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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 JUL 1, 2010 and ending JUN 30, 2011

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

C Name of organization: St.Vincent Dunn Hospital, Inc.

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 1600 23rd Street

Room/suite:

City or town, state or country, and ZIP + 4: Bedford, IN 47421

F Name and address of principal officer: John C Lines
same as C above

D Employer identification number: 27-2192831

E Telephone number: (812) 275-3331

G Gross receipts $: 31,568,200.

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.stvincent.org

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 2010

M State of legal domicile: IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities: We are a nonprofit hospital dedicated to providing healthcare that leaves no one behind.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	11
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	435
6	Total number of volunteers (estimate if necessary)	6	65
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
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)	0.	181,452.
9	Program service revenue (Part VIII, line 2g)	0.	31,123,351.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	58,003.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	174,116.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	31,536,922.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
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)	0.	16,918,103.
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)	0.	15,552,606.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	0.	32,470,709.
19	Revenue less expenses. Subtract line 18 from line 12	0.	-933,787.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	9,220,992.	15,722,638.
21	Total liabilities (Part X, line 26)	9,220,992.	16,663,747.
22	Net assets or fund balances. Subtract line 21 from line 20	0.	-941,109.

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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: 5-17-12

▶ John C Lines, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Jeffrey Frank	Preparer's signature	Date: 5/17/12	Check ☐ if self-employed	PTIN
Firm's name ▶ Deloitte Tax, LLP			Firm's EIN ▶	
Firm's address ▶ 111 Monument Circle, Suite 2000 Indianapolis, IN 46204-5108			Phone no (317) 464-8600	

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

9-10
H 1

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
St.Vincent Dunn Hospital is dedicated to providing spiritually-centered, holistic healthcare that sustains and improves the health of those served, with special attention to the poor and vulnerable. Both inpatient and outpatient health services are provided

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 $ 26386130. including grants of $) (Revenue $ 31123351.)
St.Vincent Dunn Hospital (SVDH) is a 25-bed, critical access hospital serving rural Lawrence and contiguous counties and providing services without regard to a patient's race, creed, national origin, economic status, or ability to pay. During fiscal year 2011, SVDH treated 1,428 adults and children for a total of 4,785 inpatient days of service. The hospital also provided services for 47,898 outpatient visits, including 959 outpatient surgeries and 10,035 emergency room and minor care visits. See Schedule O for a non-exhaustive list of community benefit programs and descriptions.

4b (Code:) (Expenses $ 3,901,846. including grants of $) (Revenue $)
St.Vincent Dunn Hospital (SVDH) provides a substantial portion of its core health services to the poor, uninsured or underinsured and has proactively taken steps to address the accessibility, financing, and delivery of healthcare to the underserved. During the fiscal year ending June 30, 2011, the unreimbursed cost of free or discounted services provided to patients who are deemed indigent under state, county, or hospital guidelines was $3,901,846, which included $1,049,203 of traditional charity care and $2,852,643 in unpaid costs of care for those qualifing for Medicaid or other public programs for the poor. See Schedule O for a non-exhaustive list of community benefit programs and descriptions.

4c (Code:) (Expenses $ 83,381. including grants of $) (Revenue $)
In addition to core medical services, St.Vincent Dunn Hospital (SVDH) partners with its community to assess community assets and needs and to work together to address issues impacting health and quality of life, with special emphasis on the poor and vulnerable. In fiscal year 2011, SVDH provided $83,381 in unbilled services to the poor and to the broader community. (When combined with the costs of free or discounted services for the poor listed in Line 4b, SVDH provided a total community benefit of $3,985,227 in fiscal year 2011.) SVDH serves and supports its community through such programs as health fairs and screenings and support groups. See Schedule O for a non-exhaustive list of community benefit programs and descriptions.

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

4e **Total program service expenses** ▶ 30,371,357.

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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
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		X
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	X	
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	N/A	
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
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		X
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		X
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	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
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		X
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		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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		X
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 United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
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 United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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*	17		X
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		X
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		X
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
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		X
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		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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		X
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		X
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		X
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		X
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		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
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		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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		X
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	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
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		X
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		X
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	X	

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	27		
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	X	
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	435		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	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		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
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		X
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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
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		X
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		X
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		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	N/A	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	N/A	
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?	N/A	8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	N/A	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	N/A	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	N/A	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	N/A	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?	N/A	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
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		X
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 line 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 . . . . . [X]

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	11		
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		X
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		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
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		X

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	X	
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	X	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . .	11a	X	
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	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization	15b	X	
	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		X
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		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 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 [X] 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.

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

John C Lines - (812) 352-4252
1600 23rd Street, Bedford, IN 47421

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. 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			
Eric Koch Chair	1.00	X		X				0.	0.	0.
Deborah Craton, MD Director	40.00	X						0.	69,655.	11,390.
Rodney Fish Director	1.00	X						0.	0.	0.
David Flinn Director	1.00	X						0.	0.	0.
Mike LaGrange Director	1.00	X						0.	0.	0.
Bill Spreen Director	1.00	X						0.	0.	0.
Don Henderson Director	1.00	X						0.	0.	0.
Stewart Rariden Director	1.00	X						0.	0.	0.
Dr Marc Jones Director	1.00	X						0.	0.	0.
Steve Flores Director	1.00	X						0.	0.	0.
Chris May Director	1.00	X						0.	0.	0.
Debbie Bruner CEO	40.00			X				94,951.	0.	2,062.
Joseph E Roche Regional Director	40.00			X				0.	284,903.	47,274.
John Lines CFO	40.00			X				0.	156,772.	32,274.

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			
1b Sub-total ▶								94,951.	511,330.	93,000.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								94,951.	511,330.	93,000.

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 ▶ 0

		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		X
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	X	
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		X

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
Indiana Emergency Physicians LLP PO Box 793, Traverse City, MI 49685-0793	ER Physician services	189,091.
Mid America Clinical Laboratories, Inc., 2560 N Shadeland Avenue, Indianapolis, IN	Lab services	109,698.

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 ▶ 2

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				
	c Fundraising events 1c				
	d Related organizations 1d				
	e Government grants (contributions) 1e 181,452.				
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f $				
	h **Total.** Add lines 1a-1f ▶	181,452.			
Program Service Revenue		Business Code			
	2a Net Medicare/Medicaid	621990	15,615,584.	15,615,584.	
	b Net patient revenue	621990	15,507,767.	15,507,767.	
	c				
	d				
	e				
	f All other program service revenue				
	g **Total.** Add lines 2a-2f ▶		31,123,351.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		19,281.		19,281.
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties ▶				
		(i) Real	(ii) Personal		
	6a Gross Rents 63,885.				
	b Less: rental expenses				
	c Rental income or (loss) 63,885.				
	d Net rental income or (loss) ▶	63,885.			63,885.
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory		70,000.		
	b Less: cost or other basis and sales expenses		31,278.		
	c Gain or (loss)		38,722.		
	d Net gain or (loss) ▶	38,722.			38,722.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a				
	b Less: direct expenses b				
	c Net income or (loss) from fundraising events ▶				
	9a Gross income from gaming activities. See Part IV, line 19 a				
	b Less: direct expenses b				
	c Net income or (loss) from gaming activities ▶				
	10a Gross sales of inventory, less returns and allowances a				
	b Less: cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶				
	Miscellaneous Revenue	Business Code			
	11a Cafeteria revenue	722210	110,231.		110,231.
	b				
	c				
	d All other revenue				
	e **Total.** Add lines 11a-11d ▶		110,231.		
	12 **Total revenue.** See instructions ▶		31,536,922.	31,123,351.	0. 232,119.

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				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	97,013.		97,013.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	12,627,827.	11,731,365.	896,462.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	771,938.	717,137.	54,801.	
9 Other employee benefits	2,531,369.	2,351,665.	179,704.	
10 Payroll taxes	889,956.	826,777.	63,179.	
11 Fees for services (non-employees):				
a Management	961,480.	893,224.	68,256.	
b Legal	231,038.	214,636.	16,402.	
c Accounting	4,828.	4,485.	343.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	6,063.	5,633.	430.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	929,856.	863,845.	66,011.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	176,604.	164,067.	12,537.	
20 Interest	304,234.	282,636.	21,598.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,127,514.	1,047,471.	80,043.	
23 Insurance	182,942.	182,942.		
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 Supplies	4,396,026.	4,083,948.	312,078.	
b Community benefit	3,985,227.	3,985,227.		
c Purchased services	1,387,347.	1,288,858.	98,489.	
d Maintenance & repairs	885,193.	822,352.	62,841.	
e Equipment rental/mainte	564,935.	524,830.	40,105.	
f All other expenses	409,319.	380,259.	29,060.	
25 Total functional expenses. Add lines 1 through 24f	32,470,709.	30,371,357.	2,099,352.	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	2,265,104.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	3,169,402.
	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)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	1,068,173.	8	865,096.
	9	Prepaid expenses and deferred charges	48,196.	9	74,593.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 9,254,481.			
	b	Less: accumulated depreciation — 10b: 1,381,225.	8,081,722.	10c	7,873,256.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	22,901.	15	1,475,187.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	9,220,992.	16	15,722,638.
Liabilities	17	Accounts payable and accrued expenses	1,101,283.	17	1,937,498.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	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	8,119,709.	25	14,726,249.
	26	**Total liabilities.** Add lines 17 through 25	9,220,992.	26	16,663,747.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets		27	-972,930.
	28	Temporarily restricted net assets		28	31,821.
	29	Permanently restricted net assets		29	
		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	0.	33	-941,109.
	34	Total liabilities and net assets/fund balances	9,220,992.	34	15,722,638.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	31,536,922.
2	Total expenses (must equal Part IX, column (A), line 25)	2	32,470,709.
3	Revenue less expenses. Subtract line 2 from line 1	3	-933,787.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-7,322.
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	-941,109.

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		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
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 separate 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	X	
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	X	

SCHEDULE A (Form 990 or 990-EZ)

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.**

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~~Open to Public Inspection~~

Name of the organization	Employer identification number
St.Vincent Dunn Hospital, Inc.	27-2192831

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - 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 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 section 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 from 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 a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10% -facts-and-circumstances test - 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 section 501(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 ▶ ☐

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.**

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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 organization	Employer identification number
St.Vincent Dunn Hospital, Inc.	27-2192831

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

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

2 Political expenditures . . . ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

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

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

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

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

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

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

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

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

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

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.		

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

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the 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 nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(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?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		2,147.
j	Total. Add lines 1c through 1i			2,147.
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

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.

Part II-B, Line 1(i), Other Lobbying Activities:

Lobbying expenses represent the portion of dues paid to national and state hospital associations that is specifically allocable to lobbying.

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

St.Vincent Dunn Hospital, Inc.

Employer identification number

27-2192831

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

9 In Part 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 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

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

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

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

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

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

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

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

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

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

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a Board designated or quasi-endowment ▶ _____%
b Permanent endowment ▶ _____%
c Term endowment ▶ _____%

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

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

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

Part VI 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		100,000.		100,000.
b Buildings		5,495,328.	274,639.	5,220,689.
c Leasehold improvements		60,000.	6,000.	54,000.
d Equipment		3,599,153.	1,100,586.	2,498,567.
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				7,873,256.

Schedule D (Form 990) 2010

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		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must 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) Other assets	153,943.
(2) Restricted by donor	31,821.
(3) Receivable from third party programs	1,289,423.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	1,475,187.

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Intercompany debt to St.Vincent	
(3) Health, Inc.	6,477,397.
(4) Intercompany debt to Ascension	
(5) Health	7,935,452.
(6) Payables to third party programs	313,400.
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	14,726,249.

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 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited 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 through 8	9	
10	Excess or (deficit) for the year per audited 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 must 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 must 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, line 2; 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.

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 St.Vincent Dunn Hospital, Inc.

Employer identification number 27-2192831

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	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other _____ %	X	
c	If the organization did 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 used 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"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
b	If "Yes," did the organization make it available to the public?	X	

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)			1,049,203.		1,049,203.	3.23%
b Unreimbursed Medicaid (from Worksheet 3, column a)			2,852,643.		2,852,643.	8.79%
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			3,901,846.		3,901,846.	12.02%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		310	20,311.		20,311.	.06%
f Health professions education (from Worksheet 5)		99	53,600.		53,600.	.17%
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)		231	7,230.		7,230.	.02%
j **Total.** Other Benefits		640	81,141.		81,141.	.25%
k **Total.** Add lines 7d and 7j		640	3,982,987.		3,982,987.	12.27%

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		5	2,200.		2,200.	.01%
2	Economic development						
3	Community support		20	40.		40.	.00%
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		25	2,240.		2,240.	.01%

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 Healthcare Financial Management Association Statement No. 15?		1		X
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,026,103.		
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	307,831.		
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	12,726,437.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	12,600,432.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	126,005.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other				

Section C. Collection Practices

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

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 %

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? 1

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 St.Vincent Dunn Hospital, Inc. 1600 23rd Street Bedford, IN 47421	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: St.Vincent Dunn Hospital, Inc.

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 line 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 its community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and 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 Explained 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)* St.Vincent Dunn Hospital, Inc.

			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 on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☐ The policy was available on 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 actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform 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 actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):			
a	☐ Notified patients of the financial assistance policy on 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)* St.Vincent Dunn Hospital, Inc.

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? If "Yes," explain in Part VI.	20		
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	21		

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? 0

Name and address	Type of Facility (describe)

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions 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.

Part I, Line 3c: The organization provides medically necessary care to all patients, regardless of race, color, creed, ethnic origin, gender, disability or economic status. The hospital uses a percentage of federal poverty level (FPL) to determine free and discounted care. At a minimum, patients with income less than or equal to 200% of the FPL, which may be adjusted for cost of living utilizing the local wage index compared to the national wage index, will be eligible for 100% charity care write off of charges for services that have been provided to them. Also, at a minimum, patients with incomes above 200% of the FPL but not exceeding 400% of the FPL, subject to adjustments for cost of living utilizing the local wage index compared to national wage index, will receive a discount on the services provided to them.

Part I, Line 7: The cost of providing charity care, means tested government programs, and community benefit programs is estimated using internal cost data, and is calculated in compliance with Catholic Health Association ("CHA") guidelines. The organization uses a cost accounting system that addresses all patient segments (for example, inpatient,

Part VI Supplemental Information

outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured, or self pay). The best available data was used to calculate the amounts reported in the table. For the information in the table, a cost-to-charge ratio was calculated and applied.

Part II: While most of St.Vincent Dunn Hospital's community benefit activities directly impact the health of its communities, SVDH also invests in community building activities that indirectly improve health by improving quality of life within the community. Research has established that factors such as economic status, employment, housing, education level, and built environment can all be powerful social determinants of health. Additionally, helping to create greater capacity within the community to address a broad range of quality of life issues positively impacts health. In fiscal year 2011, SVDH's community-building activities include: Habitat for Humanity and community boards.

Part III, Line 4: The organization is a part of the St.Vincent Health System consolidated audit. The provision for bad debts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make modifications to the provision for bad debts to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Corporation follows established

Part VI Supplemental Information

guidelines for placing certain past-due patient balances within collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health. Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies. The share of the bad debt expense in fiscal year 2011 was $2,208,098 at charges ($1,026,103 at cost).

Part III, Line 8: Ascension Health and related health ministries follow the Catholic Health Association ("CHA") guidelines for determining community benefit. CHA community benefit reporting guidelines suggest that Medicare shortfall is not treated as community benefit.

Part III, Line 9b: The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance. If a patient qualifies for charity or financial assistance certain collection practices do not apply.

St.Vincent Dunn Hospital (SVDH) and its related St.Vincent Health affiliates file a Community Benefit report in the state of Indiana. A copy of the full report (including the SVDH section) is available at http://www.stvincent.org.

Part VI, Line 2: Communities are dynamic systems in which multiple factors interact to impact quality of life and health status. Since St.Vincent Dunn Hospital is a new hospital to St. Vincent Health, the hospital hopes to lead a community roundtable in the future whose purpose would be to assess needs within the community, prioritize action and work

Part VI Supplemental Information

in partnership to address identified challenges. As part of the St.Vincent Health system, the goal of SVDH is to work with its community to conduct an assessment at least every three years. Assessments may include primary survey data, secondary data, focus group input, community leaders' survey and other data. Results are made available to organizations and individuals throughout the community. These needs assessments are also utilized in creating the hospital's Integrated Strategic Financial and Operational Plan.

Part VI, Line 3: St.Vincent Dunn Hospital communicates with patients in multiple ways to ensure that those who are billed for services are aware of the hospital's charity care program as well as their potential eligibility for local, state or federal programs. Signs are prominently posted in each service area, and bills contain a formal notice explaining the hospital's charity care program. In addition, the hospital employs financial counselors, health access workers, and enrollment specialists who consult with patients about their eligibility for financial assistance programs and help patients in applying for any public programs for which they may qualify.

Part VI, Line 4: St.Vincent Dunn Hospital (SVDH) is located in Bedford, Indiana and serves rural Lawrence and contiguous counties, in southern Indiana. Lawrence County has a population of 46,134. Per capita personal income and median household income are lower than state averages.

Part VI, Line 5: To provide the highest quality healthcare to all persons in the community, and in keeping with its not-for-profit status, St.Vincent Dunn Hospital:

Part VI Supplemental Information

- delivers patient services, including emergency department services, to all individuals requiring healthcare, without regard to patient race, ethnicity, economic status, insurance status or ability to pay
- maintains an open medical staff that allows credentialed physicians to practice at its facilities
- trains and educates health care professionals
- participates in government-sponsored programs such as Medicaid and Medicare to provide healthcare to the poor and elderly
- is governed by a board in which independent persons who are representative of the community comprise a majority

Part VI, Line 6: As part of the St.Vincent Health system, St.Vincent Dunn Hospital (SVDH) is dedicated to improving the health status and quality of life for the communities it serves. While designated associates at SVDH devote all or a significant portion of their time to leading and administering local community-based programs and partnerships, associates throughout the organization are active participants in community outreach. They are assisted and supported by designated St.Vincent Health community development and service staff who work with each of its healthcare facilities to advocate for and provide technical assistance for community outreach, needs assessments and partnerships as well as to support regional and state-wide programs community programs sponsored by St.Vincent Health in which SVDH participates.

Part VI, Line 7, List of States Receiving Community Benefit Report:
IN

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

St.Vincent Dunn Hospital, Inc.

Employer identification number

27-2192831

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification 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 on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations 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**		X
b	Any related organization?	**5b**		X
	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**		X
b	Any related organization?	**6b**		X
	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**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		X
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				
1 Joseph E Roche	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	221,067.	63,836.	0.	27,448.	19,826.	332,177.	0.
2 John Lines	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	123,657.	33,115.	0.	12,808.	19,466.	189,046.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

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.

Part I, Line 4b: The following individual participated in, or received payment from a supplemental non-qualified retirement plan:

Joseph E Roche - $650

Part I, Line 3: St.Vincent Health, Inc., a related organization of St.Vincent Dunn Hospital, Inc., uses the following to establish the compensation of the organization's CEO/Executive Director:

- Compensation committee
- Independent compensation consultant
- Written employment contract
- Compensation survey or study

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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Form 990, Part III, Line 1, Description of Organization Mission:
without regard to patient race, creed, national origin, economic status, insurance status or ability to pay. This mission extends well beyond the provision of core medical services to encompass medical and scientific research programs, the training and educating of health care professionals and active support of community-based partnerships and programs to improve health and quality of life.

Form 990, Part VI, Section A, line 6: St.Vincent Dunn Hospital, Inc. has a single corporate member, St.Vincent Health, Inc.

Form 990, Part VI, Section A, line 7a: St.Vincent Dunn Hospital, Inc. has a single corporate member, St.Vincent Health, Inc. who has the ability to elect members to the governing body of St.Vincent Dunn Hospital, Inc.

Form 990, Part VI, Section A, line 7b: All decisions that have a material impact to St.Vincent Dunn Hospital, Inc.'s financial information or corporation as a whole are subject to approval by its sole corporate member, St.Vincent Health, Inc.

Form 990, Part VI, Section B, line 11: Management, including certain officers, works dilligently to complete the Form 990 and attached schedules in a thorough manner. Management presents the Form 990 to a designated committee of the Board to review and answer any questions. Prior to filing the returns, all Board members are provided the Form 990 and management team members are available to answer any Board member questions.

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Form 990, Part VI, Section B, Line 12c: The organization regularly and consistently monitors and enforces compliance with the conflict of interest policy in that any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committee with governing board delegated powers considering the proposed transaction or arrangement. The remaining individuals on the governing board or committee meeting will decide if conflicts of interest exist. Each director, principal officer and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax exempt purpose.

Form 990, Part VI, Section B, Line 15: In determining the compensation of the organization's CEO, executive director, or top management official, the process included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision. The board, in executive session, reviewed and approved the compensation. In review of the compensation, the CEO, executive director, and top management were compared to other hospitals in the area that hold the same position. During the review and approval of the compensation, documentation of the decision was recorded in the board minutes. Individuals were not present when their compensation was decided.

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In determining compensation of other officers or key employees of the organization, the process included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision. The board, in executive session, reviewed and approved the compensation. In the review of the compensation, the other officers or key employees of the organization were compared to other hospitals' employees in the area that hold the same position. During the review and approval of the compensation, documentation of the decision was recorded in the board minutes.

Form 990, Part VI, Section C, Line 19: The organization will provide any documents open to public inspection upon request.

Form 990, Part XI, line 5, Changes in Net Assets:

Net unrealized losses on investments: -7,322.

Part I, Line 6

Total Number of Volunteers

The total number of volunteers for the orgainzation is 65. This consists of volunteers participating in multiple areas throughout the hospital such as hospitality services. Some volunteers also participate in the various community service programs that the hospital performs within the community.

Part IV, Line 24A

Tax Exempt Bond Issuance

St.Vincent Dunn Hospital, Inc. is a health facility that is part of

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Ascension Health System. Ascension Health is the borrower for tax exempt hospital revenue bonds. St.Vincent Dunn Hospital, Inc. holds an intercompany note payable with Ascension Health, and this information is reported on the balance sheet.

Form 990, Part III, Line 4a, 4b and 4c

Community Benefit Report

SVDH provides services including a 24-hour, physician-staffed emergency department. Medical specialties available at the facility include orthopedics, ophthalmology, gastroenterology, obstetrics/gynecology and podiatry.

Such community-focused programs improve access to healthcare, advocate for the poor and vulnerable, promote health through free education and screenings and help build better communities by improving quality of life.

Community Benefit Overview

St.Vincent Dunn Hospital (SVDH) is part of St.Vincent Health, a non-profit healthcare system consisting of 20 locally-sponsored ministries serving over serving 47 counties throughout Central Indiana. Sponsored by Ascension Health, the nation's largest Catholic healthcare system, St.Vincent Health is one of the largest healthcare employers in the state.

As part of St.Vincent Health, the St.Vincent Dunn vision is to deliver a continuum of holistic, high-quality health services and improve the lives and health of Indiana individuals and communities, with special

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attention to the poor and vulnerable. This is accomplished through strong partnerships with businesses, community organizations, local, state and federal government, physicians, St.Vincent Dunn associates and others.

Community benefit is not the work of a single department or group within St.Vincent Dunn, but is part of the St.Vincent mission and cultural fabric. It is initiated and implemented at all levels of the organization, by each ministry, and in every community.

Charity Care and Certain Other Community Benefits at Cost

Patient Services for Poor and Vulnerable

Hospital and outpatient care is provided to patients that cannot pay for services, including hospitalizations, surgeries, prescription drugs, medical equipment and medical supplies. Patients with income less than 200% of the Federal Poverty level (FPL) are eligible for 100% charity care for services. Patients with incomes at or above 200% of the FPL, but not exceeding 400% of the FPL, receive discounted services based on an income-dependent sliding scale. Hospital financial counselors and health access workers assist patients in determining eligibility and in completing necessary documentation. SVDH is committed to 100% access, and is proactive in providing healthcare that leaves no one behind.

Public Program Participation

SVDH participates in government programs including Medicaid, SCHIP (Hoosier Healthwise), Healthy Indiana Plan (HIP) and Medicare and

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assists patients in enrolling for programs for which they are eligible. Per Catholic Health Association guidelines and St.Vincent Health's conservative approach, Medicare shortfall is not included as community benefit.

Community Assessment

True community benefit responds to the particular needs and challenges of the community, building on its unique strengths and assets. So in each of its communities, St.Vincent leads or participates in a community roundtable or forum. This group brings together individuals and organizations from throughout the community who share a common interest in improving health status and quality of life. Using a variety of tools, including surveys, key person interviews, focus groups, secondary data, and data analysis professionals, the team identifies community issues and concerns. These are shared with the community at large, and a consensus is reached about priorities and available resources. Efforts are now beginning to integrate St.Vincent Dunn into the St.Vincent Health system, and to work with long standing community partners to initiate a community assessment.

Community Health & Wellness Center

Providing access to those in need of medical and preventative health care services in our community is the mission of the Community Health & Wellness Center. The center serves all residents of Lawrence County and surrounding areas. It offers obstetrics/gynecology, pediatrics, and adult health programs i.e. sick care, physicals, nutrition counseling, and long-term healthcare management. The center is also a WIC site. These services are for pregnant women and children to provide

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supplemental food and nutrition education which also includes prenatal visits and immunizations.

Student Training

In an effort to prepare future health care professionals, especially in the areas of emergency department, obstetrics, medical surgical, health information services and radiology, St.Vincent Dunn Hospital in collaboration with area schools offer a variety of clinical settings and internships for undergraduate and vocational allied health professionals, including nurses, radiology technicians, and respiratory therapists. Last year 47 students from Vincennes University, Ivy Tech, Indiana Wesleyan University, and Indiana University received specialized training from St.Vincent Dunn Hospital health professionals.

Diabetes Management Education Class

Diabetes is a major and growing health concern in Central Indiana. If uncontrolled, it can take a significant toll on health and lives. St.Vincent Dunn offers a Diabetic Education class, a six-week course held throughout the year, free of charge. Instructors, including a nurse, dietician, physical therapist, and pharmacist, focus on problems associated with living with and managing diabetes. The professional team assists diabetics with gaining a better understanding of their disease, teaching them how to adjust their lifestyles and behaviors to develop diabetes self-management skills that will help them live healthier, longer lives.

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Run with Dunn

St.Vincent Dunn Hospital sponsors a run/walk called Run with Dunn to raise money for Lawrence County Cancer Patient Services. This organization is vital in a small community to support patients that have been diagnosed with cancer and unable to pay for transportation to treatment centers, wigs after chemotherapy, medical equipment, and much more. It also provides a healthy event for Lawrence County residents to support their community.

Habitat for Humanity

Poverty housing is a problem around the world. The Lawrence County Habitat for Humanity is helping low income residents find decent, affordable, safe homes to live in. St.Vincent Dunn Hospital participated in the building of a home for a deserving family of four in Lawrence County. The recipient family (homeowner) must go through classes to qualify for the program to receive a home. Homeowners must invest hours of their own labor into building the Habitat house and receive an affordable loan for the mortgage on the home.

Health Fairs and Screenings

SVDH participated in numerous health fairs and screenings throughout fiscal year 2011, including the Senior Health Fair. Blood pressure, cholesterol tests, and others are among the many free or discounted tests offered throughout the year. Materials on health information and preventative services are a vital part of health fairs and screenings.

Community Benefit Cash and In-Kind Contributions

In addition to the outreach programs operated by the hospital, the

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hospital makes cash and in-kind donations to a variety of community organizations focused on improving health status in the community. These take the form of cash donations to outside organizations, the donation of employee time/services to outside organizations and the representation of the hospital on community boards and committees working to improve health status and quality of life within the community.

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.

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Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to 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
CIHS Newco, LLC - 35-2174403 8425 Harcourt Road Indianapolis, IN 46260	Land holding company	Indiana	787,753.	5,903,010.	Central Indiana Health System Cardiac Services, Inc.
Endoscopy Center, LLC - 32-0029881 3755 E 82nd St, Ste 270 Indianapolis, IN 46240	Endoscopy center	Indiana	873,755.	90,669.	St.Vincent Carmel Hospital, Inc.
St.Joseph Primary Care, LLC - 74-2979291 1907 W Sycamore Street Kokomo, IN 46901	Physician practices	Indiana	2,350,871.	850,379.	St.Joseph Hospital & Health Center, Inc.
Quality Healthcare Solutions, LLC - 27-2818049, 8425 Harcourt Road, Indianapolis, IN 46260	Health care consulting	Indiana	16,091,347.	28,977,876.	St.Vincent Health, Inc.

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Ascension Health - 31-1662309 PO Box 45998 St Louis, MO 63145	National health system	Missouri	501(C)(3)	11A, I	N/A		X
Central Indiana Health System Cardiac Services, Inc. - 35-1869951, 2001 W 86th Street, Indianapolis, IN 46260	Freestanding outpatient center	Indiana	501(C)(3)	11C, III-FI	St.Vincent Hospital & Health Care Center, Inc.	X	
Jubilee Partnerships, Inc. - 35-2060765 2301 N Park Avenue Indianapolis, IN 46205	Outreach activities	Indiana	501(C)(3)	1	St.Vincent Hospital & Health Care Center, Inc.	X	
Rehabilitation Hospital of Indiana, Inc. - 35-1786005, 4141 Shore Drive, Indianapolis, IN 46254	Rehabilitation hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	

Part I **Continuation of Identification of Disregarded Entities**

(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
St.Vincent Physician Network, LLC - 20-1338729, 10330 N Meridian, Ste 300, Indianapolis, IN 46290	Physician practices	Indiana	69,212,649.	19,206,791.	St.Vincent Health, Inc.

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(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	(g) No
St.John's Foundation, Inc. - 35-2053693 2015 Jackson Street Anderson, IN 46016	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Madison County Health System,	X	
St.Joseph Hospital & Health Center, Inc. - 35-0992717, 1907 W Sycamore Street, Kokomo, IN 46901	Hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Joseph Foundation of Kokomo, Indiana, Inc. - 23-7313206, 1907 W Sycamore Street, Kokomo, IN 46901	Supporting organization	Indiana	501(C)(3)	11A, I	St.Joseph Hospital & Health Center, Inc.	X	
St.Vincent Carmel Hospital, Inc. - 74-3107055, 13500 N Meridian Street, Carmel, IN 46032	Hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Clay Hospital, Inc. - 35-2112529 1206 E National Avenue Brazil, IN 47834	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Frankfort Hospital, Inc. - 35-2099320, 1300 S Jackson, Frankfort, IN 46041	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Frankfort Hospital Foundation, Inc. - 35-1531734, 1300 S Jackson, Frankfort, IN 46041	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Frankfort Hospital, Inc.	X	
St.Vincent Health, Inc. - 35-2052591 8425 Harcourt Road Indianapolis, IN 46260	Parent company	Indiana	501(C)(3)	11C, III-FI	Ascension Health		X
St.Vincent Hospital and Health Care Center, Inc. - 35-0869066, 2001 W 86th Street, Indianapolis, IN 46260	Hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Hospital Foundation, Inc. - 35-6088862, 10330 N Meridian Street, Ste 430N, Indianapolis, IN 46290	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Hospital & Health Care Center, Inc.	X	
St.Vincent Jennings Hospital, Inc. - 35-1841606, 301 Henry Street, North Vernon, IN 47265	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Madison County Health System, Inc. - 35-0876389, 1331 South A Street, Elwood, IN 46036	Hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(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	(g) No
St.Vincent Medical Group, Inc. - 27-2039417 8425 Harcourt Road Indianapolis, IN 46260	Physician professional services	Indiana	501(C)(3)	9	St.Vincent Health, Inc.	X	
St.Vincent Mercy Hospital Foundation, Inc. - 31-1066871, 1331 South A Street, Elwood, IN 46036	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Madison County Health System,	X	
St.Vincent New Hope, Inc. - 35-1733591 8450 N Payne Road Indianapolis, IN 46260	Intermediate care facility	Indiana	501(C)(3)	9	St.Vincent Health, Inc.	X	
St.Vincent Pediatric Rehab Center, Inc. - 35-2048898, 1707 W 86th Street, Indianapolis, IN 46260	Specialty hospital	Indiana	501(C)(3)	3	St.Vincent Hospital & Health Care Center, Inc.	X	
St.Vincent Randolph Hospital, Inc. - 35-2103153, 473 Greenville Avenue, Winchester, IN 47394	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Randolph Hospital Foundation, Inc. - 35-2133006, 473 Greenville Avenue, Winchester, IN 47394	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Randolph Hospital, Inc.	X	
St.Vincent Salem Hospital, Inc. - 27-0847538 911 N Shelby Street Salem, IN 47167	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Seton Specialty Hospital, Inc. - 35-1712001, 8050 Township Line Road, Indianapolis, IN 46260	Long term care hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Williamsport Hospital, Inc. - 35-0784551, 412 N Monroe Street, Williamsport, IN 47993	Critical access hospital	Indiana	501(C)(3)	3	St.Vincent Health, Inc.	X	
St.Vincent Williamsport Hospital Foundation, Inc. - 74-3130159, 412 N Monroe Street, Williamsport, IN 47993	Supporting organization	Indiana	501(C)(3)	11A, I	St.Vincent Williamsport Hospital, Inc.	X	
SVSM, Inc. - 81-0607827 2001 W 86th Street Indianapolis, IN 46260	Holding company	Indiana	501(C)(3)	11A, I	St.Vincent Health, Inc.	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
Breast MRI Leasing Company, LLC - 42-6662493, 10330 N Meridian St, Ste 430N, Indianapolis, IN 46290	Sale and rental services	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	121,068.	65,456.		X	N/A		X	50.00%
Care Group Cardiovascular Management, LLC - 22-3937477, 8333 Naab Road, Ste 200, Indianapolis, IN 46960	Management of cardiovascular service lines	IN	Central Indiana Health System Cardiac Services, Inc.	Related	219,289.	0.		X	N/A		X	.00%
Carmel Ambulatory Surgery Center, LLC - 32-0014795, 13421 Old Meridian St, Ste 150, Carmel, IN 46032	Ambulatory surgery center	IN	St.Vincent Carmel, Inc.	Related	5,760,736.	1,334,486.		X	N/A		X	45.00%
Chartwell Midwest Indiana, LLC - 35-1985233, 8040 Castleway Drive, Indianapolis, IN 46250	Home care IV/infusion services	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	21,300.	0.		X	N/A		X	.00%

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
Cooperative Managed Care Services, LLC - 35-1999227, 6602 E 75th Street, Suite 300, Indianapolis, IN 46250	Case management	IN	St.Vincent Hospital & Health Care Center, Inc.	Unrelated	122,350.	1,421,132.		X	N/A		X	50.00%
Endoscopy Center, LLC - 32-0029881, 13421 Old Meridian St, Ste 150, Carmel, IN 46032	Endoscopy center	IN	St.Vincent Carmel, Inc.	Related	873,755.	220,530.		X	N/A		X	60.00%
Fishers Ambulatory Surgery Center, LLC - 26-2001288, 136914 E State Road 238, Fishers, IN 46037	Ambulatory surgery center	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	-277,774.	532,587.		X	N/A		X	80.00%
Hancock Physician Network, LLC - 35-2051598, 801 N State Street, Greenfield, IN 46140	Primary care physician practices	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	-2,365,413.	1,101,907.		X	N/A		X	50.00%
HRH SVH Real Estate Development Co, LLC - 27-2933470, 10330 N Meridian St, Ste 430N, Indianapolis,	Real estate holding	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	3,131.	3,131.		X	N/A		X	100.00%
Lafayette Heart Program Holding, LLC - 38-3750811, 11515 W Dragoon Trail, Mishawaka, IN 46544	Cardiac care services	IN	Central Indiana Health System Cardiac Services, Inc.	Related	0.	7,800,000.		X	N/A		X	49.00%
Meridian Heights Associates, LLC - 26-4020296, 6100 W 96th Street, Ste 250, Indianapolis, IN 46278	Real estate holding	IN	St.Vincent Carmel, Inc.	Related	-497,691.	2,030,813.		X	N/A		X	50.00%
Neuro Oncology Equipment, LLC - 74-3103803, 10330 N Meridian St, Ste 430N, Indianapolis, IN 46290	Sale and rental services	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	312,355.	271,453.		X	N/A		X	50.00%
Northside Cardiac Cath Lab Partnership - 35-1854388, 2001 W 86th Street, Indianapolis, IN 46260	Outpatient cath lab	IN	Central Indiana Health System Cardiac Services, Inc.	Related	59,307.	0.		X	N/A		X	6.82%

Part III **Continuation of Identification of Related Organizations Taxable as a Partnership**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
Saint John's Ambulatory Surgery Center, LLC - 01-0822977, 2015 Jackson Street, Anderson, IN 46016	Surgery center	IN	St.Vincent Madison County Health System, Inc.	Related	-18,650.	0.		X	N/A		X	.00%
St.Vincent Heart Center of Indiana, LLC - 36-4492612, 10580 N Meridian Street, Indianapolis, IN 46290	Heart hospital	IN	Central Indiana Health System Cardiac Services, Inc.	Related	15,885,142.	27,774,130.		X	N/A		X	74.04%
St.Vincent Northwest Radiology, LLC - 35-2047427, 5756 W 71st Street, Indianapolis, IN 46278	MRI facilities	IN	St.Vincent Hospital & Health Care Center, Inc.	Related	-8,834.	0.		X	N/A		X	.00%
The Care Labs, LLC - 35-1854352, 2001 W 86th Street, Indianapolis, IN 46260	Outpatient vascular lab	IN	Central Indiana Health System Cardiac Services, Inc.	Related	158,226.	663.		X	N/A		X	35.08%

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

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)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

Part VII Supplemental Information

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

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization 990
(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
St.Vincent Dunn Hospital, Inc.	Form 990 Page 10	27-2192831

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 instructions)	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	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	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.)**

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

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 instr.	22	1,118,381.
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						**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		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
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.

	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?		
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:					
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**	9,133.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ..... ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization	Employer identification number
File by the extended due date for filing your return. See instructions	ST.VINCENT DUNN HOSPITAL, INC.	27-2192831
	Number, street, and room or suite no. If a P.O. box, see instructions. 1600 23RD STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BEDFORD, IN 47421	

Enter the Return code for the return that this application is for (file a separate application for each return) ..... [0 1]

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ JOHN C LINES 1600 23RD STREET - BEDFORD, IN 47421
  Telephone No. ▶ (812) 352-4252 FAX No. ▶ (812) 352-4201
- If the organization does not have an office or place of business in the United States, check this box ..... ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until MAY 15, 2012.

5 For calendar year _____, or other tax year beginning JUL 1, 2010, and ending JUN 30, 2011.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO ENABLE TAXPAYER TO FILE A COMPLETE AND ACCURATE RETURN.

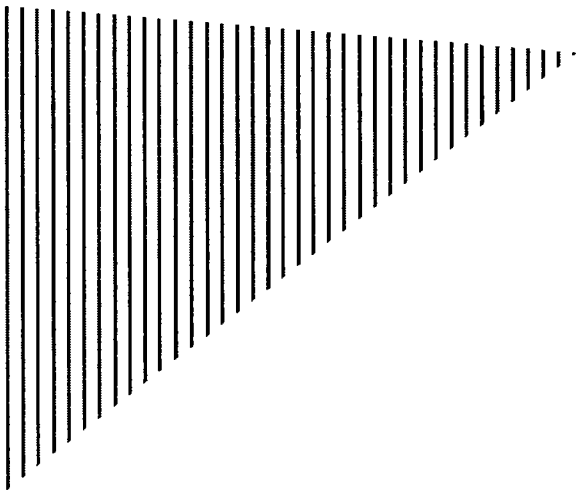
8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 0.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Shana Jiang Title ▶ CPA Date ▶ 2/13/12

023842
01-24-11



CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

St. Vincent Health, Inc. – Member of Ascension Health
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

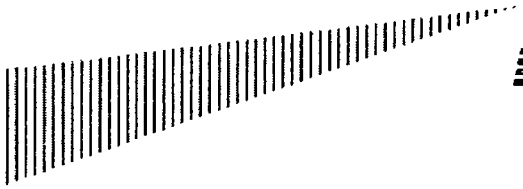
ERNST & YOUNG

St. Vincent Health, Inc.

Consolidated Financial Statements
and Other Financial Information

Years Ended June 30, 2011 and 2010

Contents



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Report of Independent Auditors

The Board of Directors
St. Vincent Health, Inc.

We have audited the accompanying consolidated balance sheets of St. Vincent Health, Inc. as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of St. Vincent Health, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 St. Vincent Health, 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 St. Vincent Health, 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St. Vincent Health, Inc. at June 30, 2011 and 2010, and the consolidated results of its operations and changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying consolidating balance sheet as of June 30, 2011, consolidating statement of operations and changes in net assets, and schedule of net cost of providing care of persons living in poverty and community benefit programs for the years ended June 30, 2011 and 2010, are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Ernst & Young LLP

September 13, 2011

St. Vincent Health, Inc.

Consolidated Balance Sheets
(Dollars in Thousands)

	June 30 2011	2010
Assets		
Current assets:		
Cash and cash equivalents	$ **119,068**	$ 98,272
Short-term investments	**37,093**	35,402
Accounts receivable, less allowances for uncollectible accounts ($78,503 and $54,282 in 2011 and 2010, respectively)	**248,265**	211,121
Assets limited as to use	**2,200**	1,962
Estimated third-party payor settlements	**6,022**	5,979
Inventories	**20,881**	22,207
Other	**31,393**	42,687
Total current assets	**464,922**	417,630
Investments, including Board-designated	**1,748,905**	1,466,448
Property and equipment:		
Land and improvements	**59,481**	59,788
Building and equipment	**1,407,510**	1,407,262
Construction in progress	**14,600**	16,868
Less accumulated depreciation	**986,472**	970,649
Total property and equipment, net	**495,119**	513,269
Other assets:		
Goodwill and other intangible assets	**182,121**	98,189
Investment in unconsolidated entities	**75,854**	75,506
Notes and other receivables	**13,154**	5,000
Investments in land	**4,263**	4,263
Other	**13,842**	8,722
Total other assets	**289,234**	191,680
Total assets	$ **2,998,180**	$ 2,589,027

	June 30	
	2011	2010
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	$ 2,419	$ 2,768
Accounts payable and accrued liabilities	239,995	204,613
Estimated third-party payor settlements	28,136	27,412
Self-insurance liabilities	3,217	3,259
Other	14,279	6,032
Total current liabilities	288,046	244,084
Noncurrent liabilities:		
Long-term debt	343,044	336,296
Pension and other postretirement liabilities	78,365	121,334
Other	38,901	35,436
Total noncurrent liabilities	460,310	493,066
Total liabilities	748,356	737,150
Net assets:		
Unrestricted	2,183,135	1,792,823
Temporarily restricted	40,468	31,626
Permanently restricted	16,449	15,955
Total net assets, excluding noncontrolling interest	2,240,052	1,840,404
Noncontrolling interest	9,772	11,473
Total net assets	2,249,824	1,851,877
Total liabilities and net assets	$ 2,998,180	$ 2,589,027

See accompanying notes.

St. Vincent Health, Inc.

Consolidated Statements of Operations and Changes in Net Assets
(Dollars in Thousands)

	Year Ended June 30	
	2011	**2010**
Operating revenue:		
Net patient service revenue	**$ 2,078,088**	$ 1,803,052
Other revenue	**87,310**	67,814
Income from unconsolidated entities, net, including impairment of $2,300 in 2010	**16,898**	12,867
Net assets released from restrictions for operations	**3,355**	5,405
Total operating revenue	**2,185,651**	1,889,138
Operating expenses:		
Salaries and wages	**817,374**	668,928
Employee benefits	**227,800**	184,356
Purchased services	**172,384**	164,427
Professional fees	**100,550**	91,905
Supplies	**284,134**	268,102
Insurance	**8,447**	10,201
Bad debts	**142,051**	79,524
Interest	**15,502**	11,365
Depreciation and amortization	**86,380**	84,957
Other	**185,278**	167,708
Total operating expenses before impairment expense	**2,039,900**	1,731,473
Income from operations before impairment expense	**145,751**	157,665
Impairment expense	**2,286**	–
Income from operations	**143,465**	157,665
Nonoperating gains (losses):		
Investment return	**262,149**	169,205
(Loss) income from unconsolidated entities	**(191)**	1,424
Other	**(13,148)**	(5,269)
Total nonoperating gains, net	**248,810**	165,360
Excess of revenues and gains over expenses and losses	**392,275**	323,025

Continued on next page.

St. Vincent Health, Inc.

Consolidated Statements of Operations and Changes in Net Assets (continued)

(Dollars in Thousands)

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets, controlling interest:		
Excess of revenues and gains over expenses and losses	**$ 385,374**	$ 314,200
Pension and other postretirement liability adjustments	**68,149**	(2,061)
Transfers to sponsor and other affiliates, net	**(60,992)**	(40,127)
Net assets released from restrictions for property acquisitions	**2,734**	4,710
Other	**(4,953)**	978
Increase in unrestricted net assets, controlling interest	**390,312**	277,700
Unrestricted net assets, noncontrolling interest:		
Excess of revenues and gains over expenses and losses	**6,901**	8,825
Purchase of units from noncontrolling members	**(1,139)**	(19,019)
Distributions of capital	**(7,463)**	(9,959)
Other	**–**	(148)
Decrease in unrestricted net assets, noncontrolling interest	**(1,701)**	(20,301)
Temporarily restricted net assets:		
Contributions and grants	**11,356**	7,952
Net change in unrealized gains/losses on investments	**2,699**	1,406
Investment return	**1,731**	1,009
Net assets released from restrictions	**(6,089)**	(10,115)
Other	**(855)**	1,090
Increase in temporarily restricted net assets	**8,842**	1,342
Permanently restricted net assets:		
Contributions	**98**	523
Net change in unrealized gains/losses on investments	**315**	24
Investment return	**87**	111
Other	**(6)**	(20)
Increase in permanently restricted net assets	**494**	638
Increase in net assets	**397,947**	259,379
Net assets, beginning of the year	**1,851,877**	1,592,498
Net assets, end of the year	**$ 2,249,824**	$ 1,851,877

See accompanying notes.

St. Vincent Health, Inc.

Consolidated Statements of Cash Flows
(Dollars in Thousands)

	Year Ended June 30	
	2011	2010
Cash flows from operating activities		
Increase in net assets	$ 397,947	$ 259,379
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	86,380	84,957
Provision for bad debts	142,051	79,524
Deferred pension costs	(68,149)	2,061
Net realized and change in unrealized gains/losses on investments	(265,163)	(170,635)
Loss on sale of assets, net	1,027	21
Impairment expense	2,286	–
Transfers to sponsor and other affiliates, net	60,992	40,127
Restricted contributions, investment return, and other	(12,411)	(10,665)
Income from unconsolidated entities, net	(16,707)	(16,591)
Impairment on unconsolidated entities	–	2,300
Distributions from unconsolidated entities	20,847	18,662
Noncontrolling interest activity	8,602	29,126
(Increase) decrease in		
Short-term investments	(1,691)	(4,366)
Accounts receivable	(179,195)	(88,342)
Inventories and other current assets	(110)	(17,723)
Investments classified as trading	(17,574)	(142,645)
Other assets	(13,081)	(3,937)
Increase in		
Accounts payable and accrued liabilities	34,307	30,343
Estimated third-party payor settlements, net	681	3,465
Other current liabilities	16,243	4,248
Other noncurrent liabilities	28,646	8,516
Net cash provided by operating activities	225,928	107,825
Cash flows from investing activities		
Property and equipment and software additions	(65,431)	(29,697)
Proceeds from sale of property and equipment and other assets	318	367
Capital contributions to unconsolidated entities	(4,488)	(43,886)
Purchases of new operating assets	–	(8,119)
Net cash used in investing activities	(69,601)	(81,335)
Cash flows from financing activities		
Issuance of long-term debt	–	47,120
Repayment of long-term debt	(85,312)	(52,599)
Decrease in assets under bond indenture agreements	–	1,197
Purchase of units from noncontrolling members	(1,139)	(4,000)
Distributions to noncontrolling interest partners	(7,463)	(9,959)
Other noncontrolling interest activity	–	(148)
Other financing activities	6,964	–
Transfers to sponsor and other affiliates, net	(60,992)	(40,127)
Restricted contributions, investment return, and other	12,411	10,665
Net cash used in financing activities	(135,531)	(47,851)
Net increase (decrease) in cash and cash equivalents	20,796	(21,361)
Cash and cash equivalents at beginning of year	98,272	119,633
Cash and cash equivalents at end of year	$ 119,068	$ 98,272

See accompanying notes

1. Organization and Mission

Organizational Structure

St. Vincent Health, Inc. (the Corporation) is a member of Ascension Health. Ascension Health is a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 20 of the United States and the District of Columbia. Ascension Health is sponsored by the Northeast, Southeast, East Central, and West Central Provinces of the Daughters of Charity of St. Vincent de Paul, the Congregation of St. Joseph, and the Congregation of the Sisters of St. Joseph of Carondelet.

The Corporation, located in Indianapolis, Indiana, is a nonprofit acute care hospital system. The Corporation's hospitals provide inpatient, outpatient, and emergency care services for the residents of central Indiana. Admitting physicians are primarily practitioners in the local area. The Corporation is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of Ascension Health are related to providing health care services.

The Corporation is continuing to enhance its development as an integrated health care delivery system through relationships and affiliations with other providers, practitioners, and insurers throughout the states of Indiana and Ohio. In this connection, the Corporation has formed separate affiliation arrangements with Cardinal Health System, Inc. (Delaware County) and Columbus Regional Hospital, Inc. (Bartholomew County) to develop joint services in the communities they commonly serve. In addition, the Corporation entered into an agreement with Cincinnati Children's Medical Center to enhance the pediatric subspecialty services to Peyton Manning Children's Hospital at St. Vincent. The Corporation has also entered into an agreement with the Cleveland Clinic to manage the renal transplant program at the St. Vincent Indianapolis Hospital. None of these affiliations have resulted in significant asset transfers and have not resulted in consolidation of the related entities.

1. Organization and Mission (continued)

The Corporation includes the following not-for-profit hospitals and health care entities:

Acute Care Hospitals:

St. Vincent Hospital and Health Care Center, Inc., d/b/a St. Vincent Hospital and Health Services (SVHHS) includes the following hospitals in Indianapolis, Indiana:

St. Vincent Indianapolis Hospital
St. Vincent Women's Hospital
St. Vincent Stress Center
St. Vincent Medical Center Northeast
Peyton Manning Children's Hospital at St. Vincent

- *St. Vincent Carmel Hospital, Inc. (St. Vincent Carmel),* Carmel, Indiana.
- *St. Joseph Hospital & Health Center, Inc. (St. Joseph-Kokomo)*, Kokomo, Indiana.
- *Saint John's Health System (Saint John's)*, Anderson, Indiana.
- *St. Vincent Seton Specialty Hospital, Inc. (Seton)*: Seton is a long-term acute care hospital with locations in Indianapolis and Lafayette, Indiana.
- *St. Vincent New Hope, Inc. (New Hope)*: New Hope is a residential treatment facility primarily providing residential and rehabilitation services for adults with a variety of developmental disabilities and is located in Indianapolis, Indiana.

The following acute care facilities are designated by Medicare as critical access hospitals:

- *St. Vincent Williamsport Hospital, Inc. (Williamsport):* Williamsport is an acute care hospital located in Williamsport, Indiana.
- *St. Vincent Jennings Hospital, Inc. (Jennings):* Jennings is an acute care hospital located in North Vernon, Indiana.
- *St. Vincent Frankfort Hospital, Inc. (Frankfort):* Frankfort is an acute care hospital located in Frankfort, Indiana.
- *St. Vincent Randolph Hospital, Inc. (Randolph):* Randolph is an acute care hospital located in Winchester, Indiana.
- *St. Vincent Clay Hospital, Inc. (Clay):* Clay is an acute care hospital located in Brazil, Indiana.

1. Organization and Mission (continued)

- *St. Vincent Mercy Hospital (Mercy):* Mercy is an acute care hospital located in Elwood, Indiana.
- *St. Vincent Salem Hospital, Inc. (Salem):* Salem is an acute care hospital located in Salem, Indiana.
- *St. Vincent Dunn Hospital, Inc. (Dunn):* Dunn is an acute care hospital located in Bedford, Indiana.

Other Health Care Entities:

- *St. Vincent Hospital Foundation, Inc., Saint John's Foundation, Inc., St. Joseph Foundation of Kokomo, Indiana, Inc., St. Vincent Frankfort Hospital Foundation, Inc., St. Vincent Randolph Hospital Foundation, Inc., St. Vincent Williamsport Hospital Foundation, Inc., St. Vincent Jennings Hospital Foundation, Inc., St. Vincent Clay Hospital Foundation, Inc., and St. Vincent Mercy Hospital Foundation, Inc. (the Foundations)*: The Foundations provide fund-raising efforts to support the charitable, religious, scientific, and educational purposes of charitable works of SVHHS, Saint John's, St. Joseph-Kokomo, Frankfort, Randolph, Williamsport, Jennings, Clay, Mercy, and other health facilities in accordance with the mission and values of Ascension Health.

- *Central Indiana Health System Cardiac Services, Inc. (CIHSCS)*: CIHSCS is a 49% joint venture partner in Lafayette Heart Program Holdings, LLC, a cardiac program in Lafayette, Indiana. CIHSCS also owns 74.1% of St. Vincent Heart Center of Indiana, LLC (SVHCI).

- *St. Vincent Health, Inc. (SVH)*: SVH provides the corporate support functions for the Corporation.

- *St. Vincent Physician Network, LLC (SPN)*: SPN is the Corporation's primary and specialty care network of physicians.

- *St. Vincent Medical Center Northeast, Inc. (SVMCNE)*: SVMCNE is a real estate holding company that is holding land for future expansion of health care services.

- *St. Vincent Medical Group, Inc. (SVMG):* SVMG is the Corporation's multi-specialty physician network consisting primarily of cardiology physicians. SVMG became part of the Corporation effective July 1, 2010.

1. Organization and Mission (continued)

- *Quality Healthcare Solutions, LLC DBA Navion Healthcare Solutions (Navion)*: Navion aims to optimize patient care with its physicians and hospital partners by advancing quality, improving operational performance, and reducing costs through data-driven solutions. Navion's services include data management and abstraction, performance improvement, service line management, and consulting.

Acquisitions

Effective July 1, 2010, the Corporation acquired certain assets owned by The Care Group, LLC (TCG), Northside Cardiac Cath Lab Partnership (Northside), The Care Labs, LLC (TCL), Care Group Cardiovascular Management, LLC (CGC), and Indiana Heart Institute, LLC (IHI). Ultimate owners from these entities included physicians and non-physicians affiliated with multiple physician practices. Such acquired assets were used in the operation of a medical practice, several cardiac and vascular catheterization laboratories, a management services company, and a data collections company. In addition, CIHSCS acquired approximately four additional units of ownership interest in SVHCI, bringing its total ownership interest to approximately 74%. The companies were acquired as part of the Corporation's strategy to continue to enhance its services and mission by aligning with physician practices. The Corporation allocated the total purchase price of $96,711 to assets acquired and liabilities assumed based upon estimated fair value on the acquisition date, in accordance with generally accepted accounting principles.

Consistent with the Corporation's policy and historical practice, the Corporation utilized independent third-party appraisers and advisors in estimating the fair market value of acquired assets and liabilities assumed, as well as the commercial reasonableness of the transactions. The transactions were financed primarily through a promissory note.

Effective February 1, 2010, Salem entered into an agreement to lease certain assets of Washington County Memorial Hospital (WCMH) from Critical Access Health Services Corp., which was an entity formed to own and operate WCMH while the hospital was in bankruptcy. Assets leased include the WCMH building and land, nearby medical office buildings, and the majority of the property and equipment.

1. Organization and Mission (continued)

The lease calls for Salem to pay $500 per year for five years. The lease agreement includes an option to purchase the hospital at the end of the five-year term for an additional $1,000. The lease agreement also includes an option to extend the lease for two terms of five years each, if Salem does not purchase the hospital at the end of the lease term.

Effective June 30, 2010, Dunn acquired certain assets, including property and equipment, inventory, and prepaid assets, and assumed certain liabilities of Dunn Memorial Hospital, Inc. for a purchase price of $8,119.

CIHSCS exercised an Option Agreement to purchase an additional five units of SVHCI on December 31, 2009, for a purchase price of $19,019. The purchase price included a down payment of $4,000 with the remaining purchase price to be paid in two equal annual installments in July 2011 and July 2012, which are included in other current liabilities and other noncurrent liabilities in the accompanying consolidated balance sheets. Pursuant to the Option Agreement, interest will accrue on all unpaid amounts at a rate equal to 4.25% with no penalty for early payment.

Mission

Ascension Health directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care which sustains and improves the health of the individuals and communities it serves. In accordance with Ascension Health's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay. Ascension Health uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs:

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.

1. Organization and Mission (continued)

- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.

- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.

- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research.

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs. The cost of providing care of persons living in poverty and community benefit programs is estimated using internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service (IRS).

The amount of traditional charity care provided, determined on the basis of cost, excluding the provision for bad debt expense, was approximately $52,740 and $50,719 for the years ended June 30, 2011 and 2010, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying other financial information.

(Dollars in Thousands)

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by the Corporation or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the Corporation does not have operating control are recorded under the equity or cost method of accounting. Under the equity method of accounting, the Corporation recognizes a proportional interest in the earnings of its unconsolidated investments in relation to its ownership percentage. These investments are reviewed for impairment when indicators of impairment are present. For entities recorded under the equity method of accounting, the following reflects the Corporation's interest in unconsolidated entities in the consolidated balance sheets, as well as income or loss for such entities included in the consolidated excess of revenues and gains over expenses and losses in the consolidated statements of operations and changes in net assets:

	Investment Recorded in Consolidated Balance Sheets as of June 30		Effect on Consolidated Excess of Revenues and Gains Over Expenses and Losses for the Year Ended June 30	
	2011	2010	2011	2010
Mid America Clinical Laboratories, LLC	$ 5,366	$ 4,637	$ 2,924	$ 1,972
Naab Road Surgery Center, LLC	1,549	1,230	2,787	3,353
The Surgery Center of Indianapolis, LLC	1,067	1,533	1,955	2,610
Advantage Health Solutions, Inc.	8,380	8,157	223	1,485
Carmel Ambulatory Surgery Center, LLC	2,073	2,044	4,898	5,757
Lafayette Heart Program Holdings, LLC	7,800	7,800	–	(1,700)
Indiana Orthopaedic Hospital, LLC	40,394	40,399	6,221	2,450
Rehabilitation Hospital of Indiana, Inc.	212	212	–	(858)
Other	9,013	9,494	(2,301)	(778)
	$ 75,854	$ 75,506	$ 16,707	$ 14,291

The Corporation purchased an equity interest in Indiana Orthopaedic Hospital, LLC effective October 23, 2009, for a purchase price of $40,000. The transaction resulted in approximately $37,788 of goodwill. As of July 1, 2010, the remaining goodwill balance of $36,109 is no longer amortized and is maintained within the investment in unconsolidated entities in the accompanying consolidated balance sheets.

2. Significant Accounting Policies (continued)

The loss on Rehabilitation Hospital of Indiana, Inc. includes an impairment charge of $600, which is included in income from unconsolidated entities in the consolidated statement of operations and changes in net assets for the year ended June 30, 2010. The joint venture has experienced cash flow issues, and the investment has been written down to fair value using Level 3 inputs (see Note 4), which approximates the value of the remaining debt guarantee.

The loss on Lafayette Heart Program Holdings, LLC includes an impairment charge of $1,700 in 2010, which is included in income from unconsolidated entities in the consolidated statements of operations and changes in net assets. The joint venture has not distributed any cash dividends since inception. The current market value of the investment was estimated based upon valuing the put and call option in the joint venture agreement using an income valuation approach using the discounted net cash flow method with a five-year projection period, with an adjustment for minority discount and discount for lack of marketability using Level 3 inputs (see Fair Value Measurements note).

Use of Estimates

Management has made estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying value of financial instruments classified as current assets and current liabilities approximates fair value. The fair values of financial instruments classified as other than current assets and current liabilities are disclosed in the Fair Value Measurements, Long-Term Debt, Pension Plans, and Related-Party Transactions notes.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits with maturities of three months or less and certain highly liquid, interest-bearing securities with maturities that may extend longer than three months but are convertible to cash within a one-month time period under the terms of the agreement with the investment manager.

2. Significant Accounting Policies (continued)

Investments and Investment Return

The Corporation holds investments through the Health System Depository (HSD), an investment pool of funds in which a limited number of nonprofit health care providers participate for purposes of establishing investment goals and monitoring performance under agreed-upon socially responsible investment guidelines. Investments are managed primarily by external investment managers within established investment guidelines. The value of the Corporation's investment in the HSD represents the Corporation's pro rata share of the HSD's investments held for participants. At June 30, 2011 and 2010, the Corporation's investment in the HSD was $1,737,672 and $1,472,547, respectively.

The Corporation also invests in cash and short-term investments, U.S. government obligations, corporate obligations, marketable equity securities, international securities, and real estate investments which are locally managed. Most of these funds are held in locally managed foundations where the Corporation has control over foundation assets. The Corporation reports both its investment in the HSD and in locally managed investments in the accompanying consolidated balance sheets based upon the long- or short-term nature of its investment and whether such investments are restricted by law or donors or designated for specific purposes by a governing body of Ascension Health.

The HSD's assets required to be recorded at fair value are comprised of equity and various fixed income investments. The HSD also holds investments in hedge funds, private equity, and real estate funds which are recorded under the equity method of accounting. In addition, the HSD participates in securities lending transactions whereby a portion of its investments is loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned.

Investment returns are comprised of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. All of the Corporation's investments, including its investment in the HSD, are designated as trading investments. Accordingly, all investment returns, including unrealized gains and losses, are reported as nonoperating gains (losses) in the consolidated statements of operations and changes in net assets unless the return is restricted by donor or law.

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value utilizing first-in, first-out (FIFO), or a methodology that closely approximates FIFO.

Intangible Assets

Intangible assets primarily consist of goodwill (increase due to acquisitions disclosed in Note 1) and capitalized computer software costs, including software internally developed. Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Intangible assets are included in other noncurrent assets in the accompanying consolidated balance sheets and are comprised of the following:

	June 30	
	2011	**2010**
Goodwill	**$ 101,694**	$ 46,756
Capitalized computer software costs	**110,516**	85,907
Accumulated amortization computer software costs	**(50,977)**	(36,567)
Other finite life intangibles	**24,021**	2,283
Accumulated amortization of other finite life intangibles	**(3,133)**	(190)
Total intangible assets	**$ 182,121**	$ 98,189

Effective July 1, 2010, intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs and other intangibles, are amortized over their expected useful lives. Prior to June 30, 2010, goodwill was amortized over an estimated life of 15 years.

Computer software costs are amortized over a range of 5 to 7 years. Other finite life intangibles include lease acquisition costs and assumed contracts (due to acquisitions disclosed in Note 1) and are amortized over a range of 5 to 11 years. Total amortization expense for 2011 and 2010 was $17,353 and $17,578, respectively.

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2011 and 2010 was $69,027 and $67,379, respectively.

Estimated useful lives by asset category are as follows: land improvements – 10 to 15 years; buildings – 20 to 40 years; and equipment – 3 to 10 years. Interest costs incurred as part of related construction are capitalized during the period of construction. There was no interest capitalized in 2011 or 2010.

Several capital projects have remaining construction and related equipment purchase commitments of approximately $4,795 as of June 30, 2011.

The Corporation recognizes the fair value of asset retirement obligations, including conditional asset retirement obligations, if the fair value can be reasonably estimated in the period in which the liability is incurred. Asset retirement obligations include but are not limited to certain types of environmental issues which are legally required to be remediated upon an asset's retirement, as well as contractually required asset retirement obligations. Conditional asset retirement obligations are obligations whose settlement may be conditional on a future event and/or where the timing or method of such settlement may be uncertain. Subsequent to initial recognition, accretion expense is recognized until the asset retirement liability is estimated to be settled.

The Corporation's most significant asset retirement obligation relates to asbestos remediation in certain hospital buildings. Asset retirement obligations of $8,598 and $8,163 as of June 30, 2011 and 2010, respectively, are recorded in other noncurrent liabilities in the accompanying consolidated balance sheets. During 2011 and 2010, $0 and $11 of retirement obligations were incurred and settled, respectively. Accretion expense of $435 and $414 was recorded in 2011 and 2010, respectively.

2. Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, which include endowment funds. Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes primarily to purchase equipment and to provide charity care and other health and educational services. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted.

Performance Indicator

The performance indicator is excess of revenues and gains over expenses and losses. Changes in unrestricted net assets that are excluded from the performance indicator primarily include pension and other postretirement liability adjustments, transfers to or from sponsors and other affiliates, net assets released from restrictions for property acquisitions, contributions of property and equipment, and other transfers between funds.

Operating and Nonoperating Activities

The Corporation's primary mission is to meet the health care needs in its market area through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, long-term care, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the Corporation's primary mission are considered to be nonoperating, consisting primarily of investment return and income (loss) from certain unconsolidated joint ventures, offset by grants.

2. Significant Accounting Policies (continued)

Net Patient Service Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided, excluding the provision for bad debt expense, and includes 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 provided 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 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 $20,664 and $6,375 for the years ended June 30, 2011 and 2010, respectively.

During 2011 and 2010, approximately 29% and 28%, respectively, of net patient service revenue was received under the Medicare program and 7% each year under various state Medicaid programs. The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable at June 30, 2011, include Medicare (17%), Medicaid (9%), Blue Cross (19%), managed care and commercial (36%), and self-pay (19%). Significant concentrations of accounts receivable at June 30, 2010, include Medicare (17%), Medicaid (8%), Blue Cross (18%), managed care and commercial (43%), and self-pay (14%).

The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Corporation follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health. Accounts receivable are written off after collection efforts have been followed in accordance with the Corporation's policies.

2. Significant Accounting Policies (continued)

The Corporation has an agreement to transfer certain patient receivables with recourse to a third party in exchange for cash at a discounted rate. The Corporation is deemed to have retained the risk of ownership of the receivables, which serve as collateral for the cash advanced to the Corporation, and the Corporation continues to reflect the receivables and related liability to the third party on its consolidated balance sheets. As of June 30, 2011 and 2010, receivables subject to this arrangement were $18,245 and $24,232, respectively, and are included in other current assets. The Corporation estimates its recourse obligation, which is reflected in accounts payable and other accrued liabilities.

Impairment, Restructuring, and Nonrecurring Expenses

During the year ended June 30, 2011, the Corporation recorded total impairment, restructuring, and nonrecurring expenses of $2,286. This amount was comprised of long-lived asset impairments to reflect current fair value related to the termination of an information technology service contract.

Adoption of New Accounting Standards

In January 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions* (ASU 2010-07), which establishes accounting and disclosure requirements for how a not-for-profit entity determines whether a combination is a merger or an acquisition, how to account for each, and the required disclosures. In addition, ASU 2010-07 included amendments to the FASB's Accounting Standards Codification™ (the Codification or ASC) Topic 350, *Intangibles – Goodwill and Other* (ASC Topic 350), and Topic 810, *Consolidation* (ASC Topic 810), to make both applicable to not-for-profit entities. ASC Topic 350 clarifies the accounting for goodwill and indefinite-lived identifiable intangible assets recognized in a not-for-profit entity's acquisition of a business or nonprofit activity. Such assets are not amortized and are tested for impairment at least annually. ASC Topic 810 clarifies the accounting for noncontrolling interests and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, including classification as a component of net assets. The Corporation adopted the guidance relative to ASU 2010-07 as of July 1, 2010.

2. Significant Accounting Policies (continued)

Income Taxes

The member health care entities of the Corporation, an Indiana not-for-profit corporation, are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). The Corporation accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

SVHCI members have elected, under the applicable provisions of the Internal Revenue Code, to be taxed as a partnership whereby taxable income is taxed directly to the members and not to SVHCI. The allocable share of earnings from SVHCI is also exempt from income tax because it is related to the Corporation's tax-exempt purpose. Accordingly, the consolidated financial statements do not include any provision for federal or state income taxes.

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by the Corporation. The investigations are in various stages of discovery, and the ultimate resolution of these matters, including the liabilities, if any, cannot be readily determined; however, in the opinion of management, the results of these investigations will not have a material adverse impact on the consolidated financial statements of the Corporation.

Reclassifications

Certain reclassifications were made to the 2010 consolidated financial statements to conform to the 2011 presentation, including capitalized computer software costs.

Subsequent Events

The Corporation evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition or disclosure in the financial statements as of the balance sheet date. For the year ended June 30, 2011, the Corporation evaluated subsequent events through September 13, 2011, representing the date on which the accompanying audited consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition in the consolidated financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure other than those disclosed in the Subsequent Events note.

(Dollars in Thousands)

3. Cash and Cash Equivalents, Investments, and Assets Limited as to Use

The Corporation's investments are comprised of the Corporation's pro rata share of the HSD's funds held for participants and certain other investments such as those investments held and managed by foundations. Board-designated investments represent investments designated by resolution of the Board of Trustees to put amounts aside primarily for future capital expansion and improvements. In June 2011, the Board of Trustees released the board designation on a majority of the funded depreciation accounts. Assets limited as to use primarily include investments restricted by donors. The Corporation's investments are reported in the accompanying consolidated balance sheets as presented in the following table:

	June 30	
	2011	**2010**
Cash and cash equivalents	**$ 119,068**	$ 98,272
Short-term investments	**37,093**	35,402
Current portion of assets limited as to use	**2,200**	1,962
Board-designated investments	**15,112**	1,397,006
Other investments	**1,679,076**	23,823
Assets limited as to use:		
Temporarily or permanently restricted	**54,717**	45,619
Total	**$ 1,907,266**	$ 1,602,084

(Dollars in Thousands)

3. Cash and Cash Equivalents, Investments, and Assets Limited as to Use (continued)

The composition of cash and investments classified as cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments is summarized as follows:

	June 30	
	2011	**2010**
Cash and cash equivalents	**$ 61,687**	$ 41,102
Short-term investments	**37,093**	35,402
U.S. government obligations	**4,149**	1,853
Corporate and foreign fixed income investments	**8,889**	10,534
Asset backed securities	**3,358**	2,930
Equity securities	**37,976**	27,881
International securities	**11,591**	5,891
Private equity and other investments	**1,351**	1,299
Other assets limited as to use	**3,500**	2,645
Subtotal, included in cash and cash equivalents, short-term investments, and Board-designated and other investments	**169,594**	129,537
Pro rata share of HSD funds held for participants	**1,737,672**	1,472,547
Cash and cash equivalents, short-term investments, and Board-designated and other investments	**$ 1,907,266**	$ 1,602,084

As of June 30, 2011 and 2010, the composition of total HSD investments is as follows:

	June 30	
	2011	**2010**
Cash, cash equivalents, and short-term investments	**6.9%**	5.8%
U.S. government obligations	**27.4**	26.0
Asset backed securities	**15.8**	11.3
Corporate and foreign fixed income investments	**11.3**	17.5
Equity, private equity, and other investments	**38.6**	39.4
	100.0%	100.0%

(Dollars in Thousands)

3. Cash and Cash Equivalents, Investments, and Assets Limited as to Use (continued)

Investment return recognized by the Corporation is summarized as follows:

	Year Ended June 30	
	2011	**2010**
Investment return in HSD	**$ 250,281**	$ 164,461
Interest and dividends	**2,090**	2,035
Net gains on investments reported at fair value	**12,792**	4,139
Restricted investment income	**1,818**	1,120
Total investment return	**$ 266,981**	$ 171,755
Investment return included in nonoperating gains	**$ 262,149**	$ 169,205
Increase in restricted net assets	**4,832**	2,550
Total investment return	**$ 266,981**	$ 171,755

4. Fair Value Measurements

The Corporation categorizes, for disclosure purposes, assets and liabilities measured at fair value in the consolidated financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

4. Fair Value Measurements (continued)

The Corporation follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values. Level inputs are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date. Investments classified in this level generally include exchange traded equity securities, futures, real estate investment trusts, pooled short-term investment funds, options, and exchange traded mutual funds.

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Investments classified in this level generally include fixed income securities, including fixed income government obligations, asset backed securities, certificates of deposit, and derivatives.

Level 3 – Inputs that are unobservable for the asset or liability. Investments classified in this level generally include alternative investments, private equity investments, limited partnerships, and certain fixed income securities, including fixed income government obligations, and derivatives.

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets. The Corporation uses techniques consistent with the market approach and income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted).

4. Fair Value Measurements (continued)

As of June 30, 2011 and 2010, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables on the following pages utilize the following valuation techniques and inputs:

Cash and Cash Equivalents and Short-Term Investments

Short-term investments designated as Level 2 investments are primarily comprised of commercial paper, whose fair value is based on amortized cost. Significant observable inputs include security cost, maturity, and credit rating. Cash and cash equivalents and additional short-term investments are primarily comprised of certificates of deposit, whose fair value is based on cost plus accrued interest. Significant observable inputs include security cost, maturity, and relevant short-term interest rates.

U.S. Government Obligations

The fair value of investments in U.S. government, state, and municipal obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate and Foreign Fixed Income Investments

The fair value of investments in U.S. and international corporate bonds, including commingled funds that invest primarily in such bonds, and foreign government bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security-specific characteristics, such as early redemption options.

Asset Backed Securities

The fair value of U.S. agency and corporate asset backed securities is primarily determined using techniques consistent with the income approach, such as a discounted cash flow model. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes.

4. Fair Value Measurements (continued)

Equity Securities

The fair value of investments in U.S. and international equity securities is primarily determined using the calculated net asset value. The values for underlying investments are fair value estimates determined by external fund managers based on operating results, balance sheet stability, growth, and other business and market sector fundamentals.

Private Equity Investments

The fair value of private equity investments is primarily determined using techniques consistent with both the market and income approaches, based on the Corporation's estimates and assumptions in absence of observable market data. The market approach considers comparable company, comparable transaction, and company-specific information, including but not limited to restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, and current financial position and operating results. The income approach considers the projected operating performance of the portfolio company.

Guaranteed Pooled Fund

The fair value of guaranteed pooled fund investments is based on cost plus guaranteed, annuity contract-based interest rates. Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying the annuity contract, the contract value, and the annualized weighted-average yield to maturity of the underlying investment portfolio.

As discussed in the Significant Accounting Policies and the Cash and Cash Equivalents, Investments, and Assets Limited as to Use note, the Corporation has an investment in the HSD and certain other investments, such as those investments held and managed by foundations. As of June 30, 2011, 31%, 67%, and 2% of total HSD assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively, while 1%, 84%, and 15% of total HSD liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 1, Level 2, and Level 3 inputs, respectively. As of June 30, 2010, 25%, 67%, and 8% of total HSD assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively, while 2%, 45%, and 53% of total HSD liabilities that are measured at fair value on a recurring basis were measured based on Level 1, Level 2, and Level 3 inputs, respectively.

(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2011, for all other financial assets and liabilities which are measured at fair value on a recurring basis in the Corporation's consolidated financial statements:

June 30, 2011	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4,891	$ 322	$ –	$ 5,213
Short-term investments	11,329	25,764	–	37,093
U.S. government obligations	–	4,149	–	4,149
Corporate and foreign fixed income investments	–	8,889	–	8,889
Asset backed securities	–	3,358	–	3,358
Equity, private equity, and other investments	35,076	2,900	–	37,976
International securities	11,591	–	–	11,591
Subtotal of assets at fair value	$ 62,887	$ 45,382	$ –	108,269
Assets not at fair value				61,325
Subtotal, included in cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments				$ 169,594
Deferred compensation assets, included in other noncurrent assets, invested in:				
Equity securities	$ 7,599	$ –	$ –	$ 7,599
Guaranteed pooled fund	$ –	$ –	$ 1,161	$ 1,161

(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2010, for all other financial assets and liabilities that are measured at fair value on a recurring basis in the Corporation's consolidated financial statements:

June 30, 2010	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4,343	$ –	$ –	$ 4,343
Short-term investments	17,546	17,856	–	35,402
U.S. government obligations	–	1,853	–	1,853
Corporate and foreign fixed income investments	–	10,534	–	10,534
Asset backed securities	–	2,930	–	2,930
Equity, private equity, and other investments	25,756	2,125	–	27,881
International securities	5,891	–	–	5,891
Subtotal of assets at fair value	$ 53,536	$ 35,298	$ –	88,834
Assets not at fair value				40,703
Subtotal, included in cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments				$ 129,537
Deferred compensation assets, included in other noncurrent assets, invested in:				
Equity securities	$ 4,912	$ –	$ –	$ 4,912
Guaranteed pooled fund	$ –	$ –	$ 963	$ 963

During the years ended June 30, 2011 and 2010, the changes in the fair value of the foregoing assets measured using significant unobservable inputs (Level 3) were comprised of the following. Transfers in or out of Level 3 are recognized as of the beginning of the reporting period. The balance at July 1, 2009, was $783; purchases, issuances, and settlements were $112; and transfers into Level 3 were $68. The balance at July 1, 2010, was $963; purchases, issuances, and settlements were $149; and transfers into Level 3 were $49, resulting in an ending balance at June 30, 2011, of $1,161.

(Dollars in Thousands)

5. Long-Term Debt

Long-term debt consists of the following:

	June 30	
	2011	**2010**
Intercompany debt with Ascension Health, payable in installments through November 2047; interest (3.88% and 3.95% at June 30, 2011 and 2010, respectively) adjusted based on the prevailing blended market interest rate of underlying debt obligations	**$ 336,296**	$ 339,031
Notes payable with The Care Group, LLC and other related entities, payable July 2, 2012, including interest of 4.25%	**9,167**	–
Obligations under capital leases	**–**	33
	345,463	339,064
Less current portion	**2,419**	2,768
Long-term debt, less current portion	**$ 343,044**	$ 336,296

Scheduled principal repayments of long-term debt are as follows:

Year ending June 30:	
2012	$ 2,419
2013	11,503
2014	5,064
2015	5,294
2016	4,716
Thereafter	316,467
Total	$ 345,463

5. Long-Term Debt (continued)

Certain members of Ascension Health formed the Ascension Health Credit Group (Senior Credit Group). Each Senior Credit Group member is identified as either a senior obligated group member or senior limited designated affiliate. Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Health. Though senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation. In addition, Ascension Health may cause each senior designated affiliate to transfer such amounts as are necessary to enable the senior obligated group members to comply with the terms of the Senior MTI, including payment of the outstanding obligations. The Corporation is a senior obligated group member under the terms of the Senior MTI.

Pursuant to a Supplemental Master Indenture dated February 1, 2005, senior obligated group members, which are operating entities, have pledged and assigned to the Master Trustee a security interest in all of their rights, title, and interest in their pledged revenues and proceeds thereof.

A Subordinate Credit Group, which is comprised of subordinate obligated group members and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (the Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension Health. Though subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI, each subordinate limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health with stipulated repayment terms and conditions, each subject to the governing law of the limited designated affiliate's state of incorporation. The Corporation is a subordinate obligated group member under the terms of the Subordinate MTI.

The borrowing portfolio of the Senior and Subordinate Credit Group includes a combination of fixed and variable rate hospital revenue bonds, commercial paper, and other obligations, the proceeds of which are in turn loaned to the Senior and Subordinate Credit Group members, subject to a long-term amortization schedule of 1 to 37 years.

5. Long-Term Debt (continued)

Certain portions of Senior and Subordinate Credit Group borrowings may be periodically subject to interest rate swap arrangements to effectively convert borrowing rates on such obligations from a floating to a fixed interest rate or vice versa based on market conditions. Additionally, Senior and Subordinate Credit Group borrowings may, from time to time, be refinanced or restructured in order to take advantage of favorable market interest rates or other financial opportunities. Any gain or loss on refinancing, as well as any bond premiums or discounts, are allocated to the Senior and Subordinate Credit Group members based on their pro rata share of the Senior and Subordinate Credit Group obligations. Senior and Subordinate Credit Group refinancing transactions rarely have a significant impact on the outstanding borrowings or intercompany debt amortization schedule of any individual Senior and Subordinate Credit Group member. Members of Ascension Health may also periodically draw from the invested funds of other members of Ascension Health on a relatively short-term basis and subject to certain conditions.

The carrying amounts of intercompany debt with Ascension Health and other debt approximate fair value based on a portfolio market valuation provided by a third party.

The Senior and Subordinate Credit Group financing documents contain certain restrictive covenants, including a debt service coverage ratio.

As of June 30, 2011, the Senior Credit Group has a line of credit of $250,000 related to its commercial paper program toward which bank commitments totaling $250,000 extend to November 18, 2013. As of June 30, 2011 and 2010, there were no borrowings under the line of credit.

As of June 30, 2011, the Senior Credit Group has a line of credit of $500,000 for general corporate purposes toward which bank commitments totaling $500,000 extend to April 2, 2012. As of June 30, 2011, there were no borrowings under the line of credit.

As of June 30, 2011, the Subordinate Credit Group has a $50,000 revolving line of credit related to its letters-of-credit program toward which a bank commitment of $50,000 extends to December 28, 2011. As of June 30, 2011, $37,162 of letters of credit had been extended under the revolving line of credit, although there were no borrowings under any of the letters of credit.

The outstanding principal amount of all hospital revenue bonds is $4,100,240, which represents 38% of the combined unrestricted net assets of the Senior and Subordinate Credit Group members at June 30, 2011.

5. Long-Term Debt (continued)

Guarantees are contingent commitments issued by the Senior and Subordinate Credit Groups, generally to guarantee the performance of a sponsored organization or an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and similar transactions. The term of the guarantee is equal to the term of the related debt, which can be as short as 30 days or as long as 29 years. The maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under their guarantees and other commitments at June 30, 2011, is approximately $150,000.

As discussed in the Organization and Mission note to the consolidated financial statements, St. Vincent Health completed the purchase of The Care Group, LLC (TCG) and related entities, effective July 1, 2010, which resulted in the issuance of $91,711 of promissory notes with TCG and related entities, of which $82,544 was paid in 2011. The remaining $9,167 is payable in July 2012. The promissory notes bear interest at 4.25% and are secured by certain fixed assets of the Corporation.

During the years ended June 30, 2011 and 2010, interest paid was approximately $15,502 and $11,365, respectively.

6. Pension Plans

The Corporation participates in the Ascension Health Pension Plan, the Ascension Health Defined Contribution Plan, and the St. Vincent Heart Center of Indiana Retirement Plan. Details of these plans are as follows.

Ascension Health Pension Plan

The Corporation participates in the Ascension Health Pension Plan (the Ascension Plan), which is a noncontributory, defined-benefit pension plan sponsored by Ascension Health, which covers all eligible employees of certain Ascension Health entities. Benefits are based on each participant's years of service and compensation. The Ascension Plan's assets are invested in the Ascension Health Master Pension Trust (the Trust), a master trust consisting of cash and cash equivalents, equity, fixed income funds, and alternative investments. The Trust also invests in derivative instruments, the purpose of which is to economically hedge the change in the net funded status of the Ascension Plan for a significant portion of the total pension liability that can occur due to changes in interest rates. Contributions to the Ascension Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants. Net periodic pension cost of $46,929 in 2011 and $30,590 in 2010 was charged to the Corporation.

6. Pension Plans (continued)

The service cost component of net periodic pension cost charged to the Corporation is actuarially determined, while all other components are allocated based on the Corporation's pro rata share of Ascension Health's overall projected benefit obligation.

The assets of the Ascension Plan are available to pay the benefits of eligible employees of all participating entities. In the event participating entities are unable to fulfill their financial obligations under the Ascension Plan, the other participating entities are obligated to do so. As of June 30, 2011, the Ascension Plan had a net unfunded liability of $226,238. The Corporation's allocated share of the Ascension Plan's net unfunded liability reflected in the accompanying consolidated balance sheets at June 30, 2011 and 2010, was $78,365 and $121,073, respectively. As a result of updating the funded status of the Plan, the Corporation's allocated share of the Plan's net funded liability was reduced by $68,149 in 2011. Ascension Health transferred an additional pension liability of $1,867 to the Corporation in 2010. These transfers are included in transfers from (to) sponsor and other affiliates, net, in the accompanying consolidated statements of operations and changes in net assets.

As of June 30, 2011 and 2010, the fair value of the Ascension Plan's assets available for benefits was $3,616,141 and $3,089,076, respectively. As discussed in the Fair Value Measurements note, the Corporation, as well as Ascension Health, follows a three-level hierarchy to categorize assets and liabilities measured at fair value. In accordance with this hierarchy, as of June 30, 2011, 27%, 45%, and 28% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2, and Level 3 investments, respectively. With respect to the Ascension Plan's liabilities that are measured at fair value on a recurring basis, 0%, 17%, and 83% were categorized as Level 1, Level 2, and Level 3 investments, respectively, as of June 30, 2011. Additionally, as of June 30, 2010, 29%, 42%, and 29% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2, and Level 3 investments, respectively. With respect to the Ascension Plan's liabilities that are measured at fair value on a recurring basis, 0%, 13%, and 87% were categorized as Level 1, Level 2, and Level 3 investments, respectively, as of June 30, 2010.

6. Pension Plans (continued)

Ascension Health Defined Contribution Plan

The Corporation participates in the Ascension Health Defined Contribution Plan (the Defined Contribution Plan), a contributory and noncontributory, defined-contribution plan sponsored by Ascension Health which covers all eligible associates. There are three primary types of contributions to the Defined Contribution Plan: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary. These benefits are funded annually, and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period, and participants become fully vested in all employer contributions immediately. Defined-contribution expense, representing both employer automatic contributions and employer matching contributions, was $13,114 and $10,279 for the years ended June 30, 2011 and 2010, respectively.

St. Vincent Heart Center of Indiana Retirement Plan

SVHCI has established a defined-contribution retirement plan which covers substantially all employees. SVHCI makes a nonelective contribution which is based on the participating employee's compensation. Employees are immediately vested in this portion of the plan. In addition, SVHCI matches the participating employee's elective 401(k) contributions up to 3% of the employee's compensation. Vesting in SVHCI matching contributions is based on years of service, and such contributions are 100% vested to the employee after five years of service. Defined-contribution expense, representing both employer automatic contributions and employer matching contributions, was $1,409 and $1,473 for the years ended June 30, 2011 and 2010, respectively.

7. Self-Insurance Programs

The Corporation participates in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Actuarially determined amounts, discounted at 6%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at 6% in 2011 and 2010.

7. Self-Insurance Programs (continued)

In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency. If contributions exceed the losses paid, the excess may be returned to participating entities.

Professional and General Liability Programs

The Corporation participates in Ascension Health's professional and general liability self-insured program. Professional liability coverage is provided on an occurrence basis through a wholly owned onshore trust with a self-insured retention of $250 per occurrence and up to $7,500 in aggregate in compliance with participation in the Patient Compensation Fund. The Patient Compensation Fund applies to claims in excess of the primary self-insured limit. General liability coverage is provided on a claims-made basis through a wholly owned onshore trust and offshore captive insurance company, Ascension Health Insurance, Ltd. (AHIL), with a self-insured retention of $10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to $185,000. AHIL also retains a 20% quota share of the first $25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers. The Corporation has a deductible of up to $100 per claim for both professional and general liability claims depending on the size of the hospital. One entity obtains professional liability coverage through a commercial policy on a claims-made basis with limits up to $250 per occurrence and $750 in aggregate in compliance with participation in the Patient Compensation Fund. The Patient Compensation Fund applies to claims in excess of the primary limit.

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional and general liability expense of $5,345 and $8,033 for the years ended June 30, 2011 and 2010, respectively. Included in self-insurance liabilities on the accompanying consolidated balance sheets are professional and general liability loss reserves of approximately $3,217 and $3,259 at June 30, 2011 and 2010, respectively.

Workers' Compensation

The Corporation participates in Ascension Health's workers' compensation program, which provides occurrence coverage through a grantor trust. The trust provides coverage up to $1,000 per occurrence with no aggregate. The trust provides a mechanism for funding the workers' compensation obligations of its members. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and reflect both claims reported and claims incurred but not reported.

(Dollars in Thousands)

7. Self-Insurance Programs (continued)

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is workers' compensation expense of $5,810 and $5,182 for the years ended June 30, 2011 and 2010, respectively.

Medical and Dental Claims

The Corporation is self-insured for medical and dental claims. The Corporation estimates its liability for covered medical and dental claims, including claims incurred but not reported, based upon historical costs incurred and payment processing experience. At June 30, 2011 and 2010, the liability for such covered medical and dental claims was $7,630 and $5,870, respectively, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

8. Lease Commitments

Future minimum payments under noncancelable operating leases with remaining terms of one year or more are as follows:

Year ending June 30:	
2012	$ 26,322
2013	26,846
2014	23,075
2015	19,147
2016	15,752
Thereafter	30,037
Total	$ 141,179

The Corporation has subleased certain of its space under the operating leases reported above. Total future minimum rents to be received under noncancellable subleases with remaining terms of one year or more are $6,683.

In addition, the Corporation is a lessor under certain operating lease agreements, primarily ground leases related to third-party owned medical office buildings on land owned by the Corporation. The Corporation also leases space to others in some buildings it owns.

(Dollars in Thousands)

8. Lease Commitments (continued)

Future minimum rental receipts under all noncancelable operating leases with terms of one year or more are as follows:

Year ending June 30:	
2012	$ 909
2013	916
2014	917
2015	917
2016	917
Thereafter	32,143
Total	$ 36,719

Rental expense under operating leases amounted to $53,028 and $49,279 in 2011 and 2010, respectively.

In May 2003, the Corporation sold various outpatient and professional medical office buildings (MOBs) to a real estate investment trust (REIT) and contemporaneously leased back certain space in those buildings to support ongoing ministry operations for a period of 12 years with leases extending through 2015. These space leases are being accounted for as operating leases based on their terms, and future minimum lease payments under these leases are included in the amounts reported above. The building sales were accounted for as sale-lease transactions, and as such, certain gains on the sales were deferred. As of June 30, 2011 and 2010, net deferred gains of $1,598 and $2,146, respectively, were included in other noncurrent liabilities in the accompanying consolidated balance sheets. These gains are being recognized as operating income over the related leaseback terms. In connection with that sale, the Corporation entered into a long-term ground lease for the property underlying the buildings whereby the REIT is able to take control of the buildings for 50 years with one 25-year renewal at the option of the REIT.

9. Related-Party Transactions

The Corporation utilized various centralized programs and overhead services of Ascension Health or its other sponsored organizations, including risk management, retirement services, treasury, debt management, executive management support, administrative services, and information technology services. The charges allocated to the Corporation for these services represent both allocations of common costs and specifically identified expenses that are incurred

9. Related-Party Transactions (continued)

by Ascension Health on behalf of the Corporation. Allocations are based on relevant metrics such as the Corporation's pro rata share of revenues, certain costs, debt, or investments to the consolidated totals of Ascension Health.

The amounts charged to the Corporation for these services may not necessarily result in the net costs that would be incurred by the Corporation on a stand-alone basis. The charges allocated to the Corporation were approximately $101,208 and $91,325 for the years ended June 30, 2011 and 2010, respectively.

In addition to the charges discussed above, the Corporation made payments to Ascension Health of $35,505 and $18,069 for the years ended June 30, 2011 and 2010, respectively, representing the Corporation's share of costs to fund an Ascension Health system-wide information technology and process standardization project that is expected to continue through December 2014. Also, during the years ending June 30, 2011 and 2010, the Corporation transferred cash and investments of $25,487 and $22,058, respectively, in support of Ascension Health's strategic initiatives and Sister services. These payments are included in transfers to sponsor and other affiliates, net, in the accompanying consolidated statements of operations and changes in net assets.

The Corporation purchased $28,581 of laboratory services in 2011 ($23,029 in 2010) from Mid America Clinical Laboratories, LLC (MACL). SVHHS is a 25% owner of MACL.

SVHHS purchased $6,172 in 2010 of blood factor products from Chartwell Midwest Indiana, LLC (Chartwell). SVHHS was a 50% owner of Chartwell. Chartwell ceased operations as of June 30, 2010.

The Corporation paid $802 and $734 to Suburban Health Organization (SHO) in 2011 and 2010, respectively, for items such as physician recruitment dues, third-party administration (TPA) services, and network development. SHO processed $34,150 and $39,576 in claim payments for the Corporation in 2011 and 2010, respectively. SVH is a Class D stockholder of SHO.

The Corporation paid $708 and $835 to NeuroOncology Equipment, LLC (Novalis) in 2011 and 2010, respectively, for rental of equipment. SVHHS is a 50% owner of Novalis.

The Corporation paid $1,635 and $2,305 to United Hospital Services, LLC (UHS) in 2011 and 2010, respectively, for laundry services. SVHHS is a 16.7% owner of UHS.

9. Related-Party Transactions (continued)

The Corporation paid $615 to Breast MRI Leasing Company, LLC (Breast MRI) in both 2011 and 2010 for rental of equipment. SVHHS is a 50% owner of Breast MRI.

The Corporation paid $3,425 to Indiana Heart Institute, LLC (IHI) in 2010 for heart base and coding services. SVH was a 33.3% owner of IHI. See the Organization and Mission note.

Care Group Cardiovascular Management, LLC (CGC) was formed to provide management services to the cardiovascular programs at SVHCI, SVHHS, St. Vincent Carmel, and Lafayette Heart Program Holdings, LLC (Lafayette). CIHSCS is a 5% member entity of CGC and a 49% owner of Lafayette. The Corporation paid $8,572 in management fees to CGC in 2010. See the Organization and Mission Acquisitions note.

The Corporation paid $3,000 and $250 to Orthopaedic Consulting Services, LLC (OCS) in 2011 and 2010, respectively, for management fees. SVHHS is a 5% owner of OCS.

The Corporation participates in a joint venture arrangement for the operation of the Rehabilitation Hospital of Indiana, Inc. (RHI), a free-standing, not-for-profit, comprehensive rehabilitation facility. The Corporation guarantees 50% of the outstanding bonds and line-of-credit amounts ($6,400 at June 30, 2011), using a supporting letter of credit for payment of principal and interest on certain debt issued on behalf of RHI. The guarantee extends through the term of the debt and expires on November 1, 2020. A long-term liability of $212 has been recorded in the accompanying consolidated balance sheets at both June 30, 2011 and 2010, representing the fair value of this guarantee determined using a discounted cash flow analysis. The Corporation also provided RHI with a working capital loan of $1,500 in June 2010.

The Corporation is a 34.5% owner of Advantage Health Solutions, Inc. (Advantage). SVHHS is a 50% guarantor on the minimum statutory net worth requirement with the Indiana Department of Insurance. The guarantee amount approximates $4,500 at June 30, 2011; however, because Advantage is well in excess of the minimum statutory net worth requirements, the Corporation estimates the fair value of this guarantee to be zero.

As part of the formation of the Meridian Heights Associates, LLC joint venture with St. Vincent Carmel, St. Vincent Carmel pledged 9.51 acres of land as collateral for the financing of the joint venture. St. Vincent Carmel is a 50% owner of the Meridian Heights Associates, LLC joint venture.

9. Related-Party Transactions (continued)

The Corporation provides professional services to some of its joint ventures. The revenue received for these services was $33,194 and $23,711 in 2011 and 2010, respectively, and is included in other revenue in the accompanying consolidated statements of operations and changes in net assets.

The Corporation provides professional services to another member of Ascension Health. The revenue recorded for these services was $1,458 and $1,207 in 2011 and 2010, respectively.

10. Contingencies and Commitments

In addition to professional liability claims, the Corporation is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the Corporation's consolidated financial statements.

In September 2010, Ascension Health received a letter from the U.S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable carioverter defibrillators (ICDs) were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, the Corporation will be reviewing applicable medical records for response to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. At June 30, 2011 and through September 13, 2011, the review remains in its early stages. As such, no estimates of liability have been or can be reached relative to the impact this investigation could have on the Corporation. Through September 13, 2011, the DOJ has not asserted any claims against the Corporation. Ascension Health and the Corporation continue to fully cooperate with the DOJ in its investigation.

The Corporation enters into agreements with non-employed physicians that include minimum revenue guarantees. These guarantees provide financial incentives to induce physicians to relocate their practices to a health ministry that serves an area with a demonstrated community need. Guarantees are designed to assist a physician in establishing a viable medical practice in a community in order to promote the health of the community. The Corporation agrees to make payments to the physician at the end of specific time periods if the gross receipts generated by the practice do not equal or exceed a specific dollar amount. The Corporation has also entered into agreements with physician groups to provide emergency room and anesthesia coverage in areas with demonstrated community need. The Corporation guarantees to cover the costs of

10. Contingencies and Commitments (continued)

providing coverage if there are not sufficient patient billings that exceed the cost of providing the coverage. The carrying amounts of the liability for the Corporation's obligation under these guarantees were $3,208 and $709 at June 30, 2011 and 2010, respectively, and are included in current and noncurrent liabilities in the accompanying consolidated balance sheets.

The maximum amount of future payments that the Corporation could be required to make under these guarantees is $12,103. However, the Corporation is entitled to proceeds of receivables collected to offset guarantee amounts paid, which reduces the total maximum guarantee amount.

The Corporation has certain supply commitments totaling $5,232 at June 30, 2011.

11. Subsequent Events

The Corporation purchased CorVasc MD's, PC (CorVasc), a cardiovascular physician group, effective July 1, 2011, for a total purchase price of $2,907. CorVasc will be operated under the Corporation's subsidiary SVMG. At June 30, 2011, a deposit on the transaction in the amount of $2,720 was included in other current assets in the accompanying consolidated balance sheets.

Other Financial Information

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	Consolidated St. Vincent Health	Reclassifications and Eliminations	St. Vincent Health, Inc.	St Vincent Medical Center Northeast, Inc	St. Joseph Hospital & Health Center, Inc.	Saint John's Health System	Cardiac Services and Newco	St Vincent Heart Center of Indiana, LLC
Assets								
Current assets								
Cash and cash equivalents	$ 119,068	$ –	$ 4,281	$ –	$ 7,500	$ 9,232	$ 842	$ 8,957
Short-term investments	37,093	–	–	–	4,538	–	–	29,793
Accounts receivable, less allowances for uncollectible accounts of $78,503	248,265	–	–	–	13,663	24,057	–	13,966
Assets limited as to use	2,200	–	–	–	–	427	–	–
Estimated third-party payor settlements	6,022	–	–	–	660	383	–	42
Inventories	20,881	–	–	–	1,374	3,632	–	911
Other	31,393	(50,463)	46,066	–	978	2,442	–	1,632
Total current assets	464,922	(50,463)	50,347	–	28,713	40,173	842	55,301
Investments, including Board-designated	1,748,905	–	2,177	–	111,733	56,633	45,294	19
Property and equipment								
Land and improvements	59,481	–	1,084	–	3,763	7,723	7,139	–
Building and equipment	1,407,510	–	113,875	–	139,200	128,941	–	65,411
Construction in progress	14,600	–	1,919	–	1,564	1,149	–	169
Less accumulated depreciation	986,472	–	98,028	–	108,271	101,453	1,490	39,379
Total property and equipment, net	495,119	–	18,850	–	36,256	36,360	5,649	26,201
Other assets								
Goodwill and other intangible assets	182,121	–	57,775	–	–	–	46,756	–
Investment in unconsolidated entities	75,854	–	9,093	–	362	–	7,800	–
Notes and other receivables	13,154	(42,735)	45,906	–	128	131	–	–
Investments in land	4,263	–	1,716	535	–	–	–	–
Other	13,842	–	9,156	–	112	499	–	–
Total other assets	289,234	(42,735)	123,646	535	602	630	54,556	–
Total assets	$ 2,998,180	$ (93,198)	$ 195,020	$ 535	$ 177,304	$ 133,796	$ 106,341	$ 81,521

St. Vincent Health, Inc

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	St Vincent Hospital and Health Care Center, Inc	St. Vincent Physician Network, LLC	St Vincent Mercy Hospital	St. Vincent Carmel Hospital, Inc.	St. Vincent Randolph Hospital, Inc.	St Vincent Clay Hospital, Inc.	St. Vincent New Hope, Inc.	St. Vincent Frankfort Hospital, Inc.
Assets								
Current assets								
Cash and cash equivalents	$ 36,355	$ 9,020	$ 2,479	$ 5,291	$ 1,067	$ 2,156	$ 2,798	$ 2,100
Short-term investments	–	–	439	–	20	–	–	142
Accounts receivable, less allowances for uncollectible accounts of $78,503	135,176	5,573	2,149	17,626	2,893	2,697	2,237	2,679
Assets limited as to use	–	–	7	–	–	–	–	–
Estimated third-party payor settlements	1,462	–	617	1	116	72	–	–
Inventories	10,495	135	165	783	310	444	–	381
Other	23,152	1,082	354	2,689	300	(61)	55	418
Total current assets	206,640	15,810	6,210	26,390	4,706	5,308	5,090	5,720
Investments, including Board-designated	842,461	–	6,197	467,384	19,400	25,922	277	28,383
Property and equipment								
Land and improvements	30,368	19	1,003	4,376	722	320	938	206
Building and equipment	693,752	11,048	27,864	97,918	23,745	18,302	7,727	7,920
Construction in progress	4,869	2	19	4,114	8	230	–	–
Less accumulated depreciation	493,198	8,196	16,399	58,579	10,408	11,845	5,657	5,477
Total property and equipment, net	235,791	2,873	12,487	47,829	14,067	7,007	3,008	2,649
Other assets								
Goodwill and other intangible assets	35,663	–	18	72	–	–	–	–
Investment in unconsolidated entities	54,193	–	–	4,406	–	–	–	–
Notes and other receivables	8,843	497	32	–	–	–	–	11
Investments in land	1,760	–	–	–	–	–	–	–
Other	346	27	–	–	44	544	–	–
Total other assets	100,805	524	50	4,478	44	544	–	11
Total assets	$ 1,385,697	$ 19,207	$ 24,944	$ 546,081	$ 38,217	$ 38,781	$ 8,375	$ 36,763

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	St Vincent Williamsport Hospital, Inc.	St. Vincent Jennings Hospital, Inc.	St. Vincent Salem Hospital, Inc	St. Vincent Dunn Hospital, Inc	St Vincent Medical Group, Inc	Quality Healthcare Solutions, LLC (Navion)	St Vincent Seton Specialty Hospital, Inc	St. Vincent Hospital Foundation, Inc
Assets								
Current assets								
Cash and cash equivalents	$ 3,717	$ 2,563	$ 3,697	$ 2,265	$ 3,523	$ 8,076	$ 2,848	$ 301
Short-term investments	–	–	–	–	–	–	–	2,161
Accounts receivable, less allowances for uncollectible accounts of $78,503	2,495	1,985	2,104	3,174	7,739	–	8,052	–
Assets limited as to use	–	–	–	–	–	–	–	1,766
Estimated third-party payor settlements	574	1	192	1,289	–	–	613	–
Inventories	229	178	289	865	224	–	466	–
Other	(70)	77	760	206	146	1,415	(34)	249
Total current assets	6,945	4,804	7,042	7,799	11,632	9,491	11,945	4,477
Investments, including Board-designated	23,641	2,057	52	32	–	–	51,816	65,427
Property and equipment								
Land and improvements	280	529	–	160	–	–	851	–
Building and equipment	11,903	17,524	336	9,094	9,808	68	23,074	–
Construction in progress	8	47	473	–	–	–	29	–
Less accumulated depreciation	6,762	8,303	63	1,381	3,471	37	8,075	–
Total property and equipment, net	5,429	9,797	746	7,873	6,337	31	15,879	–
Other assets								
Goodwill and other intangible assets	–	–	1,498	18	20,864	19,457	–	–
Investment in unconsolidated entities	–	–	–	–	–	–	–	–
Notes and other receivables	–	–	36	–	305	–	–	–
Investments in land	252	–	–	–	–	–	–	–
Other	25	937	2,152	–	–	–	–	–
Total other assets	277	937	3,686	18	21,169	19,457	–	–
Total assets	$ 36,292	$ 17,595	$ 11,526	$ 15,722	$ 39,138	$ 28,979	$ 79,640	$ 69,904

St. Vincent Health, Inc

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St. Vincent Health, Inc.	St. Vincent Medical Center Northeast, Inc.	St. Joseph Hospital & Health Center, Inc.	Saint John's Health System	Cardiac Services and Newco	St. Vincent Heart Center of Indiana, LLC
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	$ 2,419	$ (3,561)	$ 330	$ –	$ 123	$ 117	$ –	$ 3,561
Accounts payable and accrued liabilities	239,995	(9)	20,860	–	11,493	15,642	46	10,045
Estimated third-party payor settlements	28,136	–	–	–	1,376	2,154	–	1,844
Self-insurance liabilities	3,217	–	–	–	1	82	–	–
Other	14,279	(50,455)	2,467	–	3,051	2,937	8,964	1,042
Total current liabilities	288,046	(54,025)	23,657	–	16,044	20,932	9,010	16,492
Noncurrent liabilities								
Long-term debt	343,044	(39,173)	45,591	–	16,932	16,091	696	39,173
Pension and other postretirement liabilities	78,365	–	74,222	–	–	–	–	–
Other	38,901	–	11,442	–	1,650	1,183	7,510	–
Total noncurrent liabilities	460,310	(39,173)	131,255	–	18,582	17,274	8,206	39,173
Total liabilities	748,356	(93,198)	154,912	–	34,626	38,206	17,216	55,665
Net assets								
Unrestricted	2,183,135	–	40,106	535	141,149	90,075	75,438	32,828
Temporarily restricted	40,468	–	2	–	1,136	5,007	–	19
Permanently restricted	16,449	–	–	–	393	508	–	–
Total net assets, excluding noncontrolling interest	2,240,052	–	40,108	535	142,678	95,590	75,438	32,847
Noncontrolling interest	9,772	–	–	–	–	–	13,687	(6,991)
Total net assets	2,249,824	–	40,108	535	142,678	95,590	89,125	25,856
Total liabilities and net assets	$ 2,998,180	$ (93,198)	$ 195,020	$ 535	$ 177,304	$ 133,796	$ 106,341	$ 81,521

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	St. Vincent Hospital and Health Care Center, Inc.	St. Vincent Physician Network, LLC	St Vincent Mercy Hospital	St. Vincent Carmel Hospital, Inc.	St. Vincent Randolph Hospital, Inc	St Vincent Clay Hospital, Inc	St. Vincent New Hope, Inc	St. Vincent Frankfort Hospital, Inc.
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	$ 1,256	$ 2	$ 85	$ 156	$ 106	$ 58	$ 13	$ 4
Accounts payable and accrued liabilities	107,445	9,470	1,882	14,471	3,535	2,060	1,536	3,813
Estimated third-party payor settlements	14,479	–	531	873	1,250	502	–	1,185
Self-insurance liabilities	2,922	–	–	207	–	4	–	–
Other	3,102	26,128	382	5,520	(281)	(351)	705	107
Total current liabilities	129,204	35,600	2,880	21,227	4,610	2,273	2,254	5,109
Noncurrent liabilities								
Long-term debt	176,706	293	11,773	21,510	14,632	8,061	1,743	504
Pension and other postretirement liabilities	–	–	25	–	267	131	762	397
Other	13,771	27	29	467	44	544	–	–
Total noncurrent liabilities	190,477	320	11,827	21,977	14,943	8,736	2,505	901
Total liabilities	319,681	35,920	14,707	43,204	19,553	11,009	4,759	6,010
Net assets								
Unrestricted	1,062,709	(16,713)	10,086	502,520	15,895	26,341	3,339	30,645
Temporarily restricted	3,297	–	151	104	362	1,431	277	108
Permanently restricted	10	–	–	–	34	–	–	–
Total net assets, excluding noncontrolling interest	1,066,016	(16,713)	10,237	502,624	16,291	27,772	3,616	30,753
Noncontrolling interest	–	–	–	253	2,373	–	–	–
Total net assets	1,066,016	(16,713)	10,237	502,877	18,664	27,772	3,616	30,753
Total liabilities and net assets	$ 1,385,697	$ 19,207	$ 24,944	$ 546,081	$ 38,217	$ 38,781	$ 8,375	$ 36,763

St. Vincent Health, Inc.

Consolidating Balance Sheet

June 30, 2011
(Dollars in Thousands)

	St. Vincent Williamsport Hospital, Inc	St. Vincent Jennings Hospital, Inc	St Vincent Salem Hospital, Inc.	St. Vincent Dunn Hospital, Inc	St Vincent Medical Group, Inc	Quality Healthcare Solutions, LLC (Navion)	St. Vincent Seton Specialty Hospital, Inc	St Vincent Hospital Foundation, Inc
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	$ 30	$ 79	$ –	$ 57	$ –	$ –	$ 3	$ –
Accounts payable and accrued liabilities	1,691	1,355	1,815	1,901	25,370	889	4,664	21
Estimated third-party payor settlements	498	981	377	313	–	–	1,773	–
Self-insurance liabilities	–	–	–	–	1	–	–	–
Other	734	524	368	6,514	332	802	1,687	–
Total current liabilities	2,953	2,939	2,560	8,785	25,703	1,691	8,127	21
Noncurrent liabilities								
Long-term debt	4,185	10,853	–	7,878	3,085	2,075	436	–
Pension and other postretirement liabilities	9	289	–	–	2,208	55	–	–
Other	26	937	1,167	–	–	–	–	104
Total noncurrent liabilities	4,220	12,079	1,167	7,878	5,293	2,130	436	104
Total liabilities	7,173	15,018	3,727	16,663	30,996	3,821	8,563	125
Net assets								
Unrestricted	28,750	1,934	7,747	(973)	8,142	25,158	71,038	26,386
Temporarily restricted	369	193	52	32	–	–	39	27,889
Permanently restricted	–	–	–	–	–	–	–	15,504
Total net assets, excluding noncontrolling interest	29,119	2,127	7,799	(941)	8,142	25,158	71,077	69,779
Noncontrolling interest	–	450	–	–	–	–	–	–
Total net assets	29,119	2,577	7,799	(941)	8,142	25,158	71,077	69,779
Total liabilities and net assets	$ 36,292	$ 17,595	$ 11,526	$ 15,722	$ 39,138	$ 28,979	$ 79,640	$ 69,904

St Vincent Health, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	Consolidated St Vincent Health	Reclassifications and Eliminations	St. Vincent Health, Inc	St Joseph Hospital & Health Center, Inc	Saint John's Health System	Cardiac Services and Newco	St. Vincent Heart Center of Indiana, LLC	St Vincent Hospital and Health Care Center, Inc	St. Vincent Physician Network, LLC
Operating revenue									
Net patient service revenue	$ 2,078,088	$ (139)	$ –	$ 122,814	$ 188,664	$ –	$ 130,786	$ 1,056,686	$ 68,435
Other revenue	87,310	(13,483)	3,742	1,849	13,196	203	761	49,640	777
Income (loss) from unconsolidated entities, net	16,898	–	369	–	(47)	(68)	–	11,749	–
Net assets released from restrictions for operations	3,355	–	13	66	275	–	10	2,233	–
Total operating revenue	2,185,651	(13,622)	4,124	124,729	202,088	135	131,557	1,120,308	69,212
Operating expenses									
Salaries and wages	817,374	–	8,374	44,276	71,115	1,516	28,595	347,055	60,307
Employee benefits	227,800	(291)	6,817	13,250	22,293	392	7,675	98,062	13,903
Purchased services	172,384	(3,903)	83,224	5,128	4,106	–	9,958	49,026	1,186
Professional fees	100,550	(8,916)	11,659	3,508	20,113	12	7,121	48,147	2,704
Supplies	284,134	–	1,676	15,276	31,665	–	28,896	150,845	6,553
Insurance	8,447	–	–	595	245	–	166	4,195	1,136
Bad debts	142,051	–	1,711	10,997	17,655	–	4,682	56,478	4,043
Interest	15,502	–	(594)	678	645	750	2,427	7,481	12
Depreciation and amortization	86,380	–	17,882	5,163	5,235	104	4,591	34,014	730
Other	185,278	(512)	(132,587)	13,961	25,112	4,909	15,147	189,881	14,048
Total operating expenses before impairment expense	2,039,900	(13,622)	(1,838)	112,832	198,184	7,683	109,258	985,184	104,622
Income (loss) from operations before impairment expense	145,751	–	5,962	11,897	3,904	(7,548)	22,299	135,124	(35,410)
Impairment expense	2,286	–	2,286	–	–	–	–	–	–
Income (loss) from operations	143,465	–	3,676	11,897	3,904	(7,548)	22,299	135,124	(35,410)
Nonoperating gains (losses)									
Investment return	262,149	–	52	17,304	9,061	5,609	630	128,777	108
(Loss) income from unconsolidated entities	(191)	–	226	(7)	–	–	–	43	–
Other	(13,148)	–	(9,212)	(41)	23	–	–	(1,870)	–
Total nonoperating gains (losses), net	248,810	–	(8,934)	17,256	9,084	5,609	630	126,950	108
Excess (deficit) of revenues and gains over expenses and losses	$ 392,275	$ –	$ (5,258)	$ 29,153	$ 12,988	$ (1,939)	$ 22,929	$ 262,074	$ (35,302)

St Vincent Health, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	St Vincent Mercy Hospital	St. Vincent Carmel Hospital, Inc	St Vincent Randolph Hospital, Inc.	St Vincent Clay Hospital, Inc	St. Vincent New Hope, Inc.	St Vincent Frankfort Hospital, Inc	St. Vincent Williamsport Hospital, Inc	St Vincent Jennings Hospital, Inc	St Vincent Salem Hospital, Inc
Operating revenue									
Net patient service revenue	$ 25,320	$ 142,262	$ 33,282	$ 24,542	$ 20,235	$ 32,313	$ 24,945	$ 20,496	$ 22,384
Other revenue	354	10,460	354	255	19	514	632	234	286
Income (loss) from unconsolidated entities, net	–	4,895	–	–	–	–	–	–	–
Net assets released from restrictions for operations	42	102	134	42	49	22	9	128	2
Total operating revenue	25,716	157,719	33,770	24,839	20,303	32,849	25,586	20,858	22,672
Operating expenses									
Salaries and wages	10,646	43,412	10,868	7,101	12,991	8,530	9,844	6,277	7,539
Employee benefits	3,635	14,186	3,373	2,252	5,410	2,873	2,916	2,185	2,151
Purchased services	1,309	4,836	1,011	1,759	402	2,516	1,004	2,380	2,180
Professional fees	1,000	3,173	2,095	913	130	1,139	764	1,755	413
Supplies	2,659	20,044	2,837	2,497	384	2,152	1,313	991	1,757
Insurance	46	327	21	44	71	36	128	94	119
Bad debts	3,221	6,679	4,604	4,280	–	5,384	3,973	4,757	4,491
Interest	471	863	587	323	70	20	168	435	–
Depreciation and amortization	923	4,891	1,077	548	374	495	367	563	460
Other	2,796	16,033	3,123	3,045	1,957	4,395	2,859	2,771	2,124
Total operating expenses before impairment expense	26,706	114,444	29,596	22,762	21,789	27,540	23,336	22,208	21,234
Income (loss) from operations before impairment expense	(990)	43,275	4,174	2,077	(1,486)	5,309	2,250	(1,350)	1,438
Impairment expense	–	–	–	–	–	–	–	–	–
Income (loss) from operations	(990)	43,275	4,174	2,077	(1,486)	5,309	2,250	(1,350)	1,438
Nonoperating gains (losses)									
Investment return	1,077	70,060	1,947	3,501	36	4,069	3,173	331	29
(Loss) income from unconsolidated entities	–	(453)	–	–	–	–	–	–	–
Other	(148)	(5)	21	(2)	3	1	6	16	–
Total nonoperating gains (losses), net	929	69,602	1,968	3,499	39	4,070	3,179	347	29
Excess (deficit) of revenues and gains over expenses and losses	$ (61)	$ 112,877	$ 6,142	$ 5,576	$ (1,447)	$ 9,379	$ 5,429	$ (1,003)	$ 1,467

St Vincent Health, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	St Vincent Dunn Hospital, Inc	St. Vincent Medical Group, Inc	Quality Healthcare Solutions, LLC (Navion)	St. Vincent Seton Specialty Hospital, Inc	St Vincent Hospital Foundation, Inc.
Operating revenue					
Net patient service revenue	$ 29,020	$ 76,701	$ –	$ 59,342	$ –
Other revenue	700	2,044	16,091	165	(1,483)
Income (loss) from unconsolidated entities, net	–	–	–	–	–
Net assets released from restrictions for operations	–	48	–	40	140
Total operating revenue	29,720	78,793	16,091	59,547	(1,343)
Operating expenses					
Salaries and wages	12,875	93,768	4,879	27,406	–
Employee benefits	4,195	14,543	1,052	6,928	–
Purchased services	1,387	1,244	–	3,654	(23)
Professional fees	1,203	1,604	1,280	709	24
Supplies	4,396	3,601	30	6,562	–
Insurance	183	944	4	93	–
Bad debts	2,208	7,017	–	(129)	–
Interest	316	498	335	17	–
Depreciation and amortization	1,127	3,611	2,578	1,647	–
Other	2,825	8,094	994	6,082	(1,779)
Total operating expenses before impairment expense	30,715	134,924	11,152	52,969	(1,778)
Income (loss) from operations before impairment expense	(995)	(56,131)	4,939	6,578	435
Impairment expense	–	–	–	–	–
Income (loss) from operations	(995)	(56,131)	4,939	6,578	435
Nonoperating gains (losses)					
Investment return	12	27	19	7,024	9,303
(Loss) income from unconsolidated entities	–	–	–	–	–
Other	10	–	–	1	(1,951)
Total nonoperating gains (losses), net	22	27	19	7,025	7,352
Excess (deficit) of revenues and gains over expenses and losses	$ (973)	$ (56,104)	$ 4,958	$ 13,603	$ 7,787

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	Consolidated St. Vincent Health	Reclassifications and Eliminations	St. Vincent Health, Inc.	St. Vincent Medical Center Northeast, Inc	St Joseph Hospital & Health Center, Inc.	Saint John's Health System	Cardinc Services and Newco	St. Vincent Heart Center of Indiana, LLC	St Vincent Hospital and Health Care Center, Inc.
Unrestricted net assets, controlling interest									
Excess (deficit) of revenues and gains over expenses and losses	$ 385,374	$ –	$ (5,258)	$ –	$ 29,153	$ 12,996	$ (8,378)	$ 22,929	$ 262,074
Pension and other postretirement liability adjustments	68,149	–	62,817	–	–	–	–	–	–
Transfers (to) from sponsor and other affiliates, net	(60,992)	–	(109,102)	–	99	(2,355)	18,009	(18,001)	(48,353)
Net assets released from restrictions for property acquisitions	2,734	–	–	–	346	496	–	–	1,420
Other	(4,953)	–	(16)	–	(4)	–	(5,826)	(8)	(3,493)
Increase (decrease) in unrestricted net assets, controlling interest	390,312	–	(51,559)	–	29,594	11,137	3,805	4,920	211,648
Unrestricted net assets, noncontrolling interest									
Excess (deficit) of revenues and gains over expenses and losses	6,901	–	–	–	–	(8)	6,439	–	–
Purchase of units from noncontrolling members	(1,139)	–	–	–	–	–	(1,139)	–	–
Distributions of capital	(7,463)	–	–	–	–	(31)	–	(6,991)	–
Increase (decrease) in unrestricted net assets, noncontrolling interest	(1,701)	–	–	–	–	(39)	5,300	(6,991)	–
Temporarily restricted net assets									
Contributions and grants	11,356	–	–	–	205	1,272	–	15	768
Net change in unrealized gains/losses on investments	2,699	–	–	–	–	326	–	–	183
Investment return	1,731	–	–	–	76	198	–	–	221
Net assets released from restrictions	(6,089)	–	(13)	–	(412)	(771)	–	(10)	(3,653)
Other	(855)	–	(35)	–	4	–	–	8	3,302
Increase (decrease) in temporarily restricted net assets	8,842	–	(48)	–	(127)	1,025	–	13	821
Permanently restricted net assets									
Contributions	98	–	–	–	1	–	–	–	–
Net change in unrealized gains/losses on investments	315	–	–	–	–	–	–	–	–
Investment return	87	–	–	–	–	5	–	–	–
Other	(6)	–	–	–	–	–	–	–	–
Increase (decrease) in permanently restricted net assets	494	–	–	–	1	5	–	–	–
Increase (decrease) in net assets	397,947	–	(51,607)	–	29,468	12,128	9,105	(2,058)	212,469
Net assets, beginning of the year	1,851,877	–	91,713	535	113,208	83,464	80,020	27,914	853,547
Net assets, end of the year	$ 2,249,824	$ –	$ 40,106	$ 535	$ 142,676	$ 95,592	$ 89,125	$ 25,856	$ 1,066,016

St. Vincent Health, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	St. Vincent Physician Network, LLC	St Vincent Mercy Hospital	St. Vincent Carmel Hospital, Inc.	St. Vincent Randolph Hospital, Inc.	St. Vincent Clay Hospital, Inc.	St. Vincent New Hope, Inc	St Vincent Frankfort Hospital, Inc	St Vincent Williamsport Hospital, Inc.	St Vincent Jennings Hospital, Inc.
Unrestricted net assets, controlling interest									
Excess (deficit) of revenues and gains over expenses and losses	$ (35,302)	$ (61)	$ 112,393	$ 6,156	$ 5,576	$ (1,447)	$ 9,379	$ 5,429	$ (1,003)
Pension and other postretirement liability adjustments	–	1,016	–	635	410	1,379	670	815	407
Transfers (to) from sponsor and other affiliates, net	27,572	–	(12,001)	–	–	166	–	–	–
Net assets released from restrictions for property acquisitions	–	42	158	99	–	121	52	–	–
Other	–	(1)	(97)	(6)	–	(166)	–	–	–
Increase (decrease) in unrestricted net assets, controlling interest	(7,730)	996	100,453	6,884	5,986	53	10,101	6,244	(596)
Unrestricted net assets, noncontrolling interest									
Excess (deficit) of revenues and gains over expenses and losses	–	–	484	(14)	–	–	–	–	–
Purchase of units from noncontrolling members	–	–	–	–	–	–	–	–	–
Distributions of capital	–	–	(441)	–	–	–	–	–	–
Increase (decrease) in unrestricted net assets, noncontrolling interest	–	–	43	(14)	–	–	–	–	–
Temporarily restricted net assets									
Contributions and grants	–	152	20	224	78	–	40	22	185
Net change in unrealized gains/losses on investments	–	–	19	17	113	–	–	–	–
Investment return	–	–	20	–	85	4	–	–	–
Net assets released from restrictions	–	(84)	(260)	(233)	(42)	(170)	(74)	(9)	(128)
Other	–	(16)	64	(4)	–	166	9	–	–
Increase (decrease) in temporarily restricted net assets	–	52	(137)	4	234	–	(25)	13	57
Permanently restricted net assets									
Contributions	–	–	–	–	–	–	–	–	–
Net change in unrealized gains/losses on investments	–	–	–	–	–	–	–	–	–
Investment return	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Increase (decrease) in permanently restricted net assets	–	–	–	–	–	–	–	–	–
Increase (decrease) in net assets	(7,730)	1,048	100,359	6,874	6,220	53	10,076	6,257	(539)
Net assets, beginning of the year	(8,985)	9,189	402,517	11,791	21,551	3,563	20,678	22,863	3,117
Net assets, end of the year	$ (16,715)	$ 10,237	$ 502,876	$ 18,665	$ 27,771	$ 3,616	$ 30,754	$ 29,120	$ 2,578

St. Vincent Health, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011
(Dollars in Thousands)

	St. Vincent Salem Hospital, Inc.	St. Vincent Dunn Hospital, Inc	St. Vincent Medical Group, Inc.	Quality Healthcare Solutions, LLC (Navion)	St Vincent Seton Specialty Hospital, Inc.	St Vincent Hospital Foundation, Inc.
Unrestricted net assets, controlling interest						
Excess (deficit) of revenues and gains over expenses and losses	$ 1,467	$ (973)	$ (56,104)	$ 4,958	$ 13,603	$ 7,787
Pension and other postretirement liability adjustments	–	–	–	–	–	–
Transfers (to) from sponsor and other affiliates, net	–	–	64,294	20,200	1,124	(2,644)
Net assets released from restrictions for property acquisitions	–	–	–	–	–	–
Other	–	–	(48)	–	–	4,712
Increase (decrease) in unrestricted net assets, controlling interest	1,467	(973)	8,142	25,158	14,727	9,855
Unrestricted net assets, noncontrolling interest						
Excess (deficit) of revenues and gains over expenses and losses	–	–	–	–	–	–
Purchase of units from noncontrolling members	–	–	–	–	–	–
Distributions of capital	–	–	–	–	–	–
Increase (decrease) in unrestricted net assets, noncontrolling interest	–	–	–	–	–	–
Temporarily restricted net assets						
Contributions and grants	29	32	–	–	39	8,275
Net change in unrealized gains/losses on investments	–	–	–	–	–	2,041
Investment return	–	–	–	–	–	1,127
Net assets released from restrictions	(2)	–	(48)	–	(40)	(140)
Other	–	–	48	–	–	(4,401)
Increase (decrease) in temporarily restricted net assets	27	32	–	–	(1)	6,902
Permanently restricted net assets						
Contributions	–	–	–	–	–	97
Net change in unrealized gains/losses on investments	–	–	–	–	–	315
Investment return	–	–	–	–	–	82
Other	–	–	–	–	–	(6)
Increase (decrease) in permanently restricted net assets	–	–	–	–	–	488
Increase (decrease) in net assets	1,494	(941)	8,142	25,158	14,726	17,245
Net assets, beginning of the year	6,305	–	–	–	56,351	52,536
Net assets, end of the year	$ 7,799	$ (941)	$ 8,142	$ 25,158	$ 71,077	$ 69,781

St. Vincent Health, Inc.

Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs

(Dollars in Thousands)

The net cost excluding the provision for bad debt expense of providing care of persons living in poverty and community benefit programs is as follows:

	Year Ended June 30	
	2011	**2010**
Traditional charity care provided	**$ 52,740**	$ 50,719
Unpaid cost of public programs for persons living in poverty	**97,100**	94,798
Other programs for persons living in poverty and other vulnerable persons	**4,523**	4,087
Community benefit programs	**36,967**	29,624
Care of persons living in poverty and community benefit programs	**$ 191,330**	$ 179,228

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