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Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

WITH UNCOMMON EXPERTISE IN MENTAL HEALTH AND ADDICTIONS SERVICES, OAKLAWN JOINS WITH INDIVIDUALS, FAMILIES, AND OUR COMMUNITY ON THE JOURNEY TOWARD HEALTH AND WHOLENESS

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 \$ 3,606,221 including grants of \$) (Revenue \$)

INPATIENT SERVICES - PROVIDED 4,664 INPATIENT DAYS OF PSYCHIATRIC AND SUBSTANCE ABUSE STABILIZATION

4b

(Code) (Expenses \$ 6,326,116 including grants of \$) (Revenue \$)

RESIDENTIAL SERVICES - IN ADDITION TO THE BEHAVIORAL HEALTH SERVICES FOR THIS POPULATION, THE ORGANIZATION PROVIDED 17,587 DAYS OF CHILD & ADOLESCENT RESIDENTIAL CARE, 11,749 DAYS OF THERAPEUTIC FOSTER CARE, AND 1,766 DAYS OF TRANSITIONAL LIVING SUPPORT TO ADOLESCENTS MOVING TOWARD INDEPENDENT LIVING. ADDITIONALLY, ADULTS IN TRANSITIONAL AND SEMI-INDEPENDENT LIVING ARRANGEMENTS ARE PROVIDED RESIDENTIAL SUPPORT SERVICES ALONG WITH THEIR NEEDED PSYCHIATRIC AND SUBSTANCE ABUSE SERVICES. A TOTAL OF 29,164 DAYS WERE PROVIDED TO THIS SEGMENT OF THE ADULT POPULATION.

4c

(Code) (Expenses \$ 17,768,797 including grants of \$) (Revenue \$)

OUTPATIENT & OTHER - PROVIDED OVER 83,000 CLIENT SERVICE ENCOUNTERS OF GROUP THERAPY, MEDICATION MANAGEMENT, AND INDIVIDUAL THERAPY, PROVIDED OVER 79,000 CLIENT SERVICE ENCOUNTERS OF CASE MANAGEMENT, PROVIDED OVER 72,000 CLIENT SERVICE ENCOUNTERS OF SKILLS BUILDING IN PERSONAL CARE AND COMMUNITY LIVING, PROVIDED AN ADDITIONAL 22,900 ENCOUNTERS OF OTHER COMMUNITY-BASED ENCOUNTERS

4d

Other program services (Describe in Schedule O) See also Additional Data for Description

(Expenses \$ including grants of \$) (Revenue \$)
















4e

Total program service expenses \$ 27,701,134

Form 990 (2010)

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	29		
		1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	826		
	2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?				
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No
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			No
	b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7 Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			
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			
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			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?				
9 Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b			
c	Enter the amount of reserves on hand.	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			14b	

Part VI

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

Section A. Governing Body and Management

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

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
10b	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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	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	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)	Yes	
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?		No
16b	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?		

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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	LYNN J MILLER OAKLAWN 330 LAKEVIEW DR GOSHEN, IN 46528 (574) 533-1234

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
 - List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) REBECCA BALL-MILLER TROYER POULTRY CEO BD VICE CHAI	1 00	X		X				0	0	0
(2) JOHN KLEFHOTH SENIOR TRUST ADVISOR BOARD MEMBER	1 00	X						0	0	0
(3) ROD DILLER MMA TRUST CO PRES & CEO BOARD MEMBER	1 00	X						0	0	0
(4) CAROL EBERSOLE RETIRED HEALTHCARE ADMINISTRATOR BOARD MEMBER	1 00	X						0	0	0
(5) VERNITA TODD HEART CITY HEALTH CTR CEO BD ASST SEC	1 00	X						0	0	0
(6) BRADLEY ROGERS ELKHART COUNTY SHERIFF BOARD MEMBER	1 00	X						0	0	0
(7) DENNIS SHARKEY ELKHART COUNTY COUNCIL BOARD MEMBER	1 00	X						0	0	0
(8) JOHN HUTCHINGS ELKHART COMM SCHOOLS ADMINISTRATOR BOARD MEMBER	1 00	X						0	0	0
(9) AUDRA MARK HOMEMAKER CPA BOARD MEMBER	1 00	X						0	0	0
(10) JEFFREY MCBRIDE DDS ORAL SURGEON BD CHAIR	1 00	X		X				0	0	0
(11) LANCE MILLER ESSENHAUS CFO BD SECRETARY	1 00	X		X				0	0	0
(12) DAVID OGLE ELKHART COUNTY ECON DEV'L EXECUTIVE BOARD MEMBER	1 00	X						0	0	0
(13) GERALD TROLZ GOSHEN STAMPING PRES & CEO BOARD MEMBER	1 00	X						0	0	0
(14) FAY SCHWARTZ ATTORNEY BOARD MEMBER	1 00	X						0	0	0
(15) PHIL WIENS INTERRA CREDIT UNION EXEC BOARD MEMBER	1 00	X						0	0	0
(16) RANDALL CAMMENGA MD PHYSICIAN PRACTICE BOARD MEMBER	1 00	X						0	0	0

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			
(17) LAURIE NAFZIGER PRES/CEO	40 00			X				119,265	0	20,371
(18) GREGG NUSSBAUM VICE PRES	40 00			X				72,304	0	16,779
(19) LYNN MILLER VP FIN/TREAS	40 00			X				70,142	0	16,886
(20) DANIEL KINSEY MD MEDICAL DIR	40 00					X		206,701	0	39,117
(21) JOSH MATHEW MD PSYCHIATRIST	40 00					X		187,509	0	36,764
(22) TIMOTHY MCFADDEN MD PSYCHIATRIST	40 00					X		180,967	0	34,040
(23) GARY SELTMAN MD PSYCHIATRIST	40 00					X		175,458	0	33,211
(24) CARL RUTT MD PSYCHIATRIST	32 00					X		147,296	0	29,021
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,159,642		226,189

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

9

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
(A) Name and business address		(B) Description of services	(C) Compensation
MADISON CENTER AND HOSPITAL 403 E MADISON ST SOUTH BEND, IN 46617		PHYS SVCS+ LEASE	1,159,516
FAMILY CHILDREN CTR 1411 LINCOLNWAY EAST MISHAWAKA, IN 46544		RES TX SVCS	940,925
ARAMARK 2300 WARRENVILLE RD DOWNERS GROVE, IL 60515		ENV & FOOD SVCS	816,815
GOLDEN TECHNOLOGIES 2402 BEECH STREET VALPARAISO, IN 46383		IT SUPPORT SVCS	470,872
QUALIFACTS 200 2ND AVE SOUTH NASHVILLE, TN 37201		SOFTWARE DEVEL	315,137
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		
	9		

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	259,750		
	e	Government grants (contributions)	1e	7,968,971		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$		35,300		
	h	Total. Add lines 1a-1f		8,228,721		
	Program Service Revenue	2a	Business Code			
		PT SVC REV-MEDICARE/MEDICAID		16,794,045	16,794,045	
b		PT SVC REVENUE - OTHER GOV'T		6,539,414	6,539,414	
c		PT SVC REVENUE -NON-GOV'T		2,999,829	2,999,829	
d						
e						
f		All other program service revenue				
g		Total. Add lines 2a-2f		26,333,288		
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)			24,775
	4	Income from investment of tax-exempt bond proceeds . . .				24,775
	5	Royalties				
	6a	Gross Rents	(i) Real	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)				
	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	GAIN ON DISPOSAL OF ASSETS		19,579		19,579
	b	ACCACIA PARTNERSHIP INTEREST		35		35
c						
d	All other revenue					
e	Total. Add lines 11a-11d		19,614			
12	Total revenue. See Instructions		34,606,398	26,333,288		44,389

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	261,711	72,304	189,407	
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	18,267,773	15,644,770	2,608,449	14,554
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,227	7,827	1,393	7
9	Other employee benefits	2,799,183	2,374,322	422,662	2,199
10	Payroll taxes	1,401,747	1,188,990	211,656	1,101
a	Fees for services (non-employees)				
	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses	3,278,926	2,002,321	1,276,605	
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	1,155,923	1,148,744	7,179	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	817,884	722,121	95,763	
23	Insurance				
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	PURCHASED SERVICES	5,129,433	4,160,888	968,545	
b	PROVISION FOR DOUBTFUL AC	369,422	369,422		
c	BOND REMRKTG, TRUSTEE FEE	9,425	9,425		
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	33,500,654	27,701,134	5,781,659	17,861
26	Joint costs. Check here <input checked="" type="checkbox"/> 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)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				138,186	1	80,169
	2	Savings and temporary cash investments				8,431,766	2	8,630,191
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				3,511,965	4	5,995,483
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L					6	
	7	Notes and loans receivable, net					7	
	8	Inventories for sale or use					8	
	9	Prepaid expenses and deferred charges				465,209	9	650,540
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	23,300,388	5,822,492	10c	5,783,064	
	b	Less accumulated depreciation	10b	17,517,324				
	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				222,079	15	326,913
16	Total assets. Add lines 1 through 15 (must equal line 34)				18,591,697	16	21,466,360	
Liabilities	17	Accounts payable and accrued expenses				2,177,983	17	3,177,480
	18	Grants payable					18	
	19	Deferred revenue				312,821	19	302,564
	20	Tax-exempt bond liabilities				12,330,000	20	12,045,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D					21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L					22	
	23	Secured mortgages and notes payable to unrelated third parties					23	
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities Complete Part X of Schedule D				469,141	25	1,533,820
	26	Total liabilities. Add lines 17 through 25				15,289,945	26	17,058,864
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets				3,301,752	27	4,407,496
	28	Temporarily restricted net assets					28	
	29	Permanently restricted net assets					29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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				3,301,752	33	4,407,496
34	Total liabilities and net assets/fund balances				18,591,697	34	21,466,360	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	34,606,398
2	Total expenses (must equal Part IX, column (A), line 25)	2	33,500,654
3	Revenue less expenses Subtract line 2 from line 1	3	1,105,744
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,301,752
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
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	4,407,496

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2010

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIISupport 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 		

Part IV

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

Facts And Circumstances Test

SCHEDULE D
(Form 990)

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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

1

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

2

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

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

3

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

4

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

5

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

6

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

7

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

8

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

9

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

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

1a

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

b

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

(i)

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

(ii)

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

2

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

a

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

b

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

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes☒ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes☒ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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	Investment earnings or 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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

3a(ii)

Yes

No

No

No

b

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

3b

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	567,988		567,988
b	Buildings	11,926,248	8,312,221	3,614,027
c	Leasehold improvements			
d	Equipment	10,806,152	9,205,103	1,601,049
e	Other			
Total.	Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶			5,783,064

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	34,606,398
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	33,500,654
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,105,744
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	817,884
9	Total adjustments (net) Add lines 4 - 8	9	817,884
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,923,628

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	34,606,398
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	34,606,398
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	34,606,398

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	32,682,770
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	32,682,770
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	817,884
c	Add lines 4a and 4b	4c	817,884
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	33,500,654

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	BOOK / TAX DEPRECIATION DIFFERENCE 817,884
EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 4B	BOOK / TAX DEPRECIATION DIFFERENCE 817,884

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public
Inspection

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

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

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals <input type="checkbox"/> Applied uniformly to most hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?		No
3a			No
3b		Yes	
4		Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
5c			
6a	Does the organization prepare a community benefit report during the tax year?		No
6b	If "Yes," did the organization make it available to the public?		
	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)			3,636,842		3,636,842	10 860 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			4,111,666	1,453,812	2,657,854	7 930 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			7,748,508	1,453,812	6,294,696	18 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits						
k Total. Add lines 7d and 7j			7,748,508	1,453,812	6,294,696	18 790 %

Part II

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
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					

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	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	369,422
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	
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	3,066,735
6	Enter Medicare allowable costs of care relating to payments on line 5	6	3,100,405
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-33,670
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 3

Schedule H (Form 990) 2010

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: OAKLAWN PSYCHIATRIC CENTER 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 question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> 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 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 5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> 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 <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI) 7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	1	
	3	
	4	
	5	
	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	No

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If “Yes,” indicate the FPG family income limit for eligibility for discounted care __%	10	No
11	Explained the basis for calculating amounts charged to patients? If “Yes,” indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If “Yes,” indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility’s web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility’s emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility’s admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

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	No
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 <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If “Yes,” check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients’ bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input checked="" type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> 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		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		No

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: OAKLAWN PSYCHIATRIC CENTER INC

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

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

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If “Yes,” indicate the FPG family income limit for eligibility for discounted care __%	10	No
11	Explained the basis for calculating amounts charged to patients? If “Yes,” indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If “Yes,” indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility’s web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility’s emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility’s admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

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	Yes
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 <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If “Yes,” check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients’ bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c <input checked="" type="checkbox"/> The hospital facility used the Medicare rate for those services		
d <input type="checkbox"/> 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	No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

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: OAKLAWN PSYCHIATRIC CENTER INC

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

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

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

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	Yes
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 <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input checked="" type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> 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		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		No

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? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	COMMUNITY BENEFIT EXPENSE HAS BEEN DETERMINED USING THE COST TO CHARGE RATIO METHODOLOGY AS PER SCHEDULE H WORKSHEET INSTRUCTIONS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	THE TARGET COMMUNITY POPULATION SERVED BY THE ORGANIZATION IS THE NORTH CENTRAL INDIANA REGION PRIMARILY ELKHART AND ST JOSEPH COUNTIES THE ORGANIZATION SEEKS TO BUILD AWARENESS AND PROVIDE EXPERTISE AND SKILLS TO COMMUNITY PARTNERS PATIENTS AND PATIENT FAMILY MEMBERS DURING THE FISCAL YEAR SEVERAL COMMUNITY EVENTS WERE FACILITATED INCLUDING THE FOLLOWING APASTORAL CASE CONSULTATION SEMINAR BUNDERSTANDING DIALECTICAL BEHAVIOR THERAPY SEMINAR CCOSPONSOR OF ANNUAL COPING WITH GRIEF CONFERENCE DMEMORY SCREENING EPASTORAL CARE OF PEOPLE WITH LIFELONG CHALLENGES SEMINAR FDSMV TRAINING GSTAGES OF CHANGE SEMINAR HSPRING SPECTACULAR EVENING WITH DAVID PELZER AS FEATURED SPEAKER AND ILEADING CONGREGATIONS THROUGH ANXIOUS TIMES SEMINAR

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number

35-1070041

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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DANIEL KINSEY MD	(i) (ii)	159,277	27,192	20,232	577	38,540	245,818	
(2) JOSH MATHEW MD	(i) (ii)	136,595	26,149	24,765	500	36,264	224,273	
(3) TIMOTHY MCFADDEN MD	(i) (ii)	142,250	29,147	9,570	500	33,540	215,007	
(4) GARY SELTMAN MD	(i) (ii)	152,717	11,731	11,010	534	32,677	208,669	
(5) CARL RUTT MD	(i) (ii)	124,796	12,375	10,125	453	28,568	176,317	
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number
35-1070041

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ADJ RATE DEMAND REV BONDS-SERIES200	35-1657690	287468EL2	08-16-2006	14,385,000	THE PURPOSE OF THE ADJUSTABLE RATE DEMAND REVENUE REFUNDING AND IMPROVEMENT	X		X			X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue								
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	384,616							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2007							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?		X	Yes	No	Yes	No	Yes	No
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X						

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b	Name of provider	CHARTER ONE RBS CITIZENS NA DBA CHARTER ONE							
c	Term of hedge	10 0							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	ADJ RATE DEMAND REV BONDSSERIES200 BONDS SERIES 2006 OAKLAWN PSYCHIATRIC CENTER PROJECT ISSUE WAS TO LOWER THE FINANCE COST OF THE 1996 FIXED RATE ISSUE AND TO PROVIDE FOR ADDITIONAL FINANCING OF NEW CONSTRUCTION OF TWO GROUP HOMES AN EDUCATION AND TRAINING CENTER ON THE MAIN CAMPUS AND IMPROVEMENTS AND RENOVATIONS TO THE MAIN CAMPUS TO ACCOMODATE THE CONSOLIDATION OF A NEARBY CLINICAL OFFICE HOUSED IN RENTED SPACE

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2010

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .	X	1	35,300	FMV APPRAISAL
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement			29	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?				Yes No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?				No
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?				No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization OAKLAWN PSYCHIATRIC CENTER INC	Employer identification number 35-1070041
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Identifier	Return Reference	Explanation
EXPLANATION ON VOLUNTEERS AND TYPES OF SERVICES OR BENEFITS	FORM 990, PAGE 1, PART I, LINE 6	IN ADDITION TO AN ALL VOLUNTEER BOARD OF DIRECTORS, THE ORGANIZATION IS SUPPORTED BY MORE THAN 45 ACTIVE VOLUNTEERS WHO SERVE IN A VARIETY OF SUPPORT SERVICES DURING THE FISCAL YEAR OVER 3,300 HOURS OF SERVICE WERE GIVEN BY THESE VOLUNTEERS

Identifier	Return Reference	Explanation
ALL OTHER ACHIEVEMENTS DESCRIPTION	FORM 990, PAGE 2, PART III, LINE 4D	OUTPATIENT & OTHER - PROVIDED OVER 83,000 CLIENT SERVICE ENCOUNTERS OF GROUP THERAPY, MEDICATION MANAGEMENT, AND INDIVIDUAL THERAPY, PROVIDED OVER 79,000 CLIENT SERVICE ENCOUNTERS OF CASE MANAGEMENT, PROVIDED OVER 72,000 CLIENT SERVICE ENCOUNTERS OF SKILLS BUILDING IN PERSONAL CARE AND COMMUNITY LIVING, PROVIDED AN ADDITIONAL 22,900 ENCOUNTERS OF OTHER COMMUNITY BASED ENCOUNTERS

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	A DIRECTOR MUST BE A VOTING MEMBER EACH MEMBER IS ENTITLED TO ONE VOTE AND BE IN GOOD STANDING A VOTING MEMBER SHALL BE ONLY THOSE PERSONS SELECTED FOR SUCH MEMBERSHIP BY THE SPONSORING ORGANIZATION, MENNONITE HEALTH SERVICES ALLIANCE, AS PROVIDED IN THE BY-LAWS AND ARTICLES OF INCORPORATION OF OAKLAWN PSYCHIA TRIC CENTER, INC

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE FORM 990 AND RELATED SCHEDULES ARE PREPARED INTERNALLY AND REVIEWED BY SENIOR MANAGEMENT, THE CEO AND THE BOARD OF DIRECTORS PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	BOARD MEMBERS ANNUALLY SIGN THAT THEY WILL ABIDE BY THE POLICY AND DECLARE ANY CONFLICT OF INTEREST THEY MAY HAVE WITH THE ORGANIZATION OR ITS RELATED ORGANIZATIONS, AND ABSTAIN FROM ANY VOTING WHERE A CONFLICT COULD EXISTS

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE BOARD OF DIRECTORS REVIEWS AND APPROVES THE COMPENSATION PACKAGE PROVIDED TO THE PRESIDENT & CEO OF THE ORGANIZATION THE COMPENSATION REVIEW INCLUDES A MARKET ANALYSIS STUDY AND A PERFORMANCE REVIEW

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE ORGANIZATION PARTICIPATES IN SEVERAL MARKET SURVEYS ANNUALLY. MANAGEMENT COMPARES COMPENSATION LEVELS OF LIKE POSITIONS AND STRIVES TO ADJUST THE ORGANIZATION'S COMPENSATION PACKAGES FOR LIKE POSITIONS TO FALL WITHIN THE RANGE OF THE MARKET WITH A GOAL TO BE COMPETITIVELY PLACED BETWEEN THE 50TH AND 75TH PERCENTILE OF THE MARKET RANGE.

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION IS ACCREDITED BY THE JOINT COMMISSION, MEETING THE REQUIREMENTS FOR THE BEHAVIORAL HEALTH CARE ACCREDITATION PROGRAM THE ORGANIZATION IS ALSO CERTIFIED BY THE STATE OF INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION, DIVISION OF MENTAL HEALTH AND ADDICTION AS AN INDIANA COMMUNITY MENTAL HEALTH CENTER (CMHC) ACCORDINGLY, GOVERNING DOCUMENTS ARE REVIEWED REGULARLY AND PROVIDED TO THESE AND OTHER PUBLIC BODIES

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number

35-1070041

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) OAKLAWN APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 31-1009854	HUD HOUSNG	IN	501C3	7	N/A		No
(2) OAKAND ESTATES APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 38-3646840	HUD HOUSNG	IN	501C3	7	N/A		No
(3) OAKLAWN FDTN FOR MENTAL HEALTH INC PO BOX 809 GOSHEN, IN 46527 35-6060037	MH PROMOTN	IN	501C3	7	N/A		No
(4) RIVERSIDE CORPORATION PO BOX 809 GOSHEN, IN 46527 35-1875879	HUD HOUSNG	IN	501C3	7	N/A		No
(5) MADISON RESIDENTIAL SERVICES INC PO BOX 809 GOSHEN, IN 46527 31-1135587	HUD HOUSNG	IN	501C3	7	N/A		No
(6) SIMADON CORPORATION PO BOX 809 GOSHEN, IN 46527 20-8473080	HUD HOUSNG	IN	501C3	7	N/A		No

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

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

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

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 (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

No

No

No

Yes

Yes

No

Yes

No

No

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

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

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

Software ID:

Software Version:

EIN: 35-1070041

Name: OAKLAWN PSYCHIATRIC CENTER INC

Form 990, Schedule R, Part II - 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	No
OAKLAWN APARTMENTS INC PO BOX 809 GOSHEN, IN46527 31-1009854	HUD HOUSNG	IN	501C3	7	N/A		No
OAKAND ESTATES APARTMENTS INC PO BOX 809 GOSHEN, IN46527 38-3646840	HUD HOUSNG	IN	501C3	7	N/A		No
OAKLAWN FDTN FOR MENTAL HEALTH INC PO BOX 809 GOSHEN, IN46527 35-6060037	MH PROMOTN	IN	501C3	7	N/A		No
RIVERSIDE CORPORATION PO BOX 809 GOSHEN, IN46527 35-1875879	HUD HOUSNG	IN	501C3	7	N/A		No
MADISON RESIDENTIAL SERVICES INC PO BOX 809 GOSHEN, IN46527 31-1135587	HUD HOUSNG	IN	501C3	7	N/A		No
SIMADON CORPORATION PO BOX 809 GOSHEN, IN46527 20-8473080	HUD HOUSNG	IN	501C3	7	N/A		No

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	OAKLAWN FDTN FOR MENTAL HEALTH INC	C	259,750	CONTRIBUTIONS RECEIVED
(2)	OAKLAWN APARTMENTS INC	P	6,450	ACTUAL EXPENSE
(3)	OAKLAND ESTATES APARTMENTS INC	P	2,476	ACTUAL EXPENSE
(4)	OAKLAWN FDTN FOR MENTAL HEALTH INC	P	29,570	ACTUAL EXPENSE
(5)	OAKLAWN FDTN FOR MENTAL HEALTH INC	N	17,861	ALLOCATION
(6)	RIVERSIDE CORPORATION	P	1,180	ACTUAL EXPENSE
(7)	MADISON RESIDENTIAL SERVICES INC	P	1,180	ACTUAL EXPENSE
(8)	SIMADON CORPORATION	P	1,180	ACTUAL EXPENSE
(9)	OAKLAWN FDTN FOR MENTAL HEALTH INC	C	259,750	CONTRIBUTIONS RECEIVED
(10)	OAKLAWN APARTMENTS INC	P	6,450	ACTUAL EXPENSE
(11)	OAKLAND ESTATES APARTMENTS INC	P	2,476	ACTUAL EXPENSE
(12)	OAKLAWN FDTN FOR MENTAL HEALTH INC	P	29,570	ACTUAL EXPENSE
(13)	OAKLAWN FDTN FOR MENTAL HEALTH INC	N	17,861	ALLOCATION
(14)	RIVERSIDE CORPORATION	P	1,180	ACTUAL EXPENSE
(15)	MADISON RESIDENTIAL SERVICES INC	P	1,180	ACTUAL EXPENSE
(16)	SIMADON CORPORATION	P	1,180	ACTUAL EXPENSE

**OAKLAWN PSYCHIATRIC CENTER, INC.
AND AFFILIATE**

**ANNUAL REPORT
CONSOLIDATED FINANCIAL STATEMENTS**
June 30, 2011 and 2010

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
Goshen, Indiana

ANNUAL REPORT
CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Oaklawn Psychiatric Center, Inc
Goshen, Indiana

We have audited the accompanying consolidated statements of financial position of Oaklawn Psychiatric Center, Inc and its Affiliate, Oaklawn Community Mental Health Center, Inc , (collectively the "Center") as of June 30, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Center'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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 1, the Center has elected not to follow the requirements of U.S. GAAP, which requires an organization with a controlling financial interest in an entity through direct or indirect ownership of a majority voting interest to consolidate that entity. In our opinion, accounting principles generally accepted in the United States of America require that the Center follow the consolidation requirements which would result in the consolidation of all controlled affiliates.

In our opinion, except for the effects of not consolidating all controlled affiliates as discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Oaklawn Psychiatric Center, Inc and Affiliate as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2011, on our consideration of the Oaklawn Psychiatric Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2011 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 2011 basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2011 basic consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2011

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,635,195	\$ 8,437,076
Patient funds held under agency arrangement	75,164	132,877
Patient accounts receivable, net	2,733,901	2,276,613
Other receivables	3,261,587	1,235,351
Estimated third-party payor settlements	95,000	95,000
Other current assets	<u>404,029</u>	<u>193,496</u>
Total current assets	15,204,876	12,370,413
Property, buildings, and equipment, net	5,783,064	5,822,492
Assets limited as to use - held by trustee	314,383	209,584
Deferred debt issuance cost, net of accumulated amortization of \$125,574 in 2011 and \$100,406 in 2010	<u>259,042</u>	<u>284,210</u>
	<u>\$ 21,561,365</u>	<u>\$ 18,686,699</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of long-term debt	\$ 451,617	\$ 355,624
Current maturities of obligation under interest rate swap agreement	36,166	136,647
Accounts payable	703,234	334,040
Patient funds held under agency arrangement	75,164	132,877
Accrued interest payable	35,004	36,667
Estimated third-party payor settlements	489,800	408,490
Accrued compensation and payroll withholdings	1,607,805	1,178,787
Other current liabilities	361,481	182,127
Accrued interest rate swap settlement	<u>820,000</u>	<u>-</u>
Total current liabilities	4,580,271	2,765,259
Long-term debt, less current maturities	12,017,507	12,101,617
Obligation under interest rate swap agreement	253,530	205,252
Deferred lease income	<u>302,564</u>	<u>312,821</u>
Total liabilities	17,153,872	15,384,949
Net assets		
Unrestricted	<u>4,407,493</u>	<u>3,301,750</u>
Total net assets	<u>4,407,493</u>	<u>3,301,750</u>
	<u>\$ 21,561,365</u>	<u>\$ 18,686,699</u>

See accompanying notes to consolidated financial statements

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Changes in unrestricted net assets		
Revenue:		
Net patient service revenue	\$ 23,772,973	\$ 20,867,654
Grants and other operating revenue	10,423,868	5,076,336
Contributions	259,750	284,595
Other revenue	<u>149,806</u>	<u>118,116</u>
Total operating revenue	34,606,397	26,346,701
Operating expenses:		
Salaries, wages, and benefits	22,739,640	17,970,244
Supplies and other	3,278,905	2,420,159
Purchased services	5,129,435	3,859,755
Provision for bad debts	369,422	412,238
Depreciation and amortization	817,904	889,346
Interest	388,126	430,094
Other	<u>9,425</u>	<u>97,201</u>
Total operating expenses	<u>32,732,857</u>	<u>26,079,037</u>
Non operating income and expenses		
(Gain) loss on fair value of interest rate swap	(52,203)	213,890
Interest rate swap settlement	<u>820,000</u>	<u>-</u>
	<u>767,797</u>	<u>213,890</u>
 Change in unrestricted net assets	 1,105,743	 53,774
Net assets at beginning of year	<u>3,301,750</u>	<u>3,247,976</u>
Net assets at end of year	<u><u>\$ 4,407,493</u></u>	<u><u>\$ 3,301,750</u></u>

See accompanying notes to consolidated financial statements

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ 1,105,743	\$ 53,774
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	792,736	864,725
Amortization of deferred debt issuance costs	25,168	24,621
Provision for bad debts	369,422	412,238
Change in fair value of interest rate swap	(52,203)	213,890
(Gain)/loss on sale of property, buildings and equipment	(19,579)	(4,445)
In-kind contributions	(35,300)	-
Changes in operating assets and liabilities		
Patient accounts receivable	(826,710)	(222,330)
Other receivables	(2,026,236)	(202,720)
Other current assets	(210,533)	542,946
Accounts payable	369,194	(52,337)
Accrued interest payable	(1,663)	(19,133)
Estimated third-party payor settlements	81,310	(798,660)
Accrued compensation and payroll withholdings	429,018	(121,037)
Other liabilities	169,097	11,052
Accrued interest rate swap settlement	<u>820,000</u>	<u>-</u>
Net cash from operating activities	989,464	702,584
Cash flows from investing activities		
Change in assets limited as to use	(104,799)	972,903
Proceeds from sale of property, buildings and equipment	19,579	5,160
Purchase of property, buildings and equipment	<u>(350,501)</u>	<u>(117,788)</u>
Net cash from investing activities	(435,721)	860,275
Cash flows from financing activities		
Principal payments on long-term debt	<u>(355,624)</u>	<u>(1,435,896)</u>
Net cash from financing activities	<u>(355,624)</u>	<u>(1,435,896)</u>
Net change in cash and cash equivalents	198,119	126,963
Cash and cash equivalents at beginning of year	<u>8,437,076</u>	<u>8,310,113</u>
Cash and cash equivalents at end of year	<u>\$ 8,635,195</u>	<u>\$ 8,437,076</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 389,789	\$ 449,227
Noncash investing and financing activities		
Property acquisitions	402,807	-
Acquisition of debt obligations	367,507	-

See accompanying notes to consolidated financial statements

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business Oaklawn Psychiatric Center, Inc. ("OPC") is an Indiana not-for-profit corporation that owns, operates, and leases mental health care facilities in Elkhart County and St Joseph County, Indiana. Oaklawn Community Mental Health Center, Inc. ("OCMHC"), also an Indiana not-for-profit corporation, is an affiliated entity because the officers, administrator, and directors of OPC serve in the same capacity for OCMHC. All operations are conducted by OPC, OCMHC is a dormant organization and has no continuing business activities.

The following is a summary of the significant accounting policies adopted by OPC and OCMHC (individually and collectively referred to as the "Center") which have a significant effect on the consolidated financial statements.

Basis of Accounting. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation. The consolidated financial statements include the accounts of OPC and its affiliate, OCMHC. The consolidated financial statements do not include the accounts of Oaklawn Foundation for Mental Health, Inc. (the "Foundation"), Oaklawn Apartments, Inc. (the "Apartments"), Oakland Estates Apartments, Inc. (the "Estates"), Madison Residential Services, Inc. (the "Uhrig Apartments"), Simadon Corporation (the "River Court Apartments"), and Riverside Corporation (the "Group Home"). As discussed in Note 8, the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home are affiliated organizations of the Center. U.S. GAAP requires an organization with a controlling financial interest in an entity through direct or indirect ownership of a majority voting interest to consolidate that entity. The Center's decision not to consolidate the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home is a variance from accounting principles generally accepted in the United States of America. The Center has not consolidated the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home because the operations of these entities are separate from and not related to the Center's operations. Additionally, these entities are not part of the obligated group under the Promissory Note, Series 2006, nor were they part of the obligated group under the Promissory Note, Series 1996 (see Note 5). The Bond Trustees under both obligations require audited financial statements of the obligated group only.

If the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home and other affiliated entities were consolidated with the Center, total assets would be increased by \$6,232,070 and \$3,994,228, long-term debt, including current maturities, would be increased by \$4,468,947 and \$1,983,273, and net assets would be increased by \$1,573,430 and \$1,974,849 as of June 30, 2011 and 2010, respectively. Additionally, net revenues from operations would be increased by \$967,635 and \$567,531, and the change in net assets would be increased by \$222,568 and \$52,389 for the years ended June 30, 2011 and 2010, respectively. Condensed unaudited financial information of the Foundation, the Apartments, the Estates and other affiliated entities is presented in Note 8.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation The consolidated financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted net assets represent the part of the net assets of the Center that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Center. There were no temporarily restricted net assets at June 30, 2011 and 2010.

Permanently restricted net assets represent the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center. The Center does not have permanently restricted net assets.

Use of Estimates in the Preparation of Financial Statements The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas where significant estimates, that are sensitive to change in the near term, are used in the accompanying financial statements include the allowance for doubtful accounts and bad debt expense, contractual allowances and discounts to report patient receivables at net realizable value, valuation of long-lived assets and other intangible assets, estimated third-party payor settlements, valuation of interest rate swaps, and accrued liability for self-funded medical claims. Actual results could differ from those estimates.

Cash and Cash Equivalents Cash and cash equivalents consist of bank deposits in accounts that are either interest bearing and federally insured up to \$250,000, or non-interest bearing and fully guaranteed by the federal government. Additionally, for purposes of the consolidated statement of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2011 and 2010, substantially all the Center's cash and cash equivalents were with one financial institution. At times amounts on deposit are in excess of federally insured limits, which represents a concentration of credit risk. However, management monitors this risk and believes the likelihood of loss to be remote.

Patient Funds The Center receives and holds personal funds of patients under an agency arrangement. These personal funds are reported as an asset, with a corresponding amount reported as a liability in the consolidated statements of financial position.

Patient Accounts Receivable: Patient accounts receivable represents the unpaid amounts billed to patients and third-party payors. Contractual adjustments, discounts and an allowance for doubtful accounts are recorded to report receivables for mental health care services at net realizable value. The allowance for contractual adjustments was \$1,174,300 and \$966,500 as of June 30, 2011 and 2010, respectively. Past due receivables are determined on contractual terms. The Center does not accrue interest on any of its patient accounts receivables. Patient accounts receivable from Medicare and Medicaid programs were approximately 55% and 52% of patient accounts receivable at June 30, 2011 and 2010, respectively.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts The allowance for doubtful accounts is determined by management based upon the Center's historical losses, specific patient circumstances and general economic conditions. Management evaluates the patient accounts receivable aging on a monthly basis and records a provision for bad debts based on current circumstances, and charges off receivables against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the Center's collection policy. Management believes the allowance for doubtful accounts of \$2,351,000 and \$1,515,400 as of June 30, 2011 and 2010, respectively, is adequate to cover potential losses from uncollectible accounts.

Property, Buildings, and Equipment. Property, buildings, and equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the applicable assets. Amortization of equipment capitalized under capital lease obligations is computed using the straight-line method over the term of the capital lease obligation. Interest costs incurred as part of the historical cost of acquiring certain buildings and equipment are capitalized and amortized over the lives of the asset.

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. All donated assets are valued at fair value. See note 5 for additional information.

The Center has a capitalization policy that states all property and equipment in excess of \$500 are to be capitalized and depreciated.

Impairment of Long-Lived Assets On an ongoing basis, the Center reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Center recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2011 and 2010, management believes that no impairment existed.

Assets Whose Use Is Limited Assets limited as to use primarily include investments held by a trustee which qualify as cash and cash equivalents. These investments are stated at cost. Income on the investments held by the trustee is reported as interest income. See Note 5 for additional analysis of funds held by a trustee.

Debt Issuance Costs The debt issuance costs relate to the issuance of the Series 2006 Revenue Refunding and Improvement Bonds. The total debt issuance costs incurred were \$384,616 and are being amortized by the effective interest method over the life of the related debt issue (see Note 5).

Derivatives The Center has entered into an interest rate swap agreement as part of its interest rate risk management strategy. Although the Center believes the swap agreement would qualify as a hedge, it has elected for simplicity to report the swap agreement as freestanding derivative. As a result, gains and losses are recognized in the Center's change in net assets.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The swap agreement is separated into current and non-current assets, or liabilities, based on its expected cash flows. Cash inflows expected within one year, including derivative assets that the Center intends to settle, are reported as current assets. Cash inflows expected beyond one year are reported as non-current assets. Cash outflows expected within one year, including derivative liabilities in which the counterparty has the contractual right to settle, are reported as current liabilities. Cash outflows expected beyond one year are reported as non-current liabilities (See Note 6).

Net Patient Service Revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue is recorded at the Center's established billing rates at the time services are performed and provides a specific level of patient financial assistance based on a patient's ability to pay. The difference is recorded as contractual allowances to reduce patient service revenue to a net realizable amount.

Medicare reimbursement for inpatient psychiatric services is based primarily on a combination of cost and prospective payment rates subject to certain limitations as defined by each program. The determination of cost requires interpretation of the applicable laws and regulations and the application of relatively complex cost accounting techniques. Such determinations are subject to audit and adjustment by the respective programs. Services rendered to program beneficiaries are included in patient service revenue at normal rates, and provisions for contractual allowances are recorded to reduce such revenue to estimated reimbursable amounts. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined. For the years ended June 30, 2011 and 2010, the Center derived 62% and 54%, respectively, of its net patient service revenues from the Medicare and Medicaid programs.

Charity Care: The Center has a policy to provide charity care for patients who meet certain criteria and do not have the financial ability to pay established rates. The Center does not record charity care as revenue, nor does it attempt to collect these fees. The Center maintains records to identify and monitor the level of charity care provided. These records are maintained at the Center's established rates for services and supplies provided under its charity care policy. Charges foregone for charity care at the Center's established rates were \$4,177,176 and \$3,482,891 for the years ended June 30, 2011 and 2010, respectively.

Contributions: Contributions are recognized in the year the Center receives a gift, or an unconditional promise to give from a donor. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. If a restriction is fulfilled in the same accounting period in which the contribution is received, the contribution is reported as unrestricted.

Fair Value of Financial Instruments: As of June 30, 2011 and 2010, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, accounts payable, and assets limited as to use approximate fair value because of the relatively short maturities of these financial instruments. The fair value of long-term debt (determined using discounted future cash flow, using interest rates for similar types of borrowing arrangements) approximated \$12,307,200 and \$12,443,500 at June 30, 2011 and 2010, respectively.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes OPC and OCMHC are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal and state income taxes pursuant to Section 501(a) of the Code and corresponding state tax provisions

U S GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Due to its tax-exempt status, the Center is not subject to U S federal income tax or state income tax. The Center's Form 990 has not been subject to examination by the Internal Revenue Service or the state of Indiana for the last three years. The Center does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Center recognizes interest and/or penalties related to income tax matters in income tax expense. The Center did not have any amounts accrued for interest and penalties at June 30, 2011 or 2010.

Subsequent Events Management has performed an analysis of the activities and transactions subsequent to June 30, 2011 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2011. Management has evaluated subsequent events for recognition and disclosure through October 28, 2011, which is the date the financial statements were available to be issued.

NOTE 2 - OTHER RECEIVABLES

Other receivables consist of the following:

	<u>2011</u>	<u>2010</u>
State of Indiana Family and Social Service Administration, Division of Mental Health and Addiction	\$ 927,409	\$ 31,043
Medicaid disproportionate share	240,000	65,000
Medicaid Mental Health Funds Recovery Program	660,000	450,000
Elkhart County	601,659	631,395
St. Joseph County	700,000	-
Affiliates (Note 8)	11,940	5,393
Other	<u>120,579</u>	<u>52,520</u>
	<u>\$ 3,261,587</u>	<u>\$ 1,235,351</u>

The state of Indiana provides Medicaid disproportionate share payments ("DSH payments") to Indiana hospitals and healthcare providers (individually referred to as a "provider") meeting certain eligibility requirements. The amount of the basic DSH, which is based on a formula approved by the Center for Medicare and Medicaid Services, requires certification of eligibility and is subject to a provider's specific limit, defined as the provider's Medicaid shortfall plus the costs of caring for uninsured patients less any payment received.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
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NOTE 2 - OTHER RECEIVABLES (Continued)

The Center is eligible for basic DSH because of its status as a free-standing inpatient psychiatric facility, and the \$240,000 receivable at June 30, 2011 (\$65,000 at June 30, 2010) represents management's estimate of the basic DSH receivable as of the balance sheet date. DSH funds are included in grants and other operating income.

NOTE 3 - PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment and the related accumulated depreciation is summarized as follows.

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 1,816,807	\$ 1,806,337
Buildings and improvements	10,677,429	10,295,204
Furniture and equipment	10,368,825	10,131,974
Vehicles	<u>437,327</u>	<u>445,006</u>
	23,300,388	22,678,521
Less, Accumulated depreciation and amortization	<u>17,517,324</u>	<u>16,856,029</u>
	<u>\$ 5,783,064</u>	<u>\$ 5,822,492</u>

The Center has entered into several lease agreements for office equipment which are accounted for as capital leases. The cost of the capitalized leased equipment and the accumulated amortization totaled \$331,392 and \$281,683 for the years ended June 30, 2011 and June 30, 2010, respectively. As of June 30, 2010, the cost of the capitalized leased equipment and the accumulated amortization totaled \$331,392 and \$215,404, respectively. Amortization related to these leased assets totaled \$66,278 for the years ended June 30, 2011 and 2010, respectively, and is included in depreciation and amortization expense of \$817,904 and \$889,346, respectively, within the consolidated statements of activities.

The Center also has a lease agreement with Rest Haven, Inc. ("Rest Haven"), a not-for-profit organization. Rest Haven was formed to provide a separate treatment facility for individuals of the Amish faith. Rest Haven solicited \$250,000 of donations from Amish individuals, churches and districts that were contributed to the Foundation which in turn contributed the solicited funds to the Center. In addition, Rest Haven coordinated the construction of the Rest Haven facility by obtaining donated services, machine hire, planning and labor having an agreed-upon value of \$150,000. The Center used the contributed funds to purchase materials for the construction of the Rest Haven facility. Under the terms of the lease agreement, which includes options to renew for an additional thirty-four years, at five year intervals, Rest Haven is currently leasing this facility from the Center for five-year term expiring December 31, 2011.

In consideration of the \$250,000 of cash contributions and the \$150,000 of noncash contributions, no specific amount of rent is required under the lease agreement. The lease agreement provides that in the event Rest Haven chooses not to renew the lease, the Center would be obligated to pay Rest Haven the unamortized balance, as defined, of the \$250,000. If the Center chooses to terminate the lease, the Center would be obligated to pay Rest Haven for the unamortized balance, as defined, of the \$400,000. The Center is accounting for the \$400,000 as deferred lease income to be amortized over the thirty-nine year period (initial lease term and all renewal periods). Deferred lease income at June 30, 2011 and 2010, aggregated \$302,564 and \$312,821, respectively.

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - SHORT-TERM BORROWINGS

The Center had obtained a \$1 5 million bank line of credit from Charter One Bank, N A , a division of RBS Citizens, N A ("RBS") Borrowings under this line of credit were subject to a borrowing base of eligible receivables

Interest on outstanding borrowings was payable monthly at the RBS' prime rate plus 1 5% The line of credit was collateralized by a first priority perfected security interest in the same collateral as was the direct pay letter of credit issued by RBS (see Note 5) The line of credit expired on November 30, 2010, and was not subsequently renewed

NOTE 5 - LONG-TERM DEBT

Long-term debt consists of the following.

	<u>2011</u>	<u>2010</u>
Promissory Note, Series 2006, with Hospital Authority of Elkhart County, Indiana	\$ 12,045,000	\$ 12,330,000
HUD Supportive Housing Program Loan	100,000	-
HOME Participation Program Loan	105,000	-
Federal Home Loan Bank Affordable Program of Indiana	162,507	-
Capital lease obligations	<u>56,617</u>	<u>127,241</u>
	12,469,124	12,457,241
Less, Current maturities	<u>451,617</u>	<u>355,624</u>
	<u>\$ 12,017,507</u>	<u>\$ 12,101,617</u>

On August 16, 2006, the Center was a party to a debt refinancing transaction, whereby the Hospital Authority of Elkhart County, Indiana (the "Authority") issued \$14,385,000 Series 2006, Adjustable Rate Demand Revenue Refunding and Improvement Bonds, (the "Series 2006 Bonds") The proceeds for the Series 2006 Bonds were loaned to the Center by the Authority under the terms of the Series 2006 Note between the Center and the Authority The Center used the bond proceeds to pay off the \$12,360,000 promissory note under the Series 1996 Bonds to pay bond issuance costs and other costs associated with the debt refinancing transaction and the balance of the proceeds (held by trustee in the Project Fund) were available to finance the acquisition, construction, equipping and installation of renovations to the Center's health care facilities and related improvements

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Interest on the Series 2006 Note is payable monthly to the trustee at the interest rate or interest rates borne by the Series 2006 Bonds. The interest rate is calculated and adjusted weekly by the remarketing agent. The variable interest rate on the Series 2006 Bonds was 1.83% and 1.93% at June 30, 2011 and 2010, respectively. The Center will have the option, with the approval of the bank and upon certain conditions, to convert on one or more occasions to a weekly, one-month, three-month, six-month, one-year, five-year or a fixed rate. In addition to monthly interest payments, the Center makes an annual principal payment to the trustee that began on August 1, 2007 and continues until maturity of the Series 2006 Bonds on August 1, 2031, subject to redemption or purchase prior to maturity. In connection with this debt refinancing transaction, the Center had entered into an interest rate swap agreement to exchange \$9,330,000 of floating rate debt for a fixed interest rate of 3.84% under the terms of the interest rate swap agreement. As a result of the deterioration of the financial markets this agreement was terminated on October 23, 2008. See Note 6 for more information.

The Series 2006 Bonds are limited obligations of the Authority and were collateralized under the terms of the Trust Indenture between the Authority and trustee and by a direct pay letter of credit that was to expire on August 15, 2011 in the initial principal amount of \$14,562,350, issued by RBS. The letter of credit was collateralized by a first priority perfected security interest in all existing and hereafter acquired assets of the Center, including receivables, equipment and real property.

During the year ended June 30, 2009, the impact of the deteriorating financial market also impacted the decreased credit-worthiness of RBS Citizens Bank, NA (dba Charter One). This resulted in a decreased rating of the Series 2006 Bonds, and required the purchase of the bonds out of the active market. On July 31, 2009 OPC executed a first amendment to the Trust Indenture and Loan Agreement and a new tax certificate and agreement in connection with the Series 2006 Bond Issue. In lieu of seeking an extension to the existing direct pay letter of credit issued by RBS Citizens, NA, (dba Charter One Bank), this amendment provided for Charter One to purchase the bonds for its own investment portfolio. The amendments also provided for a new interest rate mode, the "Bank Purchase Mode", while the bonds are held by Charter One. At the end of each Bank Purchase Period, which is defined as three (3) years from the date of closing and every five (5) years thereafter, there will be a mandatory tender following which the bonds may be remarketed in any other mode permissible under the bond indenture or in Bank Purchase Mode. All other terms and conditions, including affirmative and negative covenants and financial covenants, as provided for in the Credit, Reimbursement and Pledge Agreement dated August 16, 2006, and amended from time to time remain in effect. These covenants include the maintenance of a required minimum days cash on hand, a required minimum operating margin and maintenance of a specified debt service coverage ratio. As of June 30, 2011 and 2010, the Center was in compliance with all of the restrictive covenants.

During September 2010, the Center was named the community mental health center (CMHC) for St. Joseph County, Indiana by the Indiana Family and Social Services Agency, Division of Mental Health and Addictions (DMHA). During this process Madison Center, Inc. (former St. Joseph CMHC) transferred certain assets and liabilities to the Center. Included, but not limited to, were two properties that had loans and/or grants associated with the properties. The HUD Supportive Housing Program Loan and the HOME Neighborhood Participation Program Loan both are related to the same piece of property. The Center assumed liability of the loans when Madison Center, Inc. transferred ownership in April 2011. The St. Joseph County Housing Consortium Loan is related to another piece of property transferred from Madison Center, Inc. during September 2010.

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Both the HUD Supportive Housing Program Loan and the HOME Neighborhood Participation Program Loan are to mature June 30, 2026. The Federal Home Loan Bank Affordable Program of Indiana is set to mature September 1, 2011. As of the date of these financial statements, management believes they have met the criteria and no interest or principal payments are anticipated. All three loans bear no interest and repayment is not required as long as the housing projects remains available for the purpose stated in the grant and/or loan documents. If a default occurs under the terms of these loans, at the option of the holder of these loans, the entire principal and accrued interest should at once become due and payable without notice.

Trustee held funds under the 2006 bond issue is reflected in the consolidated statements of financial position as Assets Limited as to Use.

Trustee-held funds at June 30, 2011 and 2010 consisted of the following.

	<u>2011</u>	<u>2010</u>
Sinking Fund	<u>\$ 314,383</u>	<u>\$ 209,584</u>
	<u>\$ 314,383</u>	<u>\$ 209,584</u>

Aggregate contractual annual maturities of long-term debt for each of the next five years are as follows:

Year Ending <u>June 30</u>	
2012	\$ 451,617
2013	415,000
2014	430,000
2015	450,000
2016	465,000

NOTE 6 - BOND INTEREST RATE SWAP

The Center had entered into an interest rate swap agreement pursuant to the terms of the 2006 Bond Issue. This interest rate swap agreement was scheduled to expire on August 1, 2025, and permitted the Center to exchange \$9.3 million of its floating rate debt for a fixed rate of 3.84%. However, due to the deterioration of the financial markets, the institution with which the Center had entered into the interest rate swap agreement, Lehman Brothers Special Financing, Inc., sought relief under the bankruptcy laws of the United States of America. This situation caused the Center to exercise its right to terminate the interest rate swap agreement with Lehman Brothers. The termination of the interest rate swap was effective October 23, 2008.

On November 24, 2008, a new interest rate swap agreement was entered into with RBS Citizens Bank, NA (dba Charter One). This agreement is effective for a period of ten years and has permitted the Center to exchange \$7 million of its floating rate debt for a fixed rate of 2.53%. Accordingly, the change in the net liability is recorded as an increase or decrease of unrestricted net assets in the current period. Based on the Center's derivative position at June 30, 2011 and 2010, a liability in the amount of \$289,696 and \$341,899 has been recorded, respectively, for the fair value of the interest rate swap agreement. The change in fair value of the liability was \$(52,203) and \$213,890 for the years ended June 30, 2011 and 2010, respectively.

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 6 - BOND INTEREST RATE SWAP (Continued)

Interest Rate Swap Not Designated as a Hedge

Summary information about the interest rate swap not designated as a hedge, is as follows

	<u>2011</u>	<u>2010</u>
Notional amounts	\$ 6,200,000	\$ 6,600,000
Weighted average pay rates (fixed)	2.53%	2.53%
Weighted average receive rates (1 month LIBOR x 66.667%)	0.12%	0.23%
Weighted average maturity	7.5	8.5

Derivative Fair Value. The following table presents the net amounts recorded in the statement of activities relating to the interest rate swap

	<u>2011</u>	<u>2010</u>
	<u>Amounts</u> <u>Recognized</u>	
Unrealized (gain) loss on interest rate swap agreement	\$ (52,203)	\$ 213,890
Interest expense - senior bonds payable	147,116	156,184

The following table reflects the fair value and location in the statement of financial position of the interest rate swap

	<u>2011</u>	<u>2010</u>
Current liabilities		
Interest rate swap agreement, current portion	\$ 36,166	136,647
Long-term liabilities		
Interest rate swap agreement	253,530	205,252

Though management has no intention to do so, the interest rate swap agreement can be terminated early

NOTE 7 - RETIREMENT PLAN

The Center maintains a tax sheltered annuity plan, pursuant to Internal Revenue Code Section 403(b), for all eligible employees. The amount of the employer contributions to the plan represents a discretionary matching of employee contributions up to a maximum of 3% of participating employee salaries and wages. The employer stopped making the discretionary matching contributions effective 1/31/10. Expense under this plan aggregated \$0 and \$112,029 for the years ended June 30, 2011 and 2010, respectively. Because the Center's plan is considered a church plan, it is not subject to the audit requirements prescribed for other 403(b) plans by the U.S. Department of Labor.

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED)

As previously mentioned, the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home are considered related parties (affiliates) of OPC because certain of the officers and the directors of OPC serve in the same capacity for the Foundation, Apartments, Estates, Uhrig Apartments, River Court Apartments, and Group Home

The Foundation, a not-for-profit organization, solicits and receives contributions in support of programs operated by the Center and contributes such funds to the Center on a periodic basis. At June 30, 2011 and 2010, OPC has recognized a contribution receivable (included in other receivables) from the Foundation of \$7,600 and \$1,983, respectively, which represents pledges from the Foundation to OPC. Contribution income from the Foundation aggregated \$259,750 and \$284,595 for the years ended June 30, 2011 and 2010, respectively.

A condensed summary of the unaudited operating results and financial position of the Foundation, is as follows:

	<u>2011</u>	<u>2010</u>
Revenues	\$ 521,534	\$ 285,083
Operating expenses	<u>223,095</u>	<u>196,398</u>
Change in net assets	<u>\$ 298,439</u>	<u>\$ 88,685</u>
Cash	\$ 520,003	\$ 309,887
Investments	2,096,227	1,732,315
Pledges receivable, net	<u>160,087</u>	<u>430,059</u>
Total assets	<u>\$ 2,776,317</u>	<u>\$ 2,472,261</u>
Payable to OPC	\$ 7,600	\$ 1,983
Net assets	<u>2,768,717</u>	<u>2,470,278</u>
Total liabilities and net assets	<u>\$ 2,776,317</u>	<u>\$ 2,472,261</u>

The Apartments provide housing for chronically mentally disabled persons. The project was funded through a 1981 mortgage with the U.S. Department of Housing and Urban Development ("HUD"), which also subsidizes the residents' rental payments. In 1988, the project was expanded to include additional units, and the expansion was funded through a 1988 mortgage with HUD. Currently the Apartments operate under Section 223(f) of the National Housing Act.

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

A condensed summary of the unaudited operating results and financial position of the Apartments, is as follows

	<u>2011</u>	<u>2010</u>
Net revenues from operations	\$ 215,615	\$ 221,119
Operating expenses	<u>219,079</u>	<u>235,257</u>
Operating loss and change in net assets	<u>\$ (3,464)</u>	<u>\$ (14,138)</u>
Current assets	\$ 142	\$ 264
Property, buildings and equipment, net	399,985	434,256
Other assets	<u>119,748</u>	<u>115,164</u>
Total assets	<u>\$ 519,875</u>	<u>\$ 549,684</u>
Long-term debt, including current maturities	\$ 927,647	\$ 937,473
Other current liabilities	29,086	23,502
Net assets (deficit)	<u>(436,858)</u>	<u>(411,291)</u>
Total liabilities and net assets (deficit)	<u>\$ 519,875</u>	<u>\$ 549,684</u>

The Apartments mortgage note is with the Federal Housing Administration ("FHA") under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The original amount of the mortgage is \$964,900 and the loan agreement provides, among other items, the following: a term of 35 years maturing on April 1, 2042, an interest rate of 6 1/4% per annum, monthly principal and interest payments of \$5,593, monthly deposits to a reserve fund for replacing assets of the community, monthly deposits to a debt service savings escrow, and establishment of a repair escrow with an initial deposit of \$77,439. The liability of Oaklawn Apartments, Inc. is limited to the underlying value of the property and equipment collateral in addition to other amounts of deposit.

OPC has advanced funds to the Apartments to assist with payment of certain operating expenses. At June 30, 2011 and 2010, outstanding advances from OPC aggregated \$800 and \$3,410, respectively.

During the year ended June 30, 2009, the Center assumed the oversight responsibilities of the Estates. The Estates was organized to construct, own and operate a 12-unit apartment community in Elkhart, Indiana, pursuant to Section 811 of the National Affordable Housing Act, as amended. The Estates has executed a regulatory agreement with HUD which governs the operation of the Estates with the Federal Housing Administration Section of HUD. The Estates has also entered into a Project Rental Assistance Contract with HUD. The contract expires on October 26, 2011.

The Estates has entered into a Capital Advance Program Mortgage Note (the "Note") for a capital advance in the amount of \$1,045,800. The Note bears no interest and repayment is not required as long as the housing project remains available for very low-income persons with disabilities in accordance with Section 811 of the National Affordable Housing Act of 1990 and the Project Rental Assistance Contract and is operated in accordance with the Regulatory Agreement and HUD Regulations. The Note is secured by the mortgage upon the land, building and equipment and other amounts held by the Estates.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
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NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

The debt evidenced by this Note may not be prepaid prior to the maturity of December 1, 2044, without the prior written approval of HUD. Provided (1) the housing project has remained available for occupancy by eligible families for no less than 40 years, and (2) the Note has not otherwise become due and payable by reason of defaults under the Note, mortgage or Regulatory Agreement through that date, the Note shall be deemed to be paid and discharged. If a default occurs under the terms of this Note, mortgage, the Regulatory Agreement or the regulations, at the option of the holder of this Note, the entire principal and accrued interest should at once become due and payable without notice. The liability of the Estates under the mortgage loan is limited to the underlying value of the property and equipment collateral in addition to other amounts on deposit.

A condensed summary of the unaudited operating results and financial position of the Estates, is as follows:

	<u>2011</u>	<u>2010</u>
Revenues	\$ 14,316	\$ 61,329
Operating expenses	<u>16,125</u>	<u>83,487</u>
Change in net assets	<u>\$ (1,809)</u>	<u>\$ (22,158)</u>
Cash	\$ 3,804	\$ 2,632
Property, building, and equipment, net	638,567	663,255
Restricted deposits and funded reserves	294,966	304,840
Other assets	<u>1,918</u>	<u>1,556</u>
Total assets	<u>\$ 939,255</u>	<u>\$ 972,283</u>
Current liabilities	\$ 1,537	\$ 9,042
Long-term debt, including current maturities	1,045,800	1,045,800
Other liabilities	1,857	1,579
Net assets	<u>(109,939)</u>	<u>1,045,800</u>
Total liabilities and net assets	<u>\$ 939,255</u>	<u>\$ 1,056,421</u>

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
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NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Madison Residential Services, Inc (an Indiana Not-For-Profit Corporation) was organized to construct, own and operate a 21 unit apartment community for persons disabled as a result of a chronic illness in South Bend, Indiana, known as Uhrig Apartments, pursuant to Section 811 of the National Affordable Housing Act, as amended

A condensed summary of the unaudited operating results and financial position of the Uhrig Apartments, is as follows

	<u>2011</u>
Revenues	\$ 104,165
Operating expenses	<u>128,511</u>
Change in net assets	<u>\$ (24,346)</u>
Cash	\$ 54
Property, building, and equipment, net	486,162
Restricted deposits and funded reserves	31,176
Other assets	<u>3,557</u>
Total assets	<u>\$ 520,949</u>
Current liabilities	\$ 11,566
Long-term debt, including current maturities	864,200
Payable to Sponsor	43,424
Other liabilities	3,453
Net assets	<u>(401,694)</u>
Total liabilities and net assets	<u>\$ 520,949</u>

OPC has advanced funds to Uhrig Apartments to assist with payment of certain operating expenses. At June 30, 2011, outstanding advances from OPC aggregated \$43,424

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Simadon Corporation (an Indiana Not-For-Profit Corporation) was organized to construct, own and operate a 15 unit group home for persons disabled as a results of a chronic illness in South Bend, Indian, know as River Court Apartments, pursuant to Section 811 of the National Affordable Housing Act, as amended

A condensed summary of the unaudited operating results and financial position of River Court Apartments, is as follows

	<u>2011</u>
Revenues	\$ 76,749
Operating expenses	<u>118,963</u>
Change in net assets	<u>\$ (42,214)</u>
Current assets	\$ 1,532
Property, building, and equipment, net	1,238,227
Other assets	<u>40,305</u>
Total assets	<u>\$ 1,280,064</u>
Long-term debt, including current maturities	\$ 1,356,900
Payable to Sponsor	13,827
Other current liabilities	14,787
Other liabilities	2,989
Net assets (deficit)	<u>(108,439)</u>
Total liabilities and net assets	<u>\$ 1,280,064</u>

OPC has advanced funds to River Court Apartments to assist with payment of certain operating expenses. At June 30, 2011, outstanding advances from OPC aggregated \$13,827

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Riverside Corporation, Inc. (an Indiana Not-For-Profit Corporation) was organized to construct, own and operate an 8 unit apartment community for persons disabled as a result of a chronic illness in South Bend, Indiana, known as the Group Home, pursuant to Section 811 of the National Affordable Housing Act, as amended

A condensed summary of the unaudited operating results and financial position of the Group Home, is as follows

	<u>2011</u>
Revenues	\$ 35,256
Operating expenses	<u>39,294</u>
Change in net assets	<u>\$ (4,038)</u>
Cash	\$ 2,013
Property, building, and equipment, net	166,870
Restricted deposits and funded reserves	25,527
Other assets	<u>1,200</u>
Total assets	<u>\$ 195,610</u>
Current liabilities	\$ 201
Long-term debt, including current maturities	274,400
Payable to Sponsor	58,557
Other liabilities	809
Net assets	<u>(138,357)</u>
Total liabilities and net assets	<u>\$ 195,610</u>

OPC has advanced funds to the Group Home to assist with payment of certain operating expenses. At June 30, 2011, outstanding advances from OPC aggregated \$58,557

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases The Center has entered into various operating leases for office space locations with lease terms expiring at various dates through the year 2016. Rent expense under these leases for the years ended June 30, 2011 and 2010 was approximately \$655,000 and \$8,000, respectively.

Future minimum lease commitments are as follows

2012	\$ 854,615
2013	827,800
2014	827,800
2015	827,800
2016	<u>210,550</u>
	<u>\$ 3,548,565</u>

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

Self Insurance Plan OPC is a member of a pooled self insurance plan Pursuant to the plan agreement, each member is required to make monthly contributions to the plan's administrator that are available to satisfy the insurance claims of each members' participating employees The plan calls for all claims to be paid out of the pool, but once any individual's aggregated claims exceed \$250,000, the plan's stop-loss amount, for June 30, 2011 and 2010, all remaining claims for that individual are covered under the plan's insurance Each member is directly responsible for claims up to a maximum dollar amount The level set for such exposure impacts the contributions paid by the members As of June 30, 2011, OPC has elected to be directly responsible for claims up to \$116,000 per individual (\$102,000 per individual at June 30, 2010) Any claims in excess of \$116,000, but less than \$250,000, are paid out of the members' pooled funds (\$102,000 at June 30, 2010)

Litigation The Center is involved in litigation and routine regulatory surveys arising in the course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Center's future financial position or results from operations

Third-Party Payor Audit. During the year ended June 30, 2005, the Center was the subject of a retrospective audit of its Medicaid reimbursement claims submitted during the period October 1, 2001 through December 31, 2002 This audit resulted in the issuance of a determination letter dated December 3, 2004 requesting a repayment by the Center of \$1.1 million, plus accrued interest The Center and its legal counsel filed a request for administrative appeal of that determination in accordance with Indiana law and the matter was assigned to an administrative law judge

In July 2007, the Center underwent another retrospective audit of its Medicaid reimbursement claims for the period January 1, 2005 through March 31, 2006 This audit resulted in a final determination notice dated May 7, 2008 requesting a repayment by the Center of \$17,138, which included \$1,114 in interest This notice was in response to the Center's rebuttal to the initial request for a repayment of \$146,757 based on the results of the July audit Since the final settlement amount was reduced to the \$17,138, the Center has not requested an administrative appeal of that determination

During the year ended June 30, 2010, an agreement was reached regarding the filed appeal relating to the Medicaid reimbursement claims audit conducted during the fiscal year ended June 30, 2005 As a result, the Center paid \$175,090 to the State of Indiana The recorded estimated liability related to the appeal was \$810,450 The difference between the recorded liability and paid amount was recognized as income during the fiscal year ended June 30, 2010

Management believes the existing accrual for the estimated third party payor audits are adequate to provide for the ultimate resolution of any exposure related to potential audits of the years subject to audit as of the year ended June 30, 2011.

Grants As of the year ended June 30, 2011, the Center has agreements relating to two properties for which grant monies have been received There are certain restrictions on these properties, and if those restrictions are not met, the Center will be obligated to repay all or part of the original grant amounts

NOTE 10 - ACCRUED INTEREST RATE SWAP SETTLEMENT

The Organization is involved in a lawsuit relating to the allegedly improper termination of certain interest rate swap transactions and certain transaction confirmations relating thereto Claims have been asserted in the form of a Derivatives Alternative Dispute Resolution Notice and a liability of \$820,000 was recorded by the Organization for the year ended June 30, 2011, as a reasonable estimate of the total liability that will be incurred

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 11 - FUNCTIONAL EXPENSES

The Center provides general inpatient and outpatient mental health care services to its surrounding community. Expenses on a functional basis, related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 26,933,337	\$ 20,267,168
General and administrative	5,781,659	5,785,450
Fundraising	<u>17,861</u>	<u>26,419</u>
	<u>\$ 32,732,857</u>	<u>\$ 26,079,037</u>

NOTE 12 - FINANCIAL INSTRUMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Center's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Center has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges. The Center has no financial instruments utilizing level 1 inputs.

Level 2 Inputs: Significant other observable inputs other than Level 1 prices such as quoted price for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Center has no financial instruments utilizing level 1 inputs.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The derivative instruments consist of the interest rate swap. The fair value of the derivatives is determined based on the relative values of the fixed and floating rate portions of the interest rate contracts. The valuation model utilized involves current interest rates, projected yield curves and volatility factors to determine the fair value of the instruments as of the date of measurement. As such, significant fair value inputs can generally be verified and do not involve significant management judgments (Level 2 inputs).

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 12 - FINANCIAL INSTRUMENTS (Continued)

The Center's assets measured at fair value on a recurring basis are summarized below

	<u>Fair Value Measurements at June 30, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
Interest rate swap	\$ -	\$ 289,696	\$ -	\$ 289,696
Total liabilities	<u>\$ -</u>	<u>\$ 289,696</u>	<u>\$ -</u>	<u>\$ 289,696</u>

	<u>Fair Value Measurements at June 30, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities.				
Interest rate swap	\$ -	\$ 341,899	\$ -	\$ 341,899
Total liabilities	\$ -	\$ 341,899	\$ -	\$ 341,899

SUPPLEMENTARY INFORMATION

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2011

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
<u>U S Department of Agriculture</u>			
Passed Through the State of Indiana Department of Education Division of School and Community Nutrition.			
National School Lunch Program	10 555	375-704	\$ 42,648
National School Breakfast Program	10 553	375-704	<u>24,663</u>
			67,311
<u>U S Department of Health and Human Services</u>			
Passed Through From State of Indiana Family and Social Service Administration, Division of Mental Health			
Block Grants for Prevention and Treatment of Substance Abuse	93 959	6000-139100*	831,511
Block Grants for Community Mental Health Services	93 958	6000-139200*	426,740
Targeted Service PATH	93 150	6000-184400	<u>157,423</u>
			1,415,674
Passed through from State of Indiana Family and Social Service Administration Division of Family and Children			
Title IV-E Foster Parent Training	93 658	6000-162100	89,522
<u>U S Housing and Urban Development Department</u>			
Homelessness Prevention and Rapid Re-Housing Program (HPRP) (Recovery Act Funded)	14 257		7,980
Home Investment Partnerships Program	14 239		8,277
Passed Through From City of South Bend, Department of Community & Economic Development			
Shelter Plus Care	14.238	Unknown	109,493
Passed through from Indianapolis, Office of Community Planning and Development			
Supportive Housing for Persons with Disabilities (Section 811)	14 235	Unknown	27,370
Section 8 New Construction and Substantial Rehabilitation	14 235	Unknown	<u>65,322</u>
			<u>307,964</u>
Total expenditures of federal awards			<u>\$ 1,790,949</u>

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2011

*Denotes a major program as defined by OMB Circular A-133

See accompanying notes to Schedule of Expenditures of Federal Awards

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the consolidated financial statements.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Oaklawn Psychiatric Center, Inc and Affiliate
Goshen, Indiana

We have audited the consolidated financial statements of Oaklawn Psychiatric Center, Inc and its Affiliate, Oaklawn Community Mental Health Center, Inc , (collectively the "Center") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 28, 2011. Our opinion on the consolidated financial statements was qualified due to the Center not consolidating all controlled affiliates as required by accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Oaklawn Psychiatric Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oaklawn Psychiatric Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oaklawn Psychiatric Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oaklawn Psychiatric Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oaklawn Psychiatric Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Oaklawn Psychiatric Center, Inc. and Affiliate in a separate letter dated October 28, 2011.

This report is intended solely for the information and use of management, the Board of Directors, others within the Center, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Indianapolis, Indiana
October 28, 2011

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued. Qualified

Internal control over financial reporting

- | | | |
|--|-------|---------------|
| • Material weakness(es) identified? | _____ | X |
| | Yes | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ | X |
| | Yes | None reported |

Noncompliance material to financial statements noted?	_____	X
	Yes	No

Federal Awards

Internal control over major programs

- | | | |
|--|-------|---------------|
| • Material weakness(es) identified? | _____ | X |
| | Yes | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ | X |
| | Yes | None reported |

Type of auditor's report issued on compliance for major programs. Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____	X
	Yes	No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.958	Block Grant for Community Mental Health Services, Mental Illness Block Grant
93.959	Block Grant for Community Mental Health Services, Substance Abuse Prevention and Treatment - Addiction Services

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?	X*	_____
	Yes	No

- * Auditee was granted a waiver to be considered a low risk auditee by the State of Indiana's Family and Social Services Administration, since the audit report qualification relates to a Consolidation GAAP Departure only

(Continued)

OAKLAWN PSYCHIATRIC CENTER, INC AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

2. Financial Statement Findings

- None

3. Federal Award Findings and Questioned Costs

- None

4. Prior Year Findings and Questioned Costs

- *Financial Statements* None
- *Federal Awards* None

Additional Data

Software ID:
Software Version:
EIN: 35-1070041
Name: OAKLAWN PSYCHIATRIC CENTER INC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services			
(Code) (Expenses \$	including grants of \$) (Revenue \$
OUTPATIENT & OTHER - PROVIDED OVER 83,000 CLIENT SERVICE ENCOUNTERS OF GROUP THERAPY, MEDICATION MANAGEMENT, AND INDIVIDUAL THERAPY, PROVIDED OVER 79,000 CLIENT SERVICE ENCOUNTERS OF CASE MANAGEMENT, PROVIDED OVER 72,000 CLIENT SERVICE ENCOUNTERS OF SKILLS BUILDING IN PERSONAL CARE AND COMMUNITY LIVING, PROVIDED AN ADDITIONAL 22,900 ENCOUNTERS OF OTHER COMMUNITY BASED ENCOUNTERS			