating income (loss)	16	124	412	(2,325)	(6,495)	753	25,727	(142)	18,070
Nonoperating gains (losses)									
Investment income, net	37	171	4	7	1	123	18,331	–	18,674
Other-than-temporary investment impairment losses	–	(21)	–	–	–	–	(373)	–	(394)
Change in fair market value of interest rate swaps	–	–	–	–	–	–	(352)	–	(352)
Change in fair market value of interest rate swaps assumed by CAMC	–	–	–	–	–	(49)	49	–	–
Deferred tax benefit	–	–	39	(4)	–	2	(65)	–	(28)
Equity in income of subsidiaries	45,262	–	–	–	–	–	–	(45,262)	–
Other, net	(1)	–	6	–	(8)	(11)	(170)	–	(184)
Total nonoperating gains (losses), net	45,298	150	49	3	(7)	65	17,420	(45,262)	17,716

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Statement of Operations (continued)

(In Thousands)

Year Ended May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Excess (deficiency) of revenues over expenses	$ 45,314	$ 274	$ 461	$ (2,322)	$ (6,502)	$ 818	$ 43,147	$ (45,404)	$ 35,786
Unrealized gains on investments, net	–	293	–	–	–	–	2,719	–	3,012
Pension liability adjustment	470	–	–	–	–	–	6,833	–	7,303
Contributions of real property	–	–	–	–	–	46	–	–	46
Net assets released from restrictions	–	–	–	–	–	–	450	–	450
Additional investments in subsidiaries	(8,775)	–	–	–	8,775	–	–	–	–
Transfers (to) from related entity	32,178	308	13,673	2,150	–	(466)	(47,985)	142	–
Corporate cost allocation transfers	(22,590)	47	245	107	29	509	21,653	–	–
Increase (decrease) in unrestricted net assets	$ 46,597	$ 922	$ 14,379	$ (65)	$ 2,302	$ 907	$ 26,817	$ (45,262)	$ 46,597

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Statement of Changes in Net Assets

(In Thousands)

Year Ended May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Unrestricted net assets									
Excess (deficiency) of revenues over expenses	$ 45,314	$ 274	$ 461	$ (2,322)	$ (6,502)	$ 818	$ 43,147	$ (45,404)	$ 35,786
Unrealized gains on investments, net	–	293	–	–	–	–	2,719	–	3,012
Pension liability adjustment	470	–	–	–	–	–	6,833	–	7,303
Contributions of real property	–	–	–	–	–	46	–	–	46
Net assets released from restrictions	–	–	–	–	–	–	450	–	450
Additional investments in subsidiaries	(8,775)	–	–	–	8,775	–	–	–	–
Transfers (to) from related entity	32,178	308	13,673	2,150	–	(466)	(47,985)	142	–
Corporate cost allocation transfers	(22,590)	47	245	107	29	509	21,653	–	–
Increase (decrease) in unrestricted net assets	46,597	922	14,379	(65)	2,302	907	26,817	(45,262)	46,597
Temporarily restricted net assets									
Contributions	–	1,394	–	–	–	50	–	–	1,444
Income from investments	–	492	–	–	–	–	–	–	492
Other-than-temporary impairment losses	–	(58)	–	–	–	–	–	–	(58)
Change in temporarily restricted interest in BryanLGH Foundation	–	–	–	–	–	–	1,592	(1,592)	–
Unrealized gains on investments, net	–	360	–	–	–	–	–	–	360
Net assets released from restrictions	–	(342)	–	–	–	–	(450)	–	(792)
Other, net	–	90	–	–	–	–	9	–	99
Increase (decrease) in temporarily restricted net assets	–	1,936	–	–	–	50	1,151	(1,592)	1,545

BryanLGH Health System, Inc. and Subsidiaries

Consolidating Statement of Changes in Net Assets (continued)

(In Thousands)

Year Ended May 31, 2011

	BryanLGH Health System, Inc.	BryanLGH Foundation	BryanLGH Enterprises, Inc.	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Permanently restricted net assets									
Contributions	$ –	$ 177	$ –	$ –	$ –	$ –	$ –	$ –	$ 177
Change in permanently restricted interest in BryanLGH Foundation	–	–	–	–	–	–	182	(182)	–
Other	–	3	–	–	–	–	–	–	3
Increase in permanently restricted net assets	–	180	–	–	–	–	182	(182)	180
Increase (decrease) in net assets	46,597	3,038	14,379	(65)	2,302	957	28,150	(47,036)	48,322
Net assets at beginning of year	415,421	8,395	4,573	1,182	(489)	9,620	407,162	(421,595)	424,269
Net assets at end of year	$ 462,018	$ 11,433	$ 18,952	$ 1,117	$ 1,813	$ 10,577	$ 435,312	$ (468,631)	$ 472,591

BryanLGH Health System, Inc. and Subsidiaries

BryanLGH Medical Center's Statements of Cash Flows

(In Thousands)

	Year Ended May 31 2011	2010
Operating activities		
Increase in net assets	**$ 28,150**	$ 23,976
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized gains on investments, net	**(2,719)**	(6,099)
Investment impairment losses, other than temporary	**373**	346
Pension liability adjustment	**(6,833)**	13,368
Change in fair market value of interest rate swaps	**352**	914
Change in fair market value of interest rate swaps assumed by CAMC	**(49)**	(176)
Transfers to related entity	**26,332**	154
Deferred tax benefit	**65**	(349)
Depreciation and amortization	**33,841**	34,419
Amortization of cumulative changes in fair market value of cash flow hedge swap	**–**	(721)
Loss on disposal of property and equipment	**424**	239
Bad debts	**15,192**	18,414
Change in interest in net assets of BryanLGH Foundation	**(1,774)**	(1,044)
(Increase) decrease in:		
Patient accounts receivable	**(17,020)**	(19,854)
Inventories	**(13)**	(18)
Other assets	**(1,783)**	509
Increase (decrease) in:		
Accounts payable	**1,488**	(4,488)
Accrued expenses and certain other liabilities	**2,333**	1,344
Estimated third-party payor settlements	**2,966**	(533)
Net cash provided by operating activities	**81,325**	60,401
Investing activities		
(Increase) decrease in investments and investments limited as to use, net	**(17,333)**	3,696
Loan to affiliate (CAMC)	**105**	133
Additions to property and equipment	**(25,780)**	(25,024)
Proceeds from sale of property and equipment	**345**	150
Increase in investing portion of other assets	**(282)**	(1,184)
Net cash used in investing activities	**(42,945)**	(22,229)

BryanLGH Health System, Inc. and Subsidiaries

BryanLGH Medical Center's Statements of Cash Flows (continued)
(In Thousands)

	Year Ended May 31	
	2011	**2010**
Financing activities		
Payment for defeasance of long-term debt	**$ (5,815)**	$ (9,500)
Principal payments on long-term debt	**–**	(8,580)
Transfers to related entity	**(12,675)**	(8,662)
Other, net	**(405)**	(329)
Net cash used in financing activities	**(18,895)**	(27,071)
Net increase in cash and cash equivalents	**19,485**	11,101
Cash and cash equivalents at beginning of year	**63,244**	52,143
Cash and cash equivalents at end of year	**$ 82,729**	$ 63,244

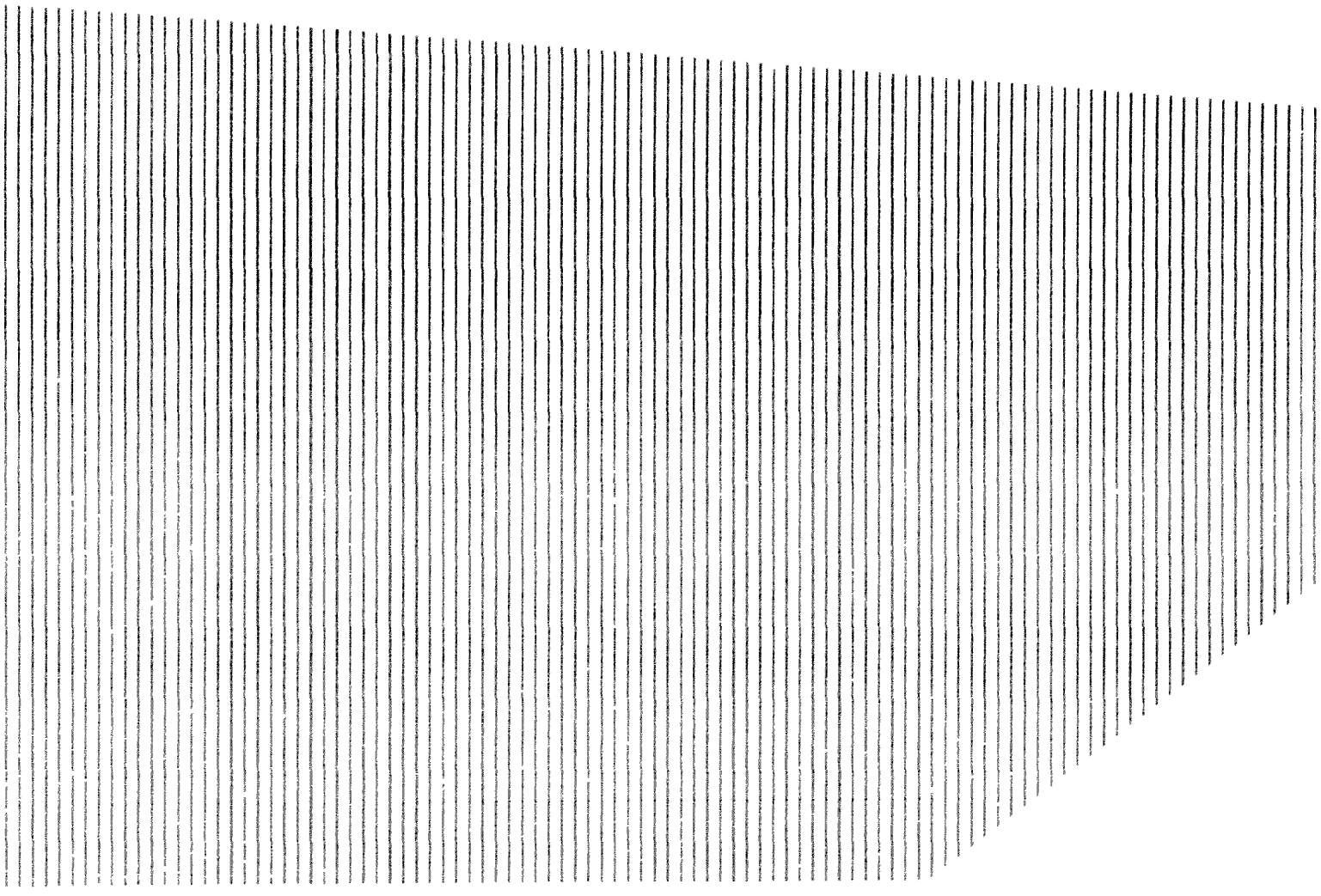
See accompanying notes

BryanLGH Medical Center

BryanLGH College of Health Sciences'
Statements of Revenue and Expenses
(In Thousands)

	Year Ended May 31	
	2011	**2010**
Direct revenues:		
Tuition and fees:		
Nursing	**$ 4,445**	$ 3,764
Allied health	**534**	420
Nurse anesthesia	**685**	496
Total tuition and fees	**5,664**	4,680
Other operating income	**299**	313
Income from BryanLGH Foundation:		
Unrestricted contributions	**120**	206
Unrestricted financial aid contributions	**189**	186
Total income from BryanLGH Foundation	**309**	392
Total direct revenues	**6,272**	5,385
Indirect revenues:		
Medicare reimbursement	**2,093**	1,989
BryanLGH Medical Center contribution	**1,833**	2,432
Total indirect revenues	**3,926**	4,421
Total revenues	**10,198**	9,806
Expenses		
Instruction	**3,366**	3,230
Research	**82**	155
Academic support	**960**	996
Student services	**479**	455
Institutional support	**462**	319
Operation and maintenance:		
Equipment depreciation	**145**	135
Allocated costs	**2,656**	2,521
Total operation and maintenance	**2,801**	2,656
Employee benefits	**1,859**	1,809
Financial aid	**189**	186
Total expenses	**10,198**	9,806
Excess revenues over expenses	**$ –**	$ -

Assurance | Tax | Transactions | Advisory



Additional Data

Software ID:
Software Version:
EIN: 47-0376552
Name: BryanLGH Medical Center

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Steve Erwin CHAIRPERSON	2 0	X						0	0	0
Gene Stohs MD VICE CHAIRPERSON	2 0	X						0	0	0
JOHN WOODRICH CHIEF OPERATING OFFICER	70 0	X		X				338,694	0	20,442
KIMBERLY RUSSEL PRESIDENT & CEO	35 0	X		X				0	989,061	29,644
Byron Boslau Secretary	2 0	X		X				0	0	0
Kathy Campbell TREASURER	2 0	X		X				0	0	0
C Rex Bevins TRUSTEE	2 0	X						0	0	0
Martin Massengale TRUSTEE	2 0	X						0	0	0
John Dittman TRUSTEE	2 0	X						0	0	0
Nicholas Cusick TRUSTEE	2 0	X						0	0	0
Richard Evnen TRUSTEE	2 0	X						0	0	0
RON HARRIS TRUSTEE	2 0	X						0	0	0
CAROLYN CODY MD TRUSTEE	24 0	X						220,547	0	19,999
GENE BRAKE Trustee	2 0	X						0	0	0
MARILYN MOORE TRUSTEE	2 0	X						0	0	0
KEVIN MOTA MD TRUSTEE	2 0	X						10,000	0	0
EDWARD MLINEK MD TRUSTEE	2 0	X						1,327	0	0
RUSSELL GRONEWOLD VP-FIN & CFO, EFF 1/19/10	30 0			X				0	289,750	17,785
DAVID HUGHES MD Cardio Vascular Surgeon	70 0				X			882,616	0	32,877
EDWARD RAINES MD Cardio Vascular Surgeon	70 0				X			861,877	0	32,877
Lawrence Elliott VP Cardiac, RETIRED 6/30/10	60 0				X			335,109	0	135,683
KATHLEEN CAMPBELL VP-PATIENT CARE SERVICES, CNO	60 0				X			268,341	0	17,836
SHIRLEY TRAVIS VP-CLINICAL SERVICES	36 0				X			252,625	0	28,314
DAVID REESE VP-CLINICAL & SUPPORT SERVICES	60 0				X			186,422	0	30,506
ELIZABETH MACLEOD WALLS PHD PRES -COLLEGE, RESIG 12/16/11	60 0				X			175,596	0	25,890

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	(C) Position (check all that apply)						(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			
DAVID BINGHAM MD Vascular Surgeon	70 0					X		791,088	0	29,769
STUART MYERS MD VASCULAR SURGEON	70 0					X		641,985	0	32,877
CHARLES MEYER PERIOPERATIVE ANESTHESIA DIR	50 0					X		180,770	0	32,546
WILLIAM CORKLE STAFF PHARMACIST	50 0					X		162,120	0	19,400
JAMES CUDDEFORD ANESTHESIA PROGRAM DIRECTOR	50 0					X		160,749	0	21,418
JENNIFER LESOING-LUCS VP-FIN & CFO, RESIGNED 1/22/10	0 0						X	0	505,435	20,921

Additional Data

Software ID:
Software Version:
EIN: 47-0376552
Name: BryanLGH Medical Center

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Amount
SELF INSURANCE LIABILITY	725,000
INTEREST RATE SWAP LIABILITY	10,700,931
HOSPITALIST SVCS CTRT PAYABLE	4,608,795
CRETE AREA MEDICAL 2008C BOND	1,764,178
CAPITAL LEASE OBLIGATIONS	44,890
ORIGINAL ISSUE PREMIUM	1,609,862
ACCRUED PENSION BENEFIT OBLIGA	50,389,133
OTHER LIABILITIES	10,331,501