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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047
		2010
		Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization AGNESIAN HEALTHCARE INC	D Employer identification number 39-0807236
	Doing Business As	E Telephone number (920) 926-4512
	Number and street (or P O box if mail is not delivered to street address) 430 EAST DIVISION STREET	Room/suite
	City or town, state or country, and ZIP + 4 FOND DU LAC, WI 54935	
	F Name and address of principal officer STEVEN LITTLE CEO 430 EAST DIVISION STREET FOND DU LAC, WI 54935	
		H(a) Is this a group return for affiliates? ☐ Yes ☒ No
		H(b) Are all affiliates included? ☒ Yes ☐ No If "No," attach a list (see instructions)
		H(c) Group exemption number ▶ 0928
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527		
J Website: ▶ WWW.AGNESIAN.COM		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1892
		M State of legal domicile WI

Part I Summary			
Activities & Governance	1 Briefly describe the organization's mission or most significant activities INTEGRATED HEALTHCARE DELIVERY SYSTEM - THE MISSION OF AGNESIAN HEALTHCARE IS TO PROVIDE COMPASSIONATE CARE THAT BRINGS HOPE, HEALTH AND WHOLENESS TO THOSE WE SERVE BY HONORING THE SACREDNESS AND DIGNITY OF ALL PERSONS AT EVERY STAGE OF LIFE 		
	2 Check this box ☒ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	3,000
	6 Total number of volunteers (estimate if necessary)	6	640
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	80,078
	b Net unrelated business taxable income from Form 990-T, line 34	7b	375,847
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 0	Current Year 0
	9 Program service revenue (Part VIII, line 2g)	266,316,587	292,268,282
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,946,481	6,366,707
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,501,754	13,030,448
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	281,764,822	311,665,437
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	110,609,444	118,550,970
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	159,878,453	169,158,135
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	270,487,897	287,709,105
19 Revenue less expenses Subtract line 18 from line 12	11,276,925	23,956,332	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	321,294,193	397,023,480
	21 Total liabilities (Part X, line 26)	159,519,424	185,535,734
	22 Net assets or fund balances Subtract line 21 from line 20	161,774,769	211,487,746

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

Sign Here	***** Signature of officer		2012-05-07 Date					
	BONNIE SCHMITZ VP AND CFO Type or print name and title							
Paid Preparer Use Only	Print/Type preparer's name	TERRI REXRODE CPA MST	Preparer's signature	TERRI REXRODE CPA MST	Date	2012-05-07	Check if self-employed ☐	PTIN
	Firm's name ▶ WIPFLI LLP							Firm's EIN ▶
	Firm's address ▶ PO BOX 12237 GREEN BAY, WI 543072237							Phone no ▶ (920) 662-0016

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes

☒ No

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

THE MISSION OF AGNESIAN HEALTHCARE IS TO PROVIDE COMPASSIONATE CARE THAT BRINGS HOPE, HEALTH AND WHOLENESS TO THOSE WE SERVE BY HONORING THE SACREDNESS AND DIGNITY OF ALL PERSONS AT EVERY STAGE OF LIFE WE ARE ROOTED IN THE HEALING MINISTRY OF THE CATHOLIC CHURCH AS WE CONTINUE THE MISSION OF OUR SPONSOR, THE CONGREGATION OF SISTERS OF ST AGNES

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 \$ 196,865,218 including grants of \$) (Revenue \$ 280,853,914)

HOSPITAL, CLINIC AND HOME HEALTH SERVICES PROVIDING DIAGNOSTIC AND THERAPEUTIC HEALTHCARE

4b

(Code) (Expenses \$ 11,258,080 including grants of \$) (Revenue \$ 15,026,091)

LABORATORY SERVICES PROVIDING DIAGNOSTIC HEALTHCARE FOR CENTRAL WISCONSIN

4c

(Code) (Expenses \$ 6,416,751 including grants of \$) (Revenue \$ 5,365,964)

RETAIL PHARMACY AND HOME MEDICAL EQUIPMENT SALES TO SERVICE POPULATION FOR HOSPITAL (INPATIENT AND OUTPATIENT), CLINIC AND HOME HEALTH

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 214,540,049

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)? If "Yes," complete Schedule A 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		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? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Parts II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Parts III and IV		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	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)	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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
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	Yes	
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		No
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> ☐ Yes ☒ 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	228
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	3,000
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes
b	If "Yes," enter the name of the foreign country CJ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	Yes
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	Yes
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	No
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
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?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
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	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		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	WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	LESLIE STEPHANY 430 EAST DIVISION STREET FOND DU LAC, WI 54935 (920) 926-4512

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) ROBERT A FALE PRESIDENT AND CEO	50.00	X		X				722,928	0	31,431
(2) SR ANN KOERNER EX-OFFICIO	1.00	X						0	0	0
(3) SR MARY NOEL BROWN EX-OFFICIO	1.00	X						0	0	0
(4) PATRICIA MILLER DIRECTOR	1.00	X						0	0	0
(5) DR STEPHEN MASSICK DIRECTOR	1.00	X						0	0	0
(6) WAYNE E MATZKE CHAIRPERSON	1.00	X		X				0	0	0
(7) DR MICHAEL STRIGENZ DIRECTOR	1.00	X						0	0	0
(8) DR ROBERT MIKKELSEN DIRECTOR	1.00	X						0	0	0
(9) JAMES B SIMON TREASURER	1.00	X		X				5,311	0	0
(10) DR BRIAN CHRISTENSON EX-OFFICIO	1.00	X						305,904	0	31,479
(11) JAMES R CHATTERTON SECRETARY	1.00	X		X				0	0	0
(12) SR HERTHA LONGO DIRECTOR	1.00	X						0	0	0
(13) STEPHANIE M MARTIN DIRECTOR	1.00	X						0	0	0
(14) H JACK POLLEI DIRECTOR	1.00	X						11,294	0	0
(15) JOSEPH REITEMEIER VICE-CHAIRPERSON	1.00	X		X				0	0	0
(16) STEVEN N LITTLE EXECUTIVE VICE PRESIDENT	50.00			X				463,767	0	29,369

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) JANE HYDE SR VP EMPLOYEE SERVICES	50 00			X				268,861	0	19,728
(18) DENNIS YUNK SR VP CLINIC ADMINISTRATOR	50 00			X				227,566	0	26,236
(19) CAROL HYLAND VP CEO CONSULTANTS LAB	50 00			X				230,767	0	28,518
(20) JAMES MUGAN SR VP CLINICAL SVCS AND COO SAH	50 00			X				228,075	0	35,276
(21) BARBARA KNUTZEN VP PERF EXCELLENCE AND CLINIC ADMIN	50 00			X				181,758	0	23,187
(22) DOUGLAS TROST VP - COO ST FRANCIS HOME	50 00			X				141,992	0	26,984
(23) BONNIE R SCHMITZ CFO	50 00			X				154,695	0	16,290
(24) JOHN CHOI MD ANESTHESIOLOGIST - PAIN RESOURCE	50 00					X		941,334	0	29,237
(25) JAMES GRAF MD ANESTHESIOLOGIST	50 00					X		549,272	0	34,174
(26) PONTUS OSTMAN MD ANESTHESIOLOGIST - PAIN RESOURCE	50 00					X		720,992	0	15,750
(27) HONG WANG MD RADIATION ONCOLOGIST	50 00					X		525,002	0	31,666
(28) YASIR HATAHET MD INTENSIVIST	50 00					X		904,828	0	37,153
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								6,584,346	0	416,478

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▶15

		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
FOND DU LAC REGIONAL CLINIC 420 E DIVISION ST FOND DU LAC, WI 54935		PHYSICIAN SERVICES	45,114,473
IBM CORPORATION 1 NEW ORCHARD RD ARMONK, NY 105041722		COMPUTER SERVICES	7,417,852
CERNER CORP 2800 ROCKCREEK PKWY KANSAS CITY, MO 64141		COMPUTER SERVICES	4,906,792
CD SMITH CONSTRUCTION PO BOX 1066 FOND DU LAC, WI 54935		CONSTRUCTION	1,698,546
AMERICAN HEALTHCARE SERVICES PO BOX 945 TRAVERSE CITY, MI 49685		TEMPORARY STAFFING	1,099,486
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 ▶42		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f					
	Program Service Revenue	2a	NET PATIENT SERVICE RE	621400	185,640,067	185,640,067	
b		MEDICARE/MEDICAID SERV	621400	106,628,215	106,628,215		
c							
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		292,268,282			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		3,025,214		3,025,214
		4	Income from investment of tax-exempt bond proceeds . . .		228,633		228,633
	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	29,018,212			
	b	Less cost of goods sold	b	21,548,138			
c	Net income or (loss) from sales of inventory . . .		7,470,074	7,470,074			
Miscellaneous Revenue		Business Code					
11a	CAFETERIA SALES	900099	974,536		80,078		
b	CLINIC REIMBURSEMENT	621110	950,130	950,130			
c	WORK INJURY - SAH	592512	557,483	557,483			
d	All other revenue		3,078,225		3,078,225		
e	Total. Add lines 11a-11d		5,560,374				
12	Total revenue. See Instructions		311,665,437	301,245,969	80,078		
					10,339,390		

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	3,494,345	313,836	3,180,509	
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	100,412,492	80,272,285	20,140,207	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,170,977	4,022,259	1,148,718	
9	Other employee benefits	2,614,506	1,381,981	1,232,525	
10	Payroll taxes	6,858,650	5,187,505	1,671,145	
a	Fees for services (non-employees)				
	Management				
b	Legal	125,032	6,916	118,116	
c	Accounting	108,867		108,867	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	58,543,091	54,991,131	3,551,960	
12	Advertising and promotion	1,157,163	87,630	1,069,533	
13	Office expenses	47,021,286	43,588,258	3,433,028	
14	Information technology	16,124,591		16,124,591	
15	Royalties				
16	Occupancy	3,376,496	481,466	2,895,030	
17	Travel	464,704	402,465	62,239	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,050,063	875,984	174,079	
20	Interest	5,518,010		5,518,010	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	14,918,237	5,069,756	9,848,481	
23	Insurance	1,498,550	950,507	548,043	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBTS	11,641,015	11,641,015		
b	HOSPITAL ASSESSMENT TAX	4,749,772	4,749,772		
c	LOSS ON DEFEASANCE OF B	890,214		890,214	
d	INVESTMENT FEES	565,454		565,454	
e	DUES, SUBSCRIPTIONS AND	479,709	222,687	257,022	
f	All other expenses	925,881	294,596	631,285	
25	Total functional expenses. Add lines 1 through 24f	287,709,105	214,540,049	73,169,056	0
26	Joint costs. Check here ☒ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			4,270,208	1	4,836,066
	2	Savings and temporary cash investments			20,242,335	2	27,011,646
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			36,757,284	4	40,185,003
	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			4,669,760	8	4,707,050
	9	Prepaid expenses and deferred charges			2,502,627	9	2,254,376
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	249,858,537			
	b	Less: accumulated depreciation	10b	130,283,706	119,413,832	10c	119,574,831
	11	Investments—publicly traded securities			97,433,513	11	133,092,427
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			996,299	13	992,140
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			35,008,335	15	64,369,941
	16	Total assets. Add lines 1 through 15 (must equal line 34)			321,294,193	16	397,023,480
Liabilities	17	Accounts payable and accrued expenses			29,413,460	17	30,889,640
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			100,125,807	20	127,115,997
	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			29,980,157	25	27,530,097
	26	Total liabilities. Add lines 17 through 25			159,519,424	26	185,535,734
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			153,297,329	27	198,310,924
	28	Temporarily restricted net assets			6,338,229	28	10,715,610
	29	Permanently restricted net assets			2,139,211	29	2,461,212
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			161,774,769	33	211,487,746
	34	Total liabilities and net assets/fund balances			321,294,193	34	397,023,480

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	311,665,437
2	Total expenses (must equal Part IX, column (A), line 25)	2	287,709,105
3	Revenue less expenses Subtract line 2 from line 1	3	23,956,332
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	161,774,769
5	Other changes in net assets or fund balances (explain in Schedule O)	5	25,756,645
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	211,487,746

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		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 ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

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 AGNESIAN HEALTHCARE INC	Employer identification number 39-0807236
---	--

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									

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 IIIPart III

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here 						

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

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No	

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ 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

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

	Amount
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	996,299	1,020,134	1,014,822	
b	Contributions		45,000		
c	Investment earnings or losses	48,126	23,156	-37,548	
d	Grants or scholarships				
e	Other expenditures for facilities and programs	50,000	45,000		
f	Administrative expenses	2,285	1,991	2,140	
g	End of year balance	992,140	996,299	1,020,134	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

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

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐ Yes

☐

b

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

3b

☐ Yes

☐

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		6,002,505		6,002,505
b Buildings		113,570,764	46,435,540	67,135,224
c Leasehold improvements		2,738,272	875,527	1,862,745
d Equipment		117,314,325	82,972,639	34,341,686
e Other		10,232,671		10,232,671
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				119,574,831

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	AGNESIAN HEALTHCARE, INC. HOLDS AN ENDOWMENT FROM THE CONGREGATION OF THE SISTERS OF ST AGNES. THE ORIGINAL ENDOWMENT OF \$1,000,000 IS PERMANENTLY RESTRICTED. INCOME GENERATED FROM THE ENDOWMENT IS UNRESRICTED AND TO BE USED AT THE DISCRETION OF THE CHIEF EXECUTIVE OFFICER TO FUND PROGRAMS SUCH AS DOMESTIC VIOLENCE, CHARITY CARE, ETC.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, ASC TOPIC 740-10, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, REQUIRES AN ORGANIZATION TO ASSESS WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION. IF THE TAX POSITION DOES NOT MEET THE MORE LIKELY THAN NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS. AGNESIAN HEALTHCARE, INC. RECORDED NO ASSETS OR LIABILITIES FOR UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS. FEDERAL RETURNS FOR THE YEARS ENDED 2008, 2009, AND 2010 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.

Additional Data

Software ID:

Software Version:

EIN: 39-0807236

Name: AGNESIAN HEALTHCARE INC

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
RECEIVABLE FROM AFFILIATED ENTITIES	1,671,744
LONG-TERM DEBT RECEIVABLE FROM AFFILIATED ENTITY	5,000,000
INVESTMENT - MERCURY CLINIC	3,005,130
INVESTMENT - SAH FOUNDATION	8,732,790
OTHER ASSETS	870,422
BOND DEFERRED FINANCING COSTS	1,457,133
ASSETS WHOSE USE IS LIMITED - BOND FUNDS	25,373,321
ASSETS WHOSE USE IS LIMITED - PHYSICIAN SUPPLEMENTAL BENEFIT PLAN	17,045,302
MISCELLANEOUS RECEIVABLES	875,877
RECEIVABLE FROM FOUNDATION	338,222

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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 ☒ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <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 ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>165.000000000000 %</u> 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 ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ 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"?	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?	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public?	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			3,086,000		3,086,000	1 120 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			11,601,000		11,601,000	4 200 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			0			
d Total Financial Assistance and Means-Tested Government Programs			14,687,000		14,687,000	5 320 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,175,014	99,644	1,075,370	0 390 %
f Health professions education (from Worksheet 5)			143,629		143,629	0 050 %
g Subsidized health services (from Worksheet 6)			518,824		518,824	0 190 %
h Research (from Worksheet 7)			0			
i Cash and in-kind contributions to community groups (from Worksheet 8)			224,368		224,368	0 080 %
j Total Other Benefits			2,061,835	99,644	1,962,191	0 710 %
k Total. Add lines 7d and 7j			16,748,835	99,644	16,649,191	6 030 %

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				111,364	0.040 %
9	Other					
10	Total				111,364	0.040 %

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	5,271,520
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	85,332,934
6	Enter Medicare allowable costs of care relating to payments on line 5	6	123,822,193
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-38,489,259
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	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 1 AGNESIAN HEALTHCARE	DIALYSIS	100.000 %	0 %	0 %
2 2 BEAVER DAM COMMUNITY				
3 3 HOSPITAL VENTURE LLC				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

[illegible]

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? 4

Name and address		Type of Facility (Describe)
1	FOND DU LAC REGIONAL CLINIC 420 E DIVISION STREET FOND DU LAC,WI 54935	OUTPATIENT PHYSICIAN CLINIC
2	FOND DU LAC REGIONAL CLINIC 420 E DIVISION STREET FOND DU LAC,WI 54935	OUTPATIENT PHYSICIAN CLINIC
3	FOND DU LAC REGIONAL CLINIC 420 E DIVISION STREET FOND DU LAC,WI 54935	OUTPATIENT PHYSICIAN CLINIC
4	FOND DU LAC REGIONAL CLINIC 420 E DIVISION STREET FOND DU LAC,WI 54935	OUTPATIENT PHYSICIAN CLINIC
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
		PART I, LINE 6A AN ANNUAL COMMUNITY BENEFIT REPORT IS COMPLETED BY THE FINANCE DEPARTMENT AND DISTRIBUTED TO THE PUBLIC THROUGH THE PUBLIC RELATIONS OFFICE OF AGNESIAN HEALTHCARE, INC

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST-TO-CHARGE RATIO WAS USED TO COMPUTE COST OF COMMUNITY BENEFIT SERVICES OVERALL COSTS LESS TAXES WERE DIVISIBLE BY TOTAL CHARGES

Identifier	ReturnReference	Explanation
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDES SAMARITAN CLINIC, A CLINIC OFFERING FREE MEDICAL SERVICES TO QUALIFIED INDIVIDUALS, AND COUNSELING SERVICES THROUGH BEHAVIORAL HEALTH SERVICES SAMARITAN CLINIC COSTS WERE \$289,101 FOR FY11 THE SAMARITAN HEALTH CLINIC PROVIDES PATIENTS WITH IMPORTANT BASIC HEALTH SERVICES, MEDICATIONS AND URGENT DENTAL NEEDS AT NO CHARGE TO THE PATIENT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSES INCLUDED ON FORM 990, PART IX, LINE 24 WAS \$11,641,015 AND WAS EXCLUDED FROM THE DENOMINATOR PER INSTRUCTIONS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE CARRYING AMOUNTS OF ACCOUNTS RECEIVABLE ARE REDUCED BY ALLOWANCES THAT REFLECT MANAGEMENT'S BEST ESTIMATE OF THE AMOUNTS THAT WILL NOT BE COLLECTED MANAGEMENT PROVIDES FOR CONTRACTUAL ADJUSTMENTS UNDER TERMS OF THIRD-PARTY REIMBURSEMENT AGREEMENTS THROUGH A CHARGE TO CONTRACTUAL ADJUSTMENTS AND A CREDIT TO THE ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS IN ADDITION, MANAGEMENT PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS, PRIMARILY FROM UNINSURED PATIENTS AND AMOUNTS PATIENTS ARE PERSONALLY RESPONSIBLE FOR, THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF HISTORICAL COLLECTION LIKELIHOOD AND THE CURRENT STATUS OF INDIVIDUAL ACCOUNTS BALANCES THAT ARE STILL OUTSTANDING AFTER MANAGEMENT HAS USED REASONABLE COLLECTION EFFORTS ARE WRITTEN OFF THROUGH A CHARGE TO THE VALUATION ALLOWANCE AND A CREDIT TO ACCOUNTS RECEIVABLE THE COSTING METHODOLOGY FOR DETERMINING BAD DEBTS IS A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE SHORTFALL IS NOT TREATED AS A COMMUNITY BENEFIT TO ARRIVE AT COST OF MEDICARE SERVICES, THE TOTAL EXPENSES LESS OTHER OPERATING REVENUE IS MULTIPLIED BY THE RATIO OF MEDICARE REVENUE TO TOTAL REVENUE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B A ZERO DOLLAR AMOUNT WAS ESTIMATED FOR THE AMOUNT OF BAD DEBTS ATTRIBUTABLE TO PATIENTS WHO WOULD QUALIFY FOR FINANCIAL ASSISTANCE IF PATIENTS QUALIFY, THEIR EXPENSES ARE RECLASSIFIED AS CHARITY CARE PATIENTS WHO RECEIVED A COLLECTION NOTICE COULD APPLY FOR CHARITY CARE IF THEIR APPLICATION IS APPROVED, THIS WOULD TRIGGER A TRANSFER OF EXPENSE FROM BAD DEBT TO CHARITY CARE

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 15E THE POLICY ALLOWS AGNESIAN HEALTHCARE TO IMPLEMENT A GARNISHMENT AGAINST WAGES FOR UNPAID BILLS

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 16E DELINQUENT ACCOUNTS ARE REFERRED TO OUTSIDE COLLECTION AGENCIES THESE AGENCIES ARE PERMITTED TO REPORT TO CREDIT AGENCIES, AS WELL AS IMPLEMENT A GARNISHMENT AGAINST WAGES FOR UNPAID BILLS

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 19D UNINSURED PATIENTS AUTOMATICALLY RECEIVE A 15% DISCOUNT OFF GROSS CHARGES

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 21 UNINSURED PATIENTS WOULD AUTOMATICALLY RECEIVE A 15% DISCOUNT INSURED PATIENTS MIGHT PAY FULL GROSS CHARGE IF THE ENTIRE CHARGE WAS APPLIED TO THEIR DEDUCTIBLE AND AGNESIAN HEALTHCARE DIDN'T HAVE A NEGOTIATED CONTRACT WITH THE PATIENT'S INSURANCE COMPANY

Identifier	ReturnReference	Explanation
		PART III, LINE 9A AGNESIAN HEALTHCARE, INC HAS A WRITTEN DEBT COLLECTION POLICY PAYMENT IS DUE WITHIN 30 DAYS OF RECEIPT OF A STATEMENT IF PATIENTS DO NOT SET UP ACCEPTABLE PAYMENT ARRANGEMENTS, BILLS WILL BE REFERRED TO AN OUTSIDE COLLECTION AGENCY FINANCIAL COUNSELORS WORK WITH ALL PATIENTS ON AN INDIVIDUAL BASIS AND MAY OFFER EXTENDED MONTHLY PAYMENTS WITHOUT INTEREST BASED ON DOLLAR AMOUNT, PRIVATE PAY DISCOUNTS (INDIVIDUALS WHO DO NOT HAVE INSURANCE COVERING EMERGANCY OR OTHER MEDICALLY NECESSARY CARE ARE BILLED AT A REDUCED RATE), OR GUARANTEED BANK LOANS

Identifier	ReturnReference	Explanation
		PART V, LINE 12 FINANCIAL COUNSELORS AT AGNESIAN HEALTHCARE ASSIST PATIENTS WITH APPLICATION TO COMMUNITY CARE PATIENTS CAN BE REFERRED TO COMMUNITY CARE BY CLERGY, DEPARTMENTS OF AGNESIAN HEALTHCARE, SISTERS OF ST AGNES, AREA SOCIAL AND HEALTH AGENCIES, FAMILY OR SELF THE APPLICATION IS COMPLETED BY THE PATIENT WITH ASSISTANCE FROM THE FINANCIAL COUNSELOR IF NEEDED THE FINANCIAL COUNSELOR WILL COMMUNICATE TO THE PATIENT WHAT PROGRAMS THEY WILL BE ELIGIBLE FOR, AS WELL AS PROVIDE NOTIFICATION OF APPROVAL OR DENIAL OF THEIR APPLICATION IN A TIMELY MANNER

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 AGNESIAN HEALTHCARE OFFERS PROGRAMS TO THE COMMUNITY THAT ALLOW STUDENTS AND OTHERS TO LEARN ABOUT DIFFERENT OCCUPATIONS IN THE HEALTHCARE INDUSTRY BY BECOMING CERTIFIED AND GAINING ACTUAL WORK EXPERIENCE THE DIFFERENT PROGRAMS PROVIDE HANDS-ON OPPORTUNITIES AND ALLOW JOB SHADOWING SO THE FUTURE OF THE PROFESSION CAN GAIN CONFIDENCE AND SKILLS IN ADDITION, AGNESIAN HEALTHCARE SHARES ITS PROFESSIONAL STAFF EXPERTISE TO OFFER HEALTH EDUCATION CLASSES, HEALTH SCREENINGS, SUPPORT GROUPS, AND OTHER HEALTH PROMOTION ACTIVITIES THROUGHOUT THE YEAR OTHER COMMUNITY INCLUDES SUPPORT AND TRAINING FOR THE DODGE CORRECTIONAL INSTITUTIONAL HOSPICE PROGRAM, SHARPS DISPOSAL SERVICES, ADOPT-A-FAMILY, DONATIONS TO FOOD PANTRIES, AND LEADERSHIP PARTICIPATION IN COMMUNITY NONPROFIT ORGANIZATIONS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 AGNESIAN HEALTHCARE SENIOR LEADERS MEET REGULARLY WITH COMMUNITY LEADERS TO GATHER INPUT FROM AND RESPOND TO PATIENT AND CUSTOMER NEEDS SENIOR LEADERS AND MEMBERS OF THE WORKFORCE PARTICIPATE IN A VARIETY OF ORGANIZATIONS IN SUPPORT OF AGNESIAN HEALTHCARE'S KEY COMMUNITIES THROUGH AGNESIAN'S PARTICIPATION IN THESE ACTIVITIES, COMMUNITY MEMBERS LEARN OF AGNESIAN'S COMMITTMENT TO COMMUNITY-WIDE HEALTHCARE AND PROVIDE AGNESIAN WITH INSIGHT INTO COMMUNITY HEALTH NEEDS AND DESIRES IN ADDITION, A COMMUNITY HEALTH NEEDS ASSESSMENT WAS INITIATED DURING FISCAL YEAR 2011, AND THE RESULTS WILL BE AVAILABLE DURING FISCAL YEAR 2012 THIS ASSESSMENT WAS CONDUCTED IN CONJUNCTION WITH THE FOND DU LAC COUNTY HEALTH DEPARTMENT THE ASSESSMENT DETERMINES PRIORITY HEALTH CONCERNS THROUGH AN EXAMINATION OF DATA FROM THE COUNTY AND STATE ON DISEASE INCIDENCE, DEATHS AND BIRTHS, DEMOGRAPHICS, ECONOMIC FACTORS, INJURY AND HEALTH BEHAVIOR, THE ENVIRONMENT AND COMMUNITY PERCEPTIONS IT ALSO INCLUDES AN ASSESSMENT OF COMMUNITY RESOURCES CURRENTLY IN PLACE RESULTS OF THE ASSESSMENT WILL BE WIDELY DISTRIBUTED THROUGHOUT THE COMMUNITY VIA MEDIA OUTLETS AND HOSPITAL AND COUNTY WEBSITES

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 FINANCIAL COUNSELORS AT AGNESIAN HEALTHCARE ASSIST PATIENTS WITH APPLICATION TO COMMUNITY CARE PATIENTS CAN BE REFERRED TO COMMUNITY CARE BY CLERGY, DEPARTMENTS OF AGNESIAN HEALTHCARE, SISTERS OF ST AGNES, AREA SOCIAL AND HEALTH AGENCIES, FAMILY OR SELF THE APPLICATION IS COMPLETED BY THE PATIENT WITH ASSISTANCE FROM THE FINANCIAL COUNSELOR IF NEEDED THE FINANCIAL COUNSELOR WILL COMMUNICATE TO THE PATIENT WHAT PROGRAMS THEY WILL BE ELIGIBLE FOR, AS WELL AS PROVIDE NOTIFICATION OF APPROVAL OR DENIAL OF THEIR APPLICATION IN A TIMELY MANNER

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 COMMUNITY CARE APPLICATIONS ARE ACCEPTED ONLY FROM PATIENTS OF AGNESIAN HEALTHCARE WHO RESIDE IN THE COUNTIES OF CALUMET, DODGE, FOND DU LAC, GREEN LAKE, MARQUETTE, WAUSHARA OR WINNEBAGO INDIVIDUALS MUST BE A RESIDENT OF ONE OF THOSE AREAS FOR A MINIMUM OF THREE MONTHS AND PROVIDE SUPPORTING DOCUMENTATION ON OCCASION, INDIVIDUALS ARE NOT COMMUNITY MEMBERS BUT MAY NEED ASSISTANCE, THOSE APPLICATIONS ARE CONSIDERED ON A CASE-BY-CASE BASIS THE SAMARITAN CLINIC SERVICES PATIENTS FROM DODGE AND FOND DU LAC COUNTIES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 AGNESIAN HEALTHCARE LEADERS DEVELOP GRANT APPLICATIONS IN SUPPORT OF PROGRAMS AND SERVICES SERVING THE GREATER NEEDS OF THE COMMUNITY, INCLUDING HOSPICE HOPE, DOMESTIC VIOLENCE PROGRAMS, CARDIAC CARE, AND PREVENTIVE HEALTH SCREENINGS AND SERVICES PROVIDING THESE SERVICES LOCALLY IS A FOCUS OF OUR COMMUNITY BENEFIT PROGRAMS

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 AGNESIAN HEALTHCARE, INC IS AN INTEGRATED, COMPREHENSIVE NOT-FOR-PROFIT HEALTHCARE DELIVERY SYSTEM COMPRISED OF SEVEN MINISTRIES AGNESIAN HEALTHCARE ENTERPRISES, LLC, CONSULTANTS LAB OF WI, LLC, FOND DU LAC REGIONAL CLINIC, ST AGNES HOSPITAL, ST FRANCIS HOME, WAUPUN MEMORIAL HOSPITAL AND RIPON MEDICAL CENTER AGNESIAN PROVIDES A CONTINUUM OF HEALTHCARE SERVICES FROM BIRTH TO END OF LIFE, PREVENTIVE HEALTHCARE, DIAGNOSIS, TREATMENT AND FOLLOWUP, ASSISTED LIVING, AND INDEPENDENT AND SKILL CARE SERVICES AGNESIAN HEALTHCARE IS COMMITTED TO ENSURING THAT INDIVIDUALS NEEDING VITAL HEALTHCARE SERVICES GET THE HELP THEY NEED AND DESERVE

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	WI

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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☒ Tax idemnification and gross-up payments ☒ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☐ Compensation committee ☒ Written employment contract ☒ Independent compensation consultant ☒ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	Yes
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or 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) ROBERT A FALE	(i)	722,928	0	0	0	31,431	754,359	0
	(ii)	0	0	0	0	0	0	0
(2) DR BRIAN CHRISTENSON	(i)	280,617	25,287	0	0	31,479	337,383	0
	(ii)	0	0	0	0	0	0	0
(3) STEVEN N LITTLE	(i)	463,767	0	0	0	29,369	493,136	0
	(ii)	0	0	0	0	0	0	0
(4) JANE HYDE	(i)	268,861	0	0	0	19,728	288,589	0
	(ii)	0	0	0	0	0	0	0
(5) DENNIS YUNK	(i)	227,566	0	0	0	26,236	253,802	0
	(ii)	0	0	0	0	0	0	0
(6) CAROL HYLAND	(i)	230,767	0	0	0	28,518	259,285	0
	(ii)	0	0	0	0	0	0	0
(7) JAMES MUGAN	(i)	228,075	0	0	0	35,276	263,351	0
	(ii)	0	0	0	0	0	0	0
(8) BARBARA KNUTZEN	(i)	181,758	0	0	0	23,187	204,945	0
	(ii)	0	0	0	0	0	0	0
(9) DOUGLAS TROST	(i)	141,992	0	0	0	26,984	168,976	0
	(ii)	0	0	0	0	0	0	0
(10) BONNIE R SCHMITZ	(i)	154,695	0	0	0	16,290	170,985	0
	(ii)	0	0	0	0	0	0	0
(11) JOHN CHOI MD	(i)	511,163	430,171	0	0	29,237	970,571	0
	(ii)	0	0	0	0	0	0	0
(12) JAMES GRAF MD	(i)	549,272	0	0	0	34,174	583,446	0
	(ii)	0	0	0	0	0	0	0
(13) PONTUS OSTMAN MD	(i)	409,822	311,170	0	0	15,750	736,742	0
	(ii)	0	0	0	0	0	0	0
(14) HONG WANG MD	(i)	525,002	0	0	0	31,666	556,668	0
	(ii)	0	0	0	0	0	0	0
(15) YASIR HATAHET MD	(i)	503,721	401,107	0	0	37,153	941,981	0
	(ii)	0	0	0	0	0	0	0
(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
	PART I, LINE 1A	ALL GROSSUP PAYMENTS AND SOCIAL CLUB DUES ARE INCLUDED ON FORM 1099
	PART I, LINE 1B	THE SOCIAL CLUB DUES ARE PAID FOR DIRECTORS, AND GROSSUP PAYMENTS ARE INCLUDED IN FORM 1099. THEY RECEIVE DOCUMENTATION IS REQUIRED BEFORE REIMBURSEMENT OCCURS.
	PART I, LINE 4B	ALL EXECUTIVES EXCEPT CEO PARTICIPATE IN A 457(B) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN.
	PART I, LINE 5	COMPENSATION FOR SOME EMPLOYED PHYSICIANS IS BASED ON A PERCENTAGE OF GROSS BILLINGS.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
AGNESIAN HEALTHCARE 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
39-0807236

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 WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710BGG1	12-11-2008	49,330,000	REFUNDING OF 2005 ISSUE		X		X		X
B WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710BYW6	12-01-2010	57,260,000	REFUNDING OF 2001 ISSUE, PRIVATE ROOM PROJECT		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	29,725,000		29,725,000					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	49,330,000		57,260,000					
4	Gross proceeds in reserve funds	4,518,399		4,518,399					
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow	48,900,000		25,158,698					
7	Issuance costs from proceeds	430,000		767,686					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	5,557,291		5,557,291					
11	Other spent proceeds								
12	Other unspent proceeds	19,601,407		19,601,407					
13	Year of substantial completion	2005							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part IIIPrivate 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		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		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		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		X					

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X			X				
b	Name of provider	PIPER JAFFRAY							
c	Term of hedge	28 0000000000000							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ROBERT MIKKELSEN MD	DIRECTOR	45,114,473	ROBERT MIKKELSEN, MD IS VICE PRESIDENT OF FOND DU LAC REGIONAL CLINIC, SC (FDLRC SC) AGNESIAN HEALTHCARE, INC (AHC) CONTRACTS WITH FDLRC, SC FOR PHYSICIAN SERVICES MEMBERS OF FDLRC, SC HAVE SERVED AND CONTINUE TO SERVE ON THE BOARD OF DIRECTORS OF AGNESIAN HEALTHCARE, INC , WHILE PROVIDING PROFESSIONAL SERVICES TO AHC AND ARE COMPENSATED BY FDLRC, SC FOR THOSE SERVICES AHC COMPENSATED FDLRC, SC \$45,114,473 FOR PROFESSIONAL SERVICES IN CALENDAR YEAR 2010 FDLRC, SC DISTRIBUTES THOSE FUNDS TO PHYSICIANS BASED ON THEIR OWN CALCULATIONS AHC DOES NOT CONTROL THE DISBURSEMENT OF FUNDS TO THE FDLRC, SC PHYSICIANS		No
(2) WAYNE MATZKE	DIRECTOR	34,526	WAYNE MATZKE IS PRESIDENT/CEO OF GRANDE CHEESE AGNESIAN HEALTHCARE, INC PROVIDED OCCUPATIONAL HEALTH SERVICES TO GRANDE CHEESE, BILLING \$34,526 FOR THESE SERVICES IN FISCAL 2011		No

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
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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

AGNESIAN HEALTHCARE INC

Employer identification number

39-0807236

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE CONGREGATION OF THE SISTERS OF ST AGNES SPONSORED MINISTRIES IS A CLASS B MEMBER WHO IS RESPONSIBLE FOR APPROVING CERTAIN ACTIVITIES OF THE CORPORATION THE CONGREGATION OF THE SISTERS OF ST AGNES IS A CLASS A MEMBER WHO HAS THE SAME RESERVE POWERS AS THE CLASS B MEMBER

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FINANCE DEPARTMENT PREPARES THE FORM 990 AND THE RETURN IS REVIEWED BY THE DIRECTOR OF FINANCE AND CFO A FINAL COPY OF THE 2010 FORM 990 IS PROVIDED TO THE BOARD EXECUTIVE COMMITTEE FOR REVIEW AND APPROVAL TO THE AGNESIAN HEALTHCARE BOARD BEFORE THE RETURN IS FILED WITH THE IRS COPIES OF THE RETURN ARE ALSO MADE AVAILABLE TO ALL AGNESIAN HEALTHCARE BOARD MEMBERS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	WE HAVE A WRITTEN CONFLICT OF INTEREST AND INSIDER TRANSACTION POLICY THAT REQUIRES EACH DIRECTOR, PRINCIPAL OFFICER, TRUSTEE OR COMMITTEE MEMBER TO DISCLOSE ON AN ANNUAL BASIS TO THE DESIGNATED AUTHORITY A CONFLICT OF INTEREST DISCLOSURE STATEMENT THE DESIGNATED AUTHORITY ENSURES THAT ALL STATEMENTS ARE COMPLETED, REVIEWS THEM FOR CONFLICTS, AND SUBMITS TO THE BOARD FOR REVIEW ANY CONFLICT OF INTEREST DISCLOSURE STATEMENTS THAT DISCLOSE ACTUAL OR POTENTIAL CONFLICTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	DETERMINATION OF COMPENSATION OF THE CEO AND OFFICERS INCLUDES ANALYSIS OF COMPARABLE COMPENSATION SURVEYS BY AN INDEPENDENT COMPENSATION CONSULTANT, WHO RECOMMENDS RANGES OF APPROPRIATE COMPENSATION TO THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS APPROVES THE COMPENSATION PACKAGE FOR OFFICERS, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION IS INCLUDED IN THE BOARD MINUTES. THE FINAL AGREEMENT IS DOCUMENTED WITH A WRITTEN CONTRACT, WHICH IS SIGNED BY BOTH PARTIES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	AGNESIAN HEALTHCARE'S POLICY AND PROCEDURE FIN1069 DEFINES THE PROCEDURE FOR MAKING ANNUAL INFORMATION RETURNS AVAILABLE FOR PUBLIC INSPECTION. INDIVIDUALS REQUESTING INSPECTION ARE REFERRED TO THE ADMINISTRATION OFFICE, WHERE THEY ARE PROVIDED WITH THE DOCUMENTS AND A CONFERENCE ROOM FOR INSPECTING DOCUMENTS. PHOTOCOPIES WILL BE PROVIDED TO THE REQUESTOR. ANYONE MAY INSPECT THE RETURNS UPON DEMAND, WITHOUT AN APPOINTMENT OR ANY FOREWARNING, DURING AGNESIAN HEALTHCARE INC'S NORMAL BUSINESS HOURS. GOVERNING DOCUMENTS AND CONFLICT OF INTEREST STATEMENTS ARE NOT AVAILABLE FOR PUBLIC INSPECTION, BUT CAN BE MADE AVAILABLE IF THE REQUESTING PARTY HAS A BONAFIDE REASON. ALL FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC THROUGH A POSTING ON A PUBLIC WEBSITE.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	CAPITAL CONTRIBUTIONS FROM RELATED ENTITIES 14,000,000 CHANGE IN UNREALIZED GAINS/LOSSES ON INVESTMENTS 9,902,010 CHANGE IN NET ASSETS OF SAH FOUNDATION 1,364,234 CHANGE IN VALUE OF INTEREST RATE SWAP 399,020 CAPITAL CONTRIBUTIONS FROM FOUNDATION 90,182 OTHER 1,199 TOTAL TO FORM 990, PART XI, LINE 5 25,756,645

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2B	THE CONSOLIDATED FINANCIAL STATEMENTS OF AGNESIAN HEALTHCARE SY STEM WERE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM, WIPFLI LLP THREE RELATED ENTITIES IN THE AGNESIAN HEALTHCARE SY STEM, WAUPUN MEMORIAL HOSPITAL, ST FRANCIS HOME, AND RIPON MEDICAL CENTER, FILE SEPARATE FORMS 990 REMAINING ENTITIES ARE REPRESENTED BY THE AGNESIAN HEALTHCARE TAX RETURN

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE AUDIT COMMITTEE OF AGNESIAN HEALTHCARE, INC IS RESPONSIBLE FOR THE OVERSIGHT OF THE AUDIT BY THE INDEPENDENT ACCOUNTING FIRM

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

AGNESIAN HEALTHCARE INC

Employer identification number

39-0807236

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
(1) CONSULTANTS LABORATORY OF WISCONSIN LLC 430 E DIVISION STREET FOND DU LAC, WI 54935 39-1528550	LAB SERVICES	WI	15,026,091	12,456,513	N/A
(2) AGNESIAN HEALTHCARE ENTERPRISES LLC 430 E DIVISION STREET FOND DU LAC, WI 54935 39-2038757	RETAIL PHARMACY	WI	5,365,964	8,760,231	N/A

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) ST FRANCIS HOME OF FOND DU LAC 33 EVERETT STREET FOND DU LAC, WI 54935 39-1029998	NURSING HOME	WI	501(C)(3)	9	N/A		No
(2) CONGREGATION OF SISTERS OF ST AGNES 320 COUNTY ROAD K FOND DU LAC, WI 54935 39-0806217	CONVENT	WI	501(C)(3)	1	N/A		No
(3) AGNESIAN HEALTHCARE FOUNDATION 430 E DIVISION STREET FOND DU LAC, WI 54935 39-1684956	FOUNDATION	WI	501(C)(3)	11	N/A		No
(4) WAUPUN MEMORIAL HOSPITAL 620 WEST BROWN STREET WAUPUN, WI 53963 39-0806265	HOSPITAL	WI	501(C)(3)	3	N/A		No
(5) RIPON MEDICAL CENTER 933 NEWBURY STREET RIPON, WI 54971 39-1101287	HOSPITAL	WI	501(C)(3)	3	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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ANGESIAN HCBEAVER DAM COMMUNITY HOSPITALS VENTURE LLC 110 MONROE ST BEAVER DAM, WI53916 75-2992766	DIALYSIS	WI	N/A	RELATED	100	100		No			No	100 000 %

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

No

1b

No

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

Yes

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

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) AGNESIAN HEALTHCARE FOUNDATION INC	C	1,002,069	CASH RECEIPTS
(2) ST FRANCIS HOME	D	5,000,000	BOND VALUE
(3) ST FRANCIS HOME	L	76,843	CASH PAYMENTS
(4) CONGREGATION OF SISTERS OF ST AGNES	L	302,013	CASH PAYMENTS
(5) CONGREGATION OF SISTERS OF ST AGNES	N	345,212	CASH PAYMENTS
(6) WAUPUN MEMORIAL HOSPITAL	O	404,079	CASH TRANSFER

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
	PART III, LINE A	NAME AGNESIAN HEALTHCARE/BEAVER DAM COMMUNITY HOSPITAL JOINT VENTURE, LLC
	PART V, LINE 2	NAME RIPON MEDICAL CENTER, TRANSACTION TYPE O, AMOUNT \$2,857, METHOD CASH TRANSFER

Software ID:
Software Version:
EIN: 39-0807236
Name: AGNESIAN HEALTHCARE INC

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) AGNESIAN HEALTHCARE FOUNDATION INC	C	1,002,069	CASH RECEIPTS
(2) ST FRANCIS HOME	D	5,000,000	BOND VALUE
(3) ST FRANCIS HOME	L	76,843	CASH PAYMENTS
(4) CONGREGATION OF SISTERS OF ST AGNES	L	302,013	CASH PAYMENTS
(5) CONGREGATION OF SISTERS OF ST AGNES	N	345,212	CASH PAYMENTS
(6) WAUPUN MEMORIAL HOSPITAL	O	404,079	CASH TRANSFER

Agnesian HealthCare, Inc. and Affiliates

Fond du Lac, Wisconsin

Consolidated Financial Statements and Consolidating Information

Years Ended June 30, 2011 and 2010

Agnesian HealthCare, Inc. and Affiliates

Consolidated Financial Statements and Consolidating Information

Years Ended June 30, 2011 and 2010

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Independent Auditor's Report

Board of Directors
Agnesian HealthCare, Inc
Fond du Lac, Wisconsin

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

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

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

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

September 20, 2011
Wausau, Wisconsin

Agnesian HealthCare, Inc. and Affiliates

Consolidated Balance Sheets

June 30, 2011 and 2010

<i>Assets</i>	In Thousands	
	2011	2010
Current assets		
Cash and cash equivalents	\$ 33,850	\$ 28,181
Accounts receivable - Net	47,760	41,213
Other receivables	1,680	1,801
Inventory	5,365	4,708
Prepaid expenses and other	2,664	2,716
Total current assets	91,319	78,619
Investments	136,751	101,966
Assets limited as to use	44,558	16,910
Property and equipment - Net	153,558	149,310
Other assets		
Interest in net assets of foundations	15,296	10,351
Investment in unconsolidated affiliate	-	229
Deferred financing costs	1,512	1,393
Intangibles - Net	4,728	3,715
Other	519	182
Total other assets	22,055	15,870
 TOTAL ASSETS	 \$ 448,241	 \$ 362,675

<i>Liabilities and Net Assets</i>	In Thousands	
	2011	2010
Current liabilities		
Current maturities of long-term liabilities		
Long-term debt	\$ 3,397	\$ 2,690
Capital lease obligations	4,603	3,570
Accounts payable	9,683	11,182
Accrued liabilities	26,064	21,067
Amounts payable to third-party reimbursement programs	1,259	99
Total current liabilities	45,006	38,608
Long-term liabilities		
Long-term debt	127,449	101,151
Capital lease obligations	4,270	8,873
Deferred compensation	17,045	12,237
Residency fees on deposit and other	940	1,079
Interest rate swap valuation	1,574	1,973
Total long-term liabilities	151,278	125,313
Total liabilities	196,284	163,921
Net assets		
Unrestricted	235,553	187,259
Temporarily restricted	13,943	9,041
Permanently restricted	2,461	2,454
Total net assets	251,957	198,754
TOTAL LIABILITIES AND NET ASSETS	\$ 448,241	\$ 362,675

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

Years Ended June 30, 2011 and 2010

	In Thousands	
	2011	2010
Unrestricted net assets		
Revenue		
Net patient service revenue	\$ 368,232	\$ 334,885
Other operating revenue	6,139	5,130
Total revenue	374,371	340,015
Operating expenses		
Salaries and wages	122,085	114,669
Fringe benefits	19,899	14,423
Professional fees and purchased services	74,768	69,923
Supplies and other	73,677	68,264
Maintenance and utilities	22,881	23,582
Provision for bad debts	12,957	11,393
Depreciation and amortization	17,625	18,477
Interest	5,719	5,181
Total operating expenses	349,611	325,912
Income from operations	24,760	14,103
Other income (expense)		
Investment income	4,098	2,781
Income taxes	1	(212)
Loss on bond defeasance	(890)	-
Contribution related to acquisition of Ripon Medical Center, Inc	7,764	-
Gain (loss) on disposal of property and equipment	1,778	(67)
Other	151	37
Total other income (expense) - Net	12,902	2,539
Excess of revenue over expenses	37,662	16,642

Agnesian HealthCare, Inc. and Affiliates

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

Years Ended June 30, 2011 and 2010

	In Thousands	
	2011	2010
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investment securities	\$ 10,130	\$ 3,410
Interest rate swap valuation adjustment	399	(614)
Contributions for property and equipment	13	18
Net assets released from restrictions for capital	90	404
Total other changes in unrestricted net assets	10,632	3,218
Increase in unrestricted net assets	48,294	19,860
Temporarily restricted net assets		
Change in interest in net assets of foundations	2,573	1,977
Net assets released from restrictions		
For capital	(90)	(404)
For operations	(869)	(672)
Contribution related to acquisition of Ripon Medical Center, Inc	3,288	-
Increase in temporarily restricted net assets	4,902	901
Increase in permanently restricted net assets - Change in interest in net assets of foundations	7	36
Increase in net assets	53,203	20,797
Net assets at beginning	198,754	177,957
Net assets at end	\$ 251,957	\$ 198,754

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended June 30, 2011 and 2010

	In Thousands	
	2011	2010
Increase (decrease) in cash and cash equivalents		
Increase in net assets	\$ 53,203	\$ 20,797
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	12,957	11,393
Depreciation and amortization	17,625	18,477
Loss on bond defeasance	890	-
Net realized gain on sale of investments	(1,378)	(1,462)
(Gain) loss on disposal of property and equipment	(1,778)	67
Change in unrealized gains on investment securities	(10,130)	(3,410)
Change in interest in net assets of foundations	(2,580)	(2,013)
Distribution of interest in net assets of foundations - For operations	863	633
Interest rate swap valuation adjustment	(399)	614
Deferred compensation	4,808	9,442
Increase in undistributed earnings of unconsolidated affiliate	(157)	(63)
Contributions for property and equipment	(13)	(18)
Contribution related to acquisition of Ripon Medical Center, Inc	(11,052)	-
Changes in operating assets and liabilities		
Accounts receivable and other receivables	(16,479)	(11,016)
Inventory	18	(415)
Prepaid expenses and other	296	(9)
Amounts due from third-party reimbursement programs	-	1,362
Other assets	(73)	146
Accounts payable	(2,677)	2,210
Accrued liabilities	3,880	980
Amounts payable to third-party reimbursement programs	568	99
Total adjustments	(4,811)	27,017
Net cash provided by operating activities	48,392	47,814

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2011 and 2010

	In Thousands	
	2011	2010
Cash flows from investing activities		
Net purchase of investments	\$ (50,718)	\$ (50,509)
Capital expenditures	(16,801)	(7,384)
Proceeds from sale of property and equipment	2,020	149
Cash received from acquisition of Ripon Medical Center, Inc	1,045	-
Net cash received from acquisition of Beaver Dam Joint Venture, LLC	164	-
Payment related to acquisitions	-	(300)
Net cash used in investing activities	(64,290)	(58,044)
Cash flows from financing activities		
Proceeds from issuance of bonds payable	28,704	-
Principal payments on bonds payable	(2,698)	(2,540)
Principal payments on capital lease obligations	(3,570)	(3,165)
Payment of deferred financing costs	(839)	(75)
Contributions for property and equipment	13	18
Distributions of interest in net assets of foundations - For capital	96	404
Collection (refunds) of residency fees on deposit and other	(139)	3
Net cash provided by (used in) financing activities	21,567	(5,355)
Net increase (decrease) in cash and cash equivalents	5,669	(15,585)
Cash and cash equivalents at beginning	28,181	43,766
Cash and cash equivalents at end	\$ 33,850	\$ 28,181
Supplemental cash flow information		
Cash paid for interest (net of amount capitalized)	\$ 4,835	\$ 5,941
Capitalized interest paid	1,002	19
Capitalized investment income received	34	-
Cash paid for income taxes	44	223
Noncash investing and financing activities		
Accounts payable related to property and equipment	\$ 214	\$ 382
Equipment acquired under capital lease obligation	-	4,846
Assets acquired and liabilities assumed in conjunction with acquisition of Ripon Medical Center, Inc and Beaver Dam Joint Venture, LLC		
Fair value of assets acquired	15,781	
Liabilities assumed	3,977	

See accompanying notes to consolidated financial statements

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

Principal Business Activity and Principles of Consolidation

Agnesian HealthCare, Inc. ("Agnesian HealthCare") is a tax-exempt, nonstock corporation owned and operated by the Congregation of Sisters of St. Agnes of Fond du Lac, Wisconsin (the "Congregation"), a religious community of women within the Roman Catholic Church.

The accompanying consolidated financial statements include the accounts of Agnesian HealthCare, Inc. and its affiliates (collectively "Agnesian"). All significant intercompany balances have been eliminated in consolidation. Following is a brief description of each organization:

- Agnesian HealthCare, Inc. operates St. Agnes Hospital ("St. Agnes"), a 167-bed general acute care hospital, which provides inpatient and outpatient hospital services, inpatient psychiatric services, physician services, and home health services primarily to residents of Fond du Lac and Dodge counties.
- Agnesian HealthCare, Inc. is the sole corporate member of Waupun Memorial Hospital, Inc. ("Waupun"), St. Francis Home of Fond du Lac, Wisconsin, Inc. ("St. Francis Home"), and is 100% owner of Consultants Laboratory of Wisconsin, LLC ("Consultants Lab") and Agnesian HealthCare Enterprises, LLC ("Enterprises").

Effective June 1, 2011, Agnesian HealthCare, Inc. affiliated with Ripon Medical Center, Inc. ("Ripon") and became the sole corporate member of Ripon. Agnesian HealthCare, Inc. was also the sole corporate member of Fond du Lac Surgery Center, LLC ("Fond du Lac Surgery Center") through October 1, 2009, at which time Fond du Lac Surgery Center was dissolved as described below:

- Waupun operates a Medicare-certified, 25-bed critical access hospital, which provides inpatient and outpatient services to residents of Fond du Lac and Dodge counties.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Principal Business Activity and Principles of Consolidation (Continued)

- Ripon operates a Medicare certified, 25-bed CAH, which provides comprehensive inpatient medical and surgical services, as well as outpatient, emergency, and professional services to residents of Fond du Lac County and the surrounding area. Ripon also operates a number of primary care and specialty medical clinics.
- Consultants Lab is a limited liability corporation that provides clinical laboratory services to customers located primarily in central and southern Wisconsin. A majority of Consultants Lab's services are provided to Agnesian.
- St. Francis Home is a tax-exempt corporation which operates a 107-bed skilled nursing facility and a facility for senior residents which includes 30 independent living units and 123 assisted living units. St. Francis Home serves residents of Fond du Lac and the surrounding area.
- Enterprises is a limited liability corporation that operates retail pharmacies and sells and rents durable medical equipment. Enterprises serves residents of Fond du Lac, Waupun, and the surrounding area.
- Fond du Lac Surgery Center was a limited liability corporation designed for patients requiring surgery who can be accommodated without an overnight stay. It is located four miles from St. Agnes. During fiscal year 2010, Fond du Lac Surgery Center was dissolved, and all assets and liabilities were transferred to Agnesian HealthCare.

Financial Statement Presentation

Agnesian follows accounting standards contained in the Financial Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Agnesian considers critical accounting estimates to be those that require more significant judgments and include the allowance for contractual adjustments and doubtful accounts, amounts due to/from third-party reimbursement programs, reserves for losses and expenses related to self-funded health insurance, and the liability associated with the professional services agreement (PSA) with Fond du Lac Regional Clinic, S C (FDLRC SC).

Cash Equivalents

Agnesian considers money market funds and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts held as short-term investments in Agnesian's investment portfolio and amounts limited as to use or restricted.

Accounts Receivable and Credit Policy

Accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. Agnesian bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement. Agnesian does not have a policy to charge interest on past due accounts.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Credit Policy (Continued)

The carrying amounts of accounts receivable are reduced by allowances that reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a charge to contractual adjustments and a credit to the allowance for contractual adjustments. In addition, management provides for probable uncollectible amounts, primarily from uninsured patients and amounts patients are personally responsible for, through a charge to operations and a credit to a valuation allowance based on its assessment of historical collection likelihood and the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and allowance for doubtful accounts.

Inventory

Inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or market.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are measured at fair value in the consolidated balance sheets

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is reported as other income and is included in excess of revenue over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess of revenue over expenses unless the investments are trading securities. Realized gains and losses are determined by specific identification.

Agnesian monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than-temporary results in an impairment, and Agnesian reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income.

Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Agnesian has the ability to access.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets Limited as to Use

Assets limited as to use represent investments set aside under terms of bond trust indenture agreements, investments held in trust under deferred compensation agreements, investments set aside to fund restricted donations, and investments set aside by the Board of Directors for resident refunds.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost if purchased, fair value at date received if contributed, or net book value if transferred from a related party

Depreciation is provided over the estimated useful life of each class of depreciable asset and is generally computed using the straight-line method over the estimated useful life

Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included with depreciation expense in the accompanying consolidated financial statements. Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 years for buildings and building improvements, 3 to 23 years for movable equipment, and 5 to 10 years for automobiles.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets in accordance with ASC Topic 835-20, *Capitalization of Interest Cost*.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from excess of revenue over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Asset Retirement Obligations

ASC Topic 410-20, *Asset Retirement Obligations*, clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. Agnesian has considered ASC Topic 410-20, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. Agnesian believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which Agnesian may settle the obligation is unknown and cannot be estimated. As a result, Agnesian cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2011 and 2010.

Interest in Net Assets of Foundations

Agnesian is financially interrelated with Agnesian HealthCare Foundation, Inc. ("Agnesian Foundation") and, as of June 1, 2011, Foundation for Ripon Medical Center, Inc. ("Ripon Foundation"). Accordingly, Agnesian recognizes its interest in the net assets of Agnesian Foundation and Ripon Foundation and adjusts its interest for its share of the change in net assets of the foundations in accordance with ASC Topic 958-20, *Financially Interrelated Entities*.

Investment in Unconsolidated Affiliate

Investment in unconsolidated affiliate is accounted for using the equity method.

Deferred Financing Costs

Costs related to issuance of long-term debt are amortized over the life of the related debt using the straight-line method.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Intangibles

Intangibles represent the amount paid for goodwill, noncompete agreements, tradenames, and other intangible assets acquired during business acquisitions. Prior to July 1, 2010, all intangibles assets were amortized on a straight-line basis over 2 to 15 years. Effective July 1, 2010, in accordance with ASC Topic 350-20, *Intangibles – Goodwill and Other*, goodwill and other intangible assets deemed to have indefinite lives are not amortized. Goodwill is subject to tests for impairment at least annually. For purpose of assessing the impairment, Agnesian evaluates goodwill at each reporting entity's level. Agnesian estimates the fair value of the reporting unit, which includes the allocated goodwill. For the purposes of these analyses, Agnesian estimates fair value primarily using the multiplier and discounted cash flow approaches. Agnesian performed its annual impairment tests of goodwill at June 30, 2011, and concluded that no goodwill impairment charge was required as a result of these analyses.

Impairment

Agnesian reviews its property, equipment, and intangible assets periodically to determine potential impairment. If an impairment exists, an impairment loss is recognized. Management has determined no assets were impaired at June 30, 2011 and 2010.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Interest Rate Swap

Agnesian uses a derivative instrument to manage its risk related to interest rate movements. Agnesian's interest rate risk management strategy is to stabilize cash flow requirements by maintaining the interest rate swap contract to convert a portion of its variable rate debt to a fixed rate. At the inception of the agreement, Agnesian HealthCare documented its risk management strategy and the hedge's effectiveness. The interest rate swap was deemed to be effective in achieving this objective and was designated as a cash flow hedge. Under a cash flow hedge, the change in fair value of the derivative related to the effective portion of the hedge is recorded as a change in unrestricted net assets. Any ineffective portion would be reported as other income (expense). If the ineffectiveness of the hedge exceeds certain prescribed levels, the derivative would no longer be eligible for hedge accounting, and all future changes in fair value of the derivative would be reported in other income or expense in the consolidated statements of operations and changes in net assets, and the change that was recorded through net assets from the beginning of the interest rate swap would be amortized into earnings over the remaining life of the swap. In the event the interest rate swap is terminated, the total amount that was recorded in net assets from the beginning of the interest rate swap would be reclassified into earnings.

Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out Agnesian's mission and include those expendable resources which have been designated for special use by the Board of Directors.

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained in perpetuity.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include the classification excess of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities, the effective portion of the interest rate swap valuation adjustment, permanent transfer of assets to and from affiliates for other than goods and services, and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Community Care

Agnesian provides care to patients who meet certain criteria under its community care policy without charge or at amounts less than its established rates.

Agnesian maintains records to identify and monitor the level of community care it provides. These records include the amount of charges forgone for services and supplies furnished under the community care policy.

Agnesian also provides substantial community benefit through the provision of services to individuals supported by public programs such as Medicaid. These services are provided at reimbursement levels that are substantially below Agnesian's established rates.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Donor-Restricted Gifts

Contributions are considered available for unrestricted use unless specifically restricted by the donor

Unconditional promises to give cash and other assets to Agnesian are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

Unemployment Compensation

Agnesian has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment compensation claims are paid to the State of Wisconsin as incurred. Agnesian has obtained a letter of credit of approximately \$1,074,000 to meet state funding requirements.

Income Taxes

Agnesian HealthCare, Waupun, St. Francis Home, and Ripon are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income tax on related income pursuant to Section 501(a) of the Code. Agnesian HealthCare, Waupun, St. Francis Home, and Ripon are also exempt from state income tax on related income.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

Enterprises and Consultants Lab are limited liability corporations. Enterprises and Consultants Lab's income or loss is required to be reported on Agnesian HealthCare's tax returns. Agnesian pays tax on certain activities considered taxable in accordance with Code regulations.

In order to account for any uncertain tax positions, ASC Topic 740, *Income Taxes*, requires an organization to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements.

Agnesian recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. Federal returns for the years ended 2008 and beyond remain subject to examination by the Internal Revenue Service.

Subsequent Events

Subsequent events have been evaluated through September 20, 2011, which is the date the financial statements were issued.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 2 Affiliation With Ripon Medical Center, Inc.

Agnesian HealthCare and Ripon share a mission and commitment to meeting the health care needs of residents of the communities they serve. Agnesian HealthCare and Ripon desire to build on their similar missions and to strengthen Ripon's position with enhanced services and resources. Effective June 1, 2011, Agnesian HealthCare became the sole corporate member of Ripon. No consideration was paid by Agnesian HealthCare related to this affiliation. In accordance with the affiliation agreement with Ripon, however, Agnesian HealthCare agreed to implement an electronic medical record system at Ripon and to arrange financing to construct and equip a replacement hospital for Ripon. In the event that a building permit for the replacement hospital has not been obtained by May 31, 2014, Ripon Foundation has the option to unwind the affiliation agreement with Agnesian HealthCare.

Agnesian HealthCare recorded a contribution related to this acquisition of \$11,052,000. The accompanying consolidated statements of operations and changes in net assets includes activity related to Ripon from June 1, 2011 to June 30, 2011.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 2 Affiliation With Ripon Medical Center, Inc. (Continued)

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed of Ripon as of June 1, 2011 (in thousands)

Assets acquired	
Cash and cash equivalents	\$ 1,045
Accounts receivable - Net	2,801
Other receivables	10
Inventory	656
Prepaid expenses and other	240
Investments	207
Property and equipment - Net	5,045
Interest in net assets of foundations	3,288
Intangibles - Net	1,150
Other	288
Total assets acquired	14,730
Liabilities assumed	
Accounts payable	1,317
Accrued liabilities	1,061
Amounts payable to third-party reimbursement programs	583
Long-term debt	717
Total liabilities assumed	3,678
Net assets acquired	\$ 11,052

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 3 Reimbursement Arrangements With Third-Party Payors

Agnesian has agreements with third-party payors that provide for reimbursement at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

Hospitals

St Agnes - Medicare - Inpatient acute care services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient psychiatric services rendered to Medicare program beneficiaries are paid based on a blend of prospectively determined rates per discharge and a cost reimbursement method limited by a target rate per discharge. Outpatient services are paid primarily on prospectively determined rates, also based on a patient classification system, or fixed fee schedules.

St Agnes - Medicaid - Inpatient services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors similar to the Medicare system. Outpatient services are paid based on a prospectively determined rate per occasion of service.

Waupun and Ripon - Medicare - Hospital inpatient, outpatient, and swing-bed services are based upon a cost-reimbursement methodology with the exception of certain lab services which are reimbursed based on a fee schedule.

Waupun and Ripon - Medicaid - Hospital inpatient and outpatient services are paid based upon a cost-reimbursement methodology with the exception of certain lab and therapy services which are reimbursed under fee schedules.

St Agnes, Waupun, and Ripon - Other - St Agnes, Waupun, and Ripon have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and discounts from established charges.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 3 Reimbursement Arrangements With Third-Party Payors (Continued)

Nursing Home

Medicare - Reimbursement is based on a predetermined rate per resident day which varies depending on the resident's level of care and the types of services provided

Medicaid - Reimbursement is based on a predetermined rate formula under a contractual arrangement with the Medicaid program. Rate adjustments under this program are reflected in income when determinable.

Home Health

Medicare and Medicaid - Reimbursement is based upon a predetermined rate which varies depending on the patient's level of care and types of services provided.

Physician Services, Consultants Lab, and Enterprises

Reimbursement from third-party payors for physician, laboratory, and other services are primarily based on established fee schedules.

Accounting for Contractual Arrangements

St. Agnes, Waupun, and Ripon are reimbursed for certain items at an interim rate, with final settlements determined after audit of the hospitals' related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying consolidated financial statements. St. Agnes's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007, with the exception of the June 30, 2005 cost report, which remains subject to audit. St. Agnes's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2003. Waupun's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through June 30, 2009 and 2004, respectively. Ripon's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through September 30, 2009 and 2008, respectively.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 3 Reimbursement Arrangements With Third-Party Payors (Continued)

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patients' services. Management believes Agnesian is in substantial compliance with current laws and regulations.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) as part of CMS's further efforts to ensure accurate payments. CMS uses RACs to search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, it makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment.

Note 4 Accounts Receivable

Accounts receivable consisted of the following at June 30:

	In Thousands	
	2011	2010
Accounts receivable	\$ 99,643	\$ 83,608
Less:		
Allowance for contractual adjustments	42,873	35,973
Allowance for doubtful accounts	9,010	6,422
Accounts receivable - Net	\$ 47,760	\$ 41,213

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 5 Net Patient Service Revenue

Net patient service revenue consisted of the following

	In Thousands	
	2011	2010
Gross patient service revenue		
Medicare	\$ 300,492	\$ 261,336
Medicaid	79,841	72,082
Commercial insurance	323,060	289,294
Private pay and other	36,870	33,257
Totals	740,263	655,969
Less - Contractual adjustments		
Medicare	202,041	175,889
Medicaid	53,844	48,829
Commercial insurance	115,447	96,076
Other	699	290
Totals	372,031	321,084
Net patient service revenue	\$ 368,232	\$ 334,885

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6 Community Benefit and Community Care

Agnesian has a policy of providing health care services, without charge or at amounts less than established rates, to those unable to pay a portion of their charges and who meet certain eligibility criteria established under Agnesian's community care policy. Because Agnesian does not pursue collection of amounts determined to qualify as community care, they are not reported as net patient service revenue. The amount of charges forgone for services furnished under the Agnesian community care policy aggregated approximately \$7,471,000 and \$5,946,000 in 2011 and 2010, respectively.

Agnesian provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community including the health of low-income patients. Agnesian actively provided or participated in the following community-based activities and programs during 2011 and 2010:

- Agnesian, through "Journeys: A Health Resource Center," shares its professional staff and expertise to offer health education classes, health screenings, support groups, and other health promotion activities through the year.
- Health information on the Agnesian website and through health-related publications is distributed at no charge. Agnesian also provides services information through service clubs and churches, via the Agnesian parish and school nurse programs, locally at the system's Samaritan Health Clinic, and through other collaborative efforts.
- Courtesy transportation services are provided to low-income patients to allow safe transportation to clinics, cancer care, and adult day services.
- Support and training are provided for staff and inmate volunteers at the Dodge Correctional Institution in Waupun, which opened a hospice program, the first such program in a Wisconsin correctional setting.
- Agnesian supports efforts to educate families on the importance of tissue donations.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6 Community Benefit and Community Care (Continued)

- Agnesian meets the needs of the community through various programs, including Sharps Disposal Services, Adopt-A-Family, donations to food pantries, and leadership participation in community nonprofit organizations

Agnesian also provides services at Samaritan Health Clinic. Samaritan Health Clinic provides patients with important basic health services, medications, and urgent dental needs at no charge to the patient. Agnesian's expense to operate Samaritan Health Clinic is estimated to be \$386,000 and \$352,000 in 2011 and 2010, respectively.

In addition, Agnesian is a provider under the Wisconsin Medicaid program. Under this program, Agnesian is legally bound to accept the amount determined by the state as payment in full for each patient's charges. Accordingly, services provided under these programs are reported as net patient service revenue. Agnesian maintains records and monitors the level of unreimbursed and partially reimbursed care it provides. Medicaid costs in excess of reimbursement are estimated to be \$17,400,000 and \$17,200,000 in 2011 and 2010, respectively.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 Investments and Assets Limited as to Use

Investments and assets limited as to use, classified as other than trading, are stated at fair value and consisted of the following at June 30

	In Thousands	
	2011	2010
Cash and cash equivalents	\$ 25,479	\$ 5,035
Certificates of deposit	4,174	6,092
U S government obligations	6,951	1,473
Corporate debt securities	3,986	652
Hedge funds	35,053	29,980
Exchange traded funds	6,348	2,396
Mutual funds		
Blend	4,717	3,196
Bond	42,426	28,000
Government	3,400	10,320
Growth	11,353	7,181
Value	2,441	1,669
Common stocks		
Consumer discretionary	4,424	2,297
Consumer staples	1,965	1,515
Energy	5,173	3,093
Financial	4,940	3,299
Healthcare	3,961	2,586
Industrial	3,113	2,085
Information technology	7,294	5,604
Materials	2,892	1,592
Telecommunication services	958	625
Utilities	261	186
Total investments and assets limited as to use	181,309	118,876
Less - Amounts classified as assets limited as to use	44,558	16,910
Total investments	\$ 136,751	\$ 101,966

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 Investments and Assets Limited as to Use (Continued)

Assets limited as to use, included in the previous amounts, consisted of the following at June 30

	In Thousands	
	2011	2010
Limited by trustee under bond indenture	\$ 25,581	\$ 2,601
Designated for deferred compensation	17,045	12,237
Set aside to fund restricted donations	992	996
Designated for residency fees on deposit	940	1,076
Total assets limited as to use	\$ 44,558	\$ 16,910

Investment income (loss) consisted of the following

	In Thousands	
	2011	2010
Interest and dividend income	\$ 3,300	\$ 1,660
Net realized gain on sale of investments	1,378	1,462
Investment fees	(580)	(341)
Total investment income	\$ 4,098	\$ 2,781

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 Investments and Assets Limited as to Use (Continued)

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Management assesses individual investment securities as to whether declines in market value are other-than-temporary and result in impairment. For equity securities, Agnesian considers whether it has the ability and intent to hold the investment until a market price recovery. Evidence considered in this includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, the issuer's financial condition, and the general market condition in the geographic area or industry in which the investee operates. For debt securities, if Agnesian has made a decision to sell the security, or if it is more likely than not Agnesian will sell the security before the recovery of the security's cost basis, an other-than-temporary impairment is considered to have occurred. If Agnesian has not made a decision or does not have an intent to sell the debt security, but the debt security is not expected to recover its value due to a credit loss, an other-than-temporary impairment is considered to have occurred.

Because Agnesian has the intent and the ability to hold investment securities until a market price recovery or maturity, investment securities at June 30, 2011 and 2010 are not considered other-than-temporarily impaired. No impairment losses were recognized by Agnesian during 2011 and 2010.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 Investments and Assets Limited as to Use (Continued)

At June 30, 2011 and 2010, the unrealized losses and related fair value of the investments for which fair value is less than cost, aggregated by security type, is as follows

		2011					
		In Thousands					
		Less Than 12 Months		More Than 12 Months		Total	
		Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual funds and common stock	\$ 40,579	\$ (1,025)	\$ 1,823	\$ (580)	\$ 42,402	\$ (1,605)	
Corporate debt securities	100	(1)	150	-	250	(1)	
Hedge funds	-	-	2,674	(643)	2,674	(643)	
Totals	\$ 40,679	\$ (1,026)	\$ 4,647	\$ (1,223)	\$ 45,326	\$ (2,249)	

		2010					
		In Thousands					
		Less Than 12 Months		More Than 12 Months		Total	
		Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual funds and common stock	\$ 29,053	\$ (2,354)	\$ 2,118	\$ (1,193)	\$ 31,171	\$ (3,547)	
Corporate debt securities	147	(1)	37	(1)	184	(2)	
Hedge funds	6,886	(114)	10,705	(929)	17,591	(1,043)	
Totals	\$ 36,086	\$ (2,469)	\$ 12,860	\$ (2,123)	\$ 48,946	\$ (4,592)	

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value

Quoted market prices are used to determine the fair value of investments in publicly traded common stocks and mutual funds. U.S. government obligations and corporate debt securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Certificates of deposit are valued at historical cost which management believes approximates fair value.

Fair value of hedge funds is determined by Level 3 inputs consisting of unobservable data points of the asset, and includes situations where there is little, if any, market activity for the asset.

The interest rate swap valuation is recorded at the amount at which it could be settled, based on estimates by a third-party valuation service.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Agnesian believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, Agnesian's assets and liability at fair value as of June 30, 2011 and 2010

	2011			
	In Thousands			
	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ -	\$ 2,152	\$ -	\$ 2,152
U S government obligations	-	6,951	-	6,951
Corporate debt securities	-	3,986	-	3,986
Hedge funds	-	-	35,053	35,053
Exchange traded funds	6,348	-	-	6,348
Mutual funds				
Blend	4,717	-	-	4,717
Bond	42,426	-	-	42,426
Government	3,400	-	-	3,400
Growth	11,353	-	-	11,353
Value	2,441	-	-	2,441
Common stocks				
Consumer discretionary	4,424	-	-	4,424
Consumer staples	1,965	-	-	1,965
Energy	5,173	-	-	5,173
Financial	4,940	-	-	4,940
Healthcare	3,961	-	-	3,961
Industrial	3,113	-	-	3,113
Information technology	7,294	-	-	7,294
Materials	2,892	-	-	2,892
Telecommunication services	958	-	-	958
Utilities	261	-	-	261
Total assets at fair value	\$ 105,666	\$ 13,089	\$ 35,053	\$ 153,808
Liability - Interest rate swap valuation	\$ -	\$ 1,574	\$ -	\$ 1,574

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements (Continued)

	2010			
	In Thousands			
	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ -	\$ 3,233	\$ -	\$ 3,233
U S government obligations	-	1,473	-	1,473
Corporate debt securities	-	652	-	652
Hedge funds	-	-	29,980	29,980
Exchange traded funds	2,396	-	-	2,396
Mutual funds				
Blend	3,196	-	-	3,196
Bond	28,000	-	-	28,000
Government	10,320	-	-	10,320
Growth	7,181	-	-	7,181
Value	1,669	-	-	1,669
Common stocks				
Consumer discretionary	2,297	-	-	2,297
Consumer staples	1,515	-	-	1,515
Energy	3,093	-	-	3,093
Financial	3,299	-	-	3,299
Healthcare	2,586	-	-	2,586
Industrial	2,085	-	-	2,085
Information technology	5,604	-	-	5,604
Materials	1,592	-	-	1,592
Telecommunication services	625	-	-	625
Utilities	186	-	-	186
Total assets at fair value	\$ 75,644	\$ 5,358	\$ 29,980	\$ 110,982
Liability - Interest rate swap valuation	\$ -	\$ 1,973	\$ -	\$ 1,973

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements (Continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value

	In Thousands
Balance as of July 1, 2009	\$ 14,446
Net realized gain	23
Change in unrealized gains and losses on investment securities	1,455
Net purchases of Level 3 investments	14,056
Balance as of June 30, 2010	29,980
Net realized gain	1
Change in unrealized gains and losses on investment securities	2,351
Net purchases of Level 3 investments	2,721
Balance as of June 30, 2011	\$ 35,053

The following table sets forth additional disclosures of the Organization's investments whose fair values are estimated using net asset value per share as of June 30

	(In Thousands)		Unfunded Commitments	Frequency	Redemption	
	2011	2010			Restrictions	Notice Period
Skybridge Multi-Advisor Hedge (a)	\$ 5,837	\$ -	-	Quarterly	None	65 days
The Weatherlow Offshore Fund (b)	5,334	4,000	-	Quarterly	None	45 days
Permal Macro Holdings (c)	4,130	3,890	-	Monthly	None	11 days
Private Advisors Hedged Equity Fund (d)	4,004	4,142	-	Monthly	None	11 days
Paulson Advantage Plus Master (e)	3,691	4,211	-	Semi-Monthly	None	68 days
Avenue Strategic Partners (f)	3,234	3,000	-	Quarterly	(f)	60 days
Pointer Offshore (g)	3,186	2,704	-	Quarterly	(g)	117 days
Lighthouse Diversified Fund (h)	2,973	2,701	-	Quarterly	(h)	90 days
Selectinvest ARV (i)	1,708	1,598	-	Quarterly	(i)	90 days
Other	956	3,734	-	Various	Various	Various
Totals	\$ 35,053	\$ 29,980				

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements (Continued)

Information regarding investment strategy and redemption restrictions of the hedge funds is as follows

- (a) The Skybridge Multi-Advisor Hedge Fund is designed to serve as a core hedge fund holding with the goal of providing additional diversification to an overall investment portfolio. The fund's investment objective is to seek capital appreciation by realizing attractive risk-adjusted returns over a three- to five-year investment horizon. The portfolio allocation includes 40% fixed income arbitrage mortgage-backed securities, 17% event-driven equity, 10% event-driven multi strategy, and 33% other.
- (b) The Weatherlow Offshore Fund is a diversified fund of hedge funds with a mix of investments of approximately 50% equity, 25% event driven, 20% relative value, and 5% global macro. The Weatherlow Offshore Fund has a one-year hard lockup.
- (c) Permal Macro Holdings provides investment opportunities across global financial markets. The investment strategy is global exposure with investments with a mix of investments of approximately 50% discretionary, 30% systematic, 10% natural resources, 5% relative value arbitrage, and 5% cash.
- (d) Private Advisors Hedged Equity Fund places its capital with a variety of experienced portfolio managers who employ diverse styles and strategies. The fund anticipates that the investment strategies employed will be long/short equity investing driven by fundamental bottom-up research, as well as various investment strategies which may include, but are not limited to, convertible arbitrage, merge or risk arbitrage, distressed debt, multi-strategy, and market-neutral strategies. The fund's strategy includes 50% lower volatility multi-strategy style and 50% long/short equity style.
- (e) Paulson Advantage Plus Master is a fund that seeks to achieve capital appreciation through trading in securities, primarily by using event-driven strategies, including merger arbitrage, distressed securities, relative value, and special situations. The majority of the positions are generally mid to large cap (greater than \$1 billion market cap).

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 Fair Value Measurements (Continued)

- (f) Avenue Strategic Partners is a fund of a hedge funds focused on distressed, special situations, deep-value, or event-driven strategies. The funds capitalize on expertise in the distressed markets and seek to build the optimal combination of portfolio funds to exploit investment opportunities throughout the distressed cycle. The strategy allocation includes 65% distressed, 14% event-driven credit arbitrage, 12% event-driven other, and 9% special situations. Funds are primarily invested in North America and developed non-North American markets, with a small percentage in emerging markets. The Avenue Strategic Partners fund includes a 5% holdback for redemptions during an 18-month lock-up period.
- (g) Pointer Offshore fund invests with a selection of alternative money managers who specialize in long/short equity based on fundamental, bottom-up research and also typically invests a percentage of assets with managers specializing in distressed/credit, commodities, special situations, etc. The strategy allocation includes 53% hedged global, 16% distressed/credit, 10% commodity related, 6% domestic, 6% special situations, and 9% other. Pointer Offshore fund redemptions in full are subject to a holdback of 10%. There is a 117-day redemption notice period after a 2-year lock-up has expired.
- (h) The Lighthouse Diversified Fund is a fund of funds whose investment objective is to seek consistent stable returns by allocating the Fund's assets to sub-advisers who use a variety of different investment strategies and invest across a wide range of financial instruments. The portfolio is composed of relative value arbitrage, market neutral equity, long/short equity, fixed income, global trading, credit, cash, and options. Redemptions in first year are subject to a redemption fee equal to 2%. There is also a 10% holdback on all redemptions.
- (i) The Selectinvest ARV fund investment objective is to develop and actively maintain an investment portfolio of alternative asset managers who will seek to earn above-average, risk-adjusted, long-term returns with a low correlation to traditional equity and fixed income markets. The allocation strategy includes 33% equity long/short, 14% credit event, 13% event drive, 11% global macro, 10% relative value, 7% commodities, 4% emerging markets, and 8% other. The Selectinvest ARV fund has a 5% redemption holdback.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 9 Property and Equipment

Property and equipment consisted of the following at June 30

	In Thousands	
	2011	2010
Land and land improvements	\$ 14,539	\$ 15,996
Buildings and building improvements	161,104	156,831
Movable equipment	125,069	116,012
Automobiles	968	900
Total property and equipment	301,680	289,739
Less - Accumulated depreciation	158,483	141,684
Net depreciated value	143,197	148,055
Construction in progress	10,361	1,255
Property and equipment - Net	\$ 153,558	\$ 149,310

Construction in progress at June 30, 2011 includes costs associated with the construction, renovation, and equipping of previously unused space for inpatient private rooms and other related uses, and various other renovation projects. The total expected cost of the inpatient privatization projects totals \$26.2 million of which \$6.6 million has been spent as of June 30, 2011.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10 Interest in Net Assets of Foundations

Agnesian Foundation is a tax-exempt corporation organized by the Congregation exclusively for charitable, educational, religious, and scientific purposes. A summary of the statements of financial position for the Agnesian Foundation as of June 30 is as follows:

	In Thousands	
	2011	2010
Total assets	\$ 12,754	\$ 11,251
Total liabilities	\$ 686	\$ 900
Total net assets	12,068	10,351
Total liabilities and net assets	\$ 12,754	\$ 11,251

A summary of the statements of activities for the Agnesian Foundation for the year ended June 30, is as follows:

	In Thousands	
	2011	2010
Support and revenue	\$ 3,595	\$ 2,943
Expenses	1,085	958
Change in net assets before grants and transfers	2,510	1,985
Grants to affiliates	(793)	(1,009)
Increase in net assets	1,717	976
Net assets at beginning	10,351	9,375
Net assets at end	\$ 12,068	\$ 10,351

St. Agnes donated management and general services to Agnesian Foundation. Total expenses incurred by St. Agnes for these services and supplies approximated \$281,000 and \$269,000 in 2011 and 2010, respectively.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10 Interest in Net Assets of Foundations (Continued)

Ripon Foundation is a tax-exempt corporation that receives gifts and bequests, raises funds for specific projects or needs, administers and invests funds, and disburses payments to and for the benefit of Ripon at the discretion of Ripon Foundation's Board of Directors. A summary of the statement of financial position for the Ripon Foundation as of June 30, 2011 is as follows (in thousands)

	In Thousands	
Total assets	\$	3,228
Total net assets	\$	3,228

Note 11 Investment in Unconsolidated Affiliate

The Agnesian HealthCare/Beaver Dam Community Hospital Joint Venture, LLC (the "Joint Venture") was a tax-exempt limited liability company which provided dialysis services to residents of Fond du Lac and Dodge counties. Prior to June 30, 2011, Agnesian HealthCare and Beaver Dam Community Hospital, Inc. owned the Joint Venture equally. Effective June 30, 2011, Agnesian HealthCare purchased Beaver Dam Community Hospital, Inc.'s share of the Joint Venture for \$370,000 and dissolved the Joint Venture. Prior to the dissolution, Agnesian HealthCare accounted for its share in the Joint Venture under the equity method. Subsequent to the dissolution, Agnesian HealthCare accounted for the Joint Venture activity as part of St. Agnes' operations. Agnesian HealthCare's investment totaled \$229,000 as of June 30, 2010. Agnesian HealthCare recorded income of \$157,000 and \$63,000 in 2011 and 2010, respectively, for its share of the resulting operations of the Joint Venture, as part of nonoperating income. The Joint Venture did not make any distributions in 2011 or 2010.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11 Investment in Unconsolidated Affiliate (Continued)

Agnesian HealthCare accounted for the acquisition as a purchase, recognizing the underlying assets and liabilities acquired at fair value. The following table summarizes the estimated fair values of the acquired assets and assumed liabilities of the Joint Venture at the date of acquisition.

Cash and cash equivalents	\$	533
Accounts receivable - Net		296
Inventory		18
Prepaid expenses and other		4
Property and equipment - Net		200
Total assets acquired		1,051
Accounts payable		29
Accrued liabilities		56
Other payables		206
Amounts payable to third-party reimbursement programs		8
Total liabilities assumed		299
Net assets acquired	\$	752

Note 12 Bank Line of Credit

Agnesian has a \$5 million variable interest rate bank line of credit that is unsecured. There were no borrowings against the line of credit at June 30, 2011 and 2010.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 Long-Term Debt

In November 2010, the Wisconsin Health and Educational Facilities Authority (WHEFA) issued, for Agnesian's benefit, \$57,260,000 of adjustable rate revenue bonds ("Series 2010 Bonds") Proceeds from the Series 2010 Bonds were used to refund the WHEFA Series 2001 Revenue Bonds, fund the acquisition, construction, renovation, and equipping related to the private room construction project, and pay certain costs associated with the issuance of the Series 2010 Bonds

In December 2008, WHEFA issued, for Agnesian's benefit, \$49,330,000 of adjustable rate revenue bonds ("Series 2008 Bonds") Proceeds from the Series 2008 Bonds were used to refund the WHEFA Series 2005 Revenue Bonds and pay debt issuance costs In June 2011, the Series 2008 Bonds were converted to bank-owned direct purchase bonds and reissued at \$48,680,000, the outstanding principal balance Prior to June 30, 2011, the Series 2008 Bonds were secured by an irrevocable direct-pay letter of credit totaling \$50,043,596 As a result of the conversion to bank-owned bonds, the letter of credit was terminated

In June 1998, WHEFA issued, for Agnesian's benefit, \$30 million of adjustable rate revenue bonds ("Series 1998 Bonds") Proceeds of the Series 1998 Bonds were used to pay cost of constructing and equipping a reception registration lobby, a diagnostic and treatment building, and other capital projects, and to pay for certain debt issuance costs

As security for the payment of the revenue bonds, Agnesian has granted to the Master Trustee a security interest in all of Agnesian's rents, revenue, income, and receipts, including all rights, title, and interest in and to all monies, earnings, and receivables, whether now owed or hereafter acquired subject to certain exceptions Each organizational member of the Obligated Group (Agnesian HealthCare, Waupun, Consultants Lab, Enterprises, and St Francis Home) is jointly and severally liable for the guarantee of principal and interest on all Master Notes issued under the Master Indenture

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 Long-Term Debt (Continued)

The Master Indenture requires the creation of funds to be held by a trustee for payment of construction costs and bond principal and interest. These funds, which are not available for general purposes, are classified as assets limited as to use. In addition, the Master Indenture requires maintenance of certain debt service coverage ratios, limits additional borrowings, and requires compliance with various other restrictive covenants. Management believes Agnesian is in compliance with all covenants at June 30, 2011.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 Long-Term Debt (Continued)

Long-term debt consisted of the following at June 30

	In Thousands	
	2011	2010
WHEFA Revenue Bonds, Series 2010, dated November 15, 2010, with rates of interest varying from 5.392% to 5.768%, due in varying annual amounts ranging from \$945,000 in 2012 to \$1,750,000 in 2040	\$ 56,475	\$ -
WHEFA Adjustable Rate Revenue Bonds, Series 2008, dated December 1, 2008, variable rate of interest (0.30% and 2.34% at June 30, 2011 and 2010, respectively), due in varying annual amounts ranging from \$350,000 in 2012 to \$5,465,000 in 2035	48,680	49,030
WHEFA Revenue Bonds, Series 2001, dated June 28, 2001, with rates of interest varying from 5.0% to 6.0%, refinanced in 2011	-	29,725
WHEFA Revenue Bonds, Series 1998, dated June 24, 1998, with rates of interest varying from 3.900% to 5.125%, due in varying annual amounts ranging from \$900,000 in 2012 to \$1,885,000 in 2027	21,360	22,220
WHEFA Revenue Bonds, Series 1997, variable rates of interest (0.71% and 0.90% at June 30, 2011 and 2010, respectively), due in varying amounts ranging from \$685,000 in 2012 to \$165,000 in 2016	3,055	3,715
Ripon Medical Center WHEFA Revenue Bonds, Series 1998, with interest at 5.10%, due in varying amounts ranging from \$480,000 in 2012 to \$65,000 in 2013	545	-
Other Debt	129	-
Subtotals	130,244	104,690
Unamortized bond (discount) premium	602	(849)
Total long-term debt	130,846	103,841
Less - Current maturities	3,397	2,690
Long-term portion	\$ 127,449	\$ 101,151

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 Long-Term Debt (Continued)

Based on the borrowing rates currently available to Agnesian for bonds with similar terms and maturities, the estimated fair value of the bonds approximated the book value at June 30, 2011

Required payments of principal of the long-term debt, including current maturities, are as follows

	In Thousands
2012	\$ 3,397
2013	3,667
2014	3,752
2015	3,883
2016	3,710
Thereafter	111,835
Total	\$ 130,244

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14 Interest Rate Swap

Agnesian has a master swap agreement dated April 27, 2005, with a financial institution for an interest rate swap transaction for the purpose of hedging the variable interest rate on the Series 2008 Revenue Bonds (Note 13). The interest rate swap has a notional amount which amortizes over the term of the agreement and which totaled \$14,700,000 and \$15,000,000 at June 30, 2011 and 2010, respectively. The agreement has a fixed rate of 3.545% and matures July 1, 2033.

Agnesian assesses the effectiveness of the interest rate swap as a cash flow hedge instrument on a periodic basis, and for the years ended June 30, 2011 and 2010, determined the hedge to be effective, thus the change in the fair value of the hedge is shown as a decrease in unrestricted net assets.

Agnesian is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap. However, Agnesian does not anticipate nonperformance by the counterparty.

The interest rate swap agreement is recorded at fair value and is recorded as a liability of \$1,574,000 and \$1,973,000 as of June 30, 2011 and 2010, respectively. The interest rate swap reflects a liability balance due to decreases in market rates since inception.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 15 Leases

Agnesian leases various equipment under capital lease obligations

Property and equipment included the following amounts at June 30 for leases which have been capitalized

	In Thousands	
	2011	2010
Movable equipment	\$ 23,074	\$ 23,074
Less - Accumulated amortization	13,702	10,361
Totals	\$ 9,372	\$ 12,713

Agnesian has also entered into various noncancelable operating lease agreements primarily for equipment and buildings. Future minimum payments, by year and in the aggregate, under capital leases and noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following

	In Thousands	
	Capital Leases	Operating Leases
2012	\$ 4,859	\$ 4,178
2013	1,685	3,293
2014	983	2,008
2015	796	1,200
2016	795	881
Thereafter	342	2,104
Total minimum lease payments	9,460	\$ 13,664
Amount representing interest	587	
Present value of net minimum lease payments	8,873	
Less - Current maturities	4,603	
Long-term obligations under capital leases	\$ 4,270	

Rent expense totaled \$6,348,000 and \$6,199,000 in 2011 and 2010, respectively

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 16 Temporarily Restricted Net Assets

Temporarily restricted net assets primarily include the interest in net assets of foundations, along with assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets are expendable to support the following purposes at June 30:

	In Thousands	
	2011	2010
Interest in Agnesian HealthCare Foundation		
Hospice	\$ 1,197	\$ 1,115
Other health services and initiatives	6,390	5,079
St. Francis Home - Patient care and other	3,020	2,703
Interest in Foundation for Ripon Medical Center, Inc.	3,228	-
Agnesian HealthCare - Patient care and other	108	144
Total temporarily restricted net assets	\$ 13,943	\$ 9,041

Note 17 Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income of which was expendable to support patient care and other services at June 30:

	In Thousands	
	2011	2010
Interest in Agnesian HealthCare Foundation		
Health Services and Initiatives	\$ 1,146	\$ 1,139
St. Francis Home	315	315
Agnesian HealthCare	1,000	1,000
Total permanently restricted net assets	\$ 2,461	\$ 2,454

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 18 Malpractice Insurance

Agnesian's professional liability insurance for claim losses of less than \$1 million per claim and \$3 million per year covers professional liability claims reported during a policy year (claims-made coverage). Losses in excess of these policy amounts are covered through mandatory participation in the Patients Compensation Fund of the State of Wisconsin. The professional liability and umbrella insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through July 1, 2012. In addition, Agnesian maintains umbrella coverage for claims in excess of the general liability limits to a maximum of \$15 million per occurrence and \$15 million per year.

Note 19 Professional Services Agreement

Agnesian HealthCare has entered into a multiyear PSA with FDLRC SC, a multispecialty medical group. Under this agreement, Agnesian HealthCare purchases physician services from FDLRC SC in exchange for the rights to all proceeds from billings for such services. Payments to FDLRC SC are made on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined in accordance with the PSA. For 2011 and 2010, purchased services expense included \$50,927,000 and \$43,698,000, respectively, for FDLRC SC professional services.

Note 20 Retirement Plans

Agnesian has established the Retirement Savings Plan Plus (the "Savings Plan") and a related trust to provide retirement benefits for employees of organizations affiliated with or controlled by the Congregation. The Savings Plan is a defined contribution plan available to employees who have attained age 18. Participating employees can elect to contribute all or part of their qualifying earnings to the Savings Plan and/or to contribute a fixed sum. Agnesian contributes a discretionary amount based upon eligible employee compensation and contributions to the Savings Plan.

Expense for the Savings Plan totaled \$5,957,000 and \$3,733,000 for 2011 and 2010, respectively.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 21 Deferred Compensation

Under terms of the PSA with FDLRC SC discussed in Note 19, Agnesian HealthCare also sponsors a flexible benefit plan and an elective salary deferral plan covering eligible employees of FDLRC. In addition, under the terms of the flexible benefit plan, participants allocate their benefit allowances, generally equal to 7.5% of compensation, among a variety of investment vehicles. A new flexible benefit plan was established during fiscal 2010. Initial contributions to the new plan included life insurance amounts of eligible employees of FDLRC SC that were not previously recorded as assets or liabilities of Agnesian HealthCare. Physicians' contributions to these deferred compensation plans and earnings thereon are subject to a substantial risk of forfeiture in the event of termination.

Agnesian also has deferred compensation plans under Section 457 of the Code. These plans provide enhanced benefits to eligible executives and physicians. Under the terms of these plans, amounts are deposited into investment accounts held for the benefit of the participant.

Investments designated for deferred compensation are recorded as assets limited as to use and as a liability in the accompanying consolidated balance sheets. Investments included in assets limited as to use for deferred compensation totaled \$17,045,000 and \$12,237,000 at June 30, 2011, and 2010, respectively.

For the years ended June 30, 2011 and 2010, Agnesian's expenses related to the deferred compensation plans totaled \$2,779,000 and \$2,658,000, respectively.

Note 22 Self-Funded Health and Dental Insurance

Agnesian sponsors a self-funded health care plan which provides medical and dental benefits to substantially all of its employees and their dependents. Employees share in the cost of health benefits. The health care expense is based upon actual claims paid, administration fees, and provisions for unpaid and unreported claims at year-end.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 22 Self-Funded Health and Dental Insurance (Continued)

Health care expense totaled \$20,346,000 and \$15,289,000 for 2011 and 2010, respectively. At June 30, 2011 and 2010, the provision for unpaid and unreported claims included in accrued liabilities was \$2,497,000 and \$989,000, respectively. Management believes these liabilities are sufficient to cover estimated claims, including claims incurred but not yet reported.

A portion of employee-related health services are provided by Agnesian. These amounts, which totaled \$16,783,000 and \$14,625,000 for 2011 and 2010, respectively, were eliminated from net patient service revenue and fringe benefit expense in the accompanying consolidated statements of operations and changes in net assets.

Note 23 Functional Expenses

Agnesian's functional expenses are as follows:

	In Thousands	
	2011	2010
Health care services	\$ 273,883	\$ 253,164
General and administrative services	75,728	72,748
Total expenses	<u>\$ 349,611</u>	<u>\$ 325,912</u>

Note 24 Concentration of Credit Risk

Financial instruments that potentially subject Agnesian to credit risk consist principally of cash deposits in excess of insured limits, accounts receivable, and investments which are uninsured.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 24 Concentration of Credit Risk (Continued)

Agnesian maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. On November 9, 2010, the FDIC issued a final rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited coverage of non-interest-bearing transaction accounts through December 31, 2012. In addition, Agnesian maintains cash in interest-bearing accounts at these institutions which are insured by the FDIC up to \$250,000. At June 30, 2011, Agnesian exceeded the insured limits by \$33,233,000. In addition, other investments held by financial institutions are uninsured.

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies. The mix of receivables from patients and third-party payors was as follows at June 30:

	2011	2010
Medicare	35%	35%
Medicaid	8%	7%
Commercial insurance and other	41%	45%
Private pay	16%	13%
Totals	100%	100%

Note 25 Transactions With Affiliated Organizations

Agnesian employs certain sisters of the Congregation. Sisters' salaries and related costs totaled \$438,000 and \$345,000 for 2011 and 2010, respectively.

St. Francis Home recorded \$1,634,000 and \$1,560,000 of revenue from the Congregation for 2011 and 2010, respectively, for services provided to Congregation members.

Agnesian HealthCare, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 26 Long-Term Contract Commitments

Agnesian HealthCare has entered into an Information Technology Services Agreement (ITSA) with IBM and Cerner Corporations. The ITSA includes delivery management services, asset services, help desk services, user support services, server systems management services, data network services, enterprise security management services, application management services, remote hosting services, and disaster recovery services. The initial agreement period ends December 31, 2014.

The base fees (fixed annual charges) together with various indexing adjustments are payable in accordance with a predetermined pricing agreement. The agreement allows adjustments to the base fee for changes in services to be provided. In addition, the contract requires certain service level credits, which are reviewed and audited against source data on a monthly basis. At June 30, 2011, the future estimated fees, exclusive of consumer price indexing adjustments and obligations outside of the ITSA, are as follows:

	In Thousands
2012	\$ 9,384
2013	8,795
2014	8,413
2015	4,161
Total	\$ 30,753

Note 27 Hospital Assessments

The Wisconsin state legislature enacted legislation under which eligible hospitals, including Agnesian, are required to pay the state an annual assessment. The assessment period is the state's fiscal year which runs from July 1 to June 30. The assessment is based on each hospital's gross revenue, as defined. The revenue generated from the assessment is to be used, in part, to increase overall reimbursement under the Wisconsin Medicaid program. Agnesian's expense was approximately \$5,013,000 and \$4,403,000 for 2011 and 2010, respectively, and is included in supplies and other expense in the accompanying consolidated statements of operations. Any increases in reimbursement from Medicaid are included in net patient service revenue.

Consolidating Information



Independent Auditor's Report on Consolidating Information

Board of Directors
Agnesian HealthCare, Inc
Fond du Lac, Wisconsin

Our report on our audits of the consolidated financial statements of Agnesian HealthCare, Inc and Affiliates for June 30, 2011 and 2010, appears on page 1. Those audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information appearing on pages 55 through 58 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP

September 20, 2011
Wausau, Wisconsin

Agnesian HealthCare, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2011 (With Comparative Totals for June 30, 2010)

<i>Assets</i>	In Thousands		
	Agnesian HealthCare, Inc	Waupun Memorial Hospital, Inc	Rpon Medical Center, Inc
Current assets			
Cash and cash equivalents	\$ 23,879	\$ 978	\$ 262
Accounts receivable - Net	35,075	4,465	2,618
Other receivables	6,086	44	15
Inventory	1,395	12	615
Prepaid expenses and other	1,962	139	241
Total current assets	68,397	5,638	3,751
Investments	133,092	-	517
Assets limited as to use	43,411	-	207
Property and equipment - Net	116,141	13,396	4,953
Other assets			
Interest in net assets of foundations	8,733	-	3,228
Investment in unconsolidated affiliate	14,187	-	-
Deferred financing costs	1,457	-	-
Intangibles - Net	3,302	-	1,122
Other	5,181	-	287
Total other assets	32,860	-	4,637
TOTAL ASSETS	\$ 393,901	\$ 19,034	\$ 14,065

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St Francis Home of Fond du Lac, Wisconsin, Inc	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2011	2010	
\$ 4,797	\$ 2,531	\$ 1,403	\$ -	\$ 33,850	\$ 28,181	
2,752	492	2,358	-	47,760	41,213	
794	348	-	(5,607)	1,680	1,801	
157	31	3,155	-	5,365	4,708	
259	29	34	-	2,664	2,716	
8,759	3,431	6,950	(5,607)	91,319	78,619	
1,768	1,374	-	-	136,751	101,966	
-	940	-	-	44,558	16,910	
1,928	15,634	1,506	-	153,558	149,310	
-	3,335	-	-	15,296	10,351	
-	-	-	(14,187)	-	229	
-	55	-	-	1,512	1,393	
-	-	304	-	4,728	3,715	
1	50	-	(5,000)	519	182	
1	3,440	304	(19,187)	22,055	15,870	
\$ 12,456	\$ 24,819	\$ 8,760	\$ (24,794)	\$ 448,241	\$ 362,675	

Agnesian HealthCare, Inc. and Affiliates

Consolidating Balance Sheet (Continued)

June 30, 2011 (With Comparative Totals for June 30, 2010)

<i>Liabilities and Net Assets</i>	In Thousands		
	Agnesian HealthCare, Inc	Waupun Memorial Hospital, Inc	Rpon Medical Center, Inc
Current liabilities			
Current maturities of long-term liabilities			
Long-term debt	\$ 2,195	\$ -	\$ 517
Capital lease obligations	4,603	-	-
Accounts payable	7,153	1,790	1,074
Accrued liabilities	20,737	1,621	728
Amounts payable to (receivable from) third-party reimbursement programs	(79)	1,055	283
Total current liabilities	34,609	4,466	2,602
Long-term liabilities			
Long-term debt	124,921	-	158
Capital lease obligations	4,270	-	-
Deferred compensation	17,045	-	-
Residency fees on deposit and other	-	-	-
Interest rate swap valuation	1,574	-	-
Total long-term liabilities	147,810	-	158
Total liabilities	182,419	4,466	2,760
Net assets			
Unrestricted	198,306	14,568	8,077
Temporarily restricted	10,715	-	3,228
Permanently restricted	2,461	-	-
Total net assets	211,482	14,568	11,305
TOTAL LIABILITIES AND NET ASSETS	\$ 393,901	\$ 19,034	\$ 14,065

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St Francis Home of Fond du Lac, Wisconsin, Inc	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2011	2010	
\$ -	\$ 685	\$ -	\$ -	\$ 3,397	\$ 2,690	
-	-	-	-	4,603	3,570	
531	377	4,365	(5,607)	9,683	11,182	
1,408	845	725	-	26,064	21,067	
-	-	-	-	1,259	99	
1,939	1,907	5,090	(5,607)	45,006	38,608	
-	7,370	-	(5,000)	127,449	101,151	
-	-	-	-	4,270	8,873	
-	-	-	-	17,045	12,237	
-	940	-	-	940	1,079	
-	-	-	-	1,574	1,973	
-	8,310	-	(5,000)	151,278	125,313	
1,939	10,217	5,090	(10,607)	196,284	163,921	
10,517	14,602	3,670	(14,187)	235,553	187,259	
-	-	-	-	13,943	9,041	
-	-	-	-	2,461	2,454	
10,517	14,602	3,670	(14,187)	251,957	198,754	
\$ 12,456	\$ 24,819	\$ 8,760	\$ (24,794)	\$ 448,241	\$ 362,675	

Agnesian HealthCare, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended June 30, 2011 (With Comparative Totals for the Year Ended June 30, 2010)

	In Thousands		
	Agnesian HealthCare, Inc	Waupun Memorial Hospital, Inc	Ripon Medical Center, Inc
Unrestricted net assets			
Revenue			
Net patient service revenue	\$ 293,273	\$ 34,700	\$ 2,024
Other operating revenue	5,930	1,182	92
Total revenue	299,203	35,882	2,116
Operating expenses			
Salaries and wages	91,082	11,536	745
Fringe benefits	27,250	2,495	170
Professional fees and purchased services	75,589	7,776	327
Supplies and other	42,195	4,012	275
Maintenance and utilities	18,764	1,835	161
Provision for bad debts	11,231	1,315	1
Depreciation and amortization	14,021	1,680	121
Interest	5,518	-	3
Total operating expenses	285,650	30,649	1,803
Income (loss) from operations	13,553	5,233	313
Other income (expense)			
Investment income	3,976	2	-
Income taxes	-	-	-
Loss on bond defeasance	(890)	-	-
Contribution related to acquisition of Ripon Medical Center, Inc	-	-	7,764
Gain (loss) on disposal of property and equipment	1,772	-	-
Other	5,541	-	-
Total other income (expense) - Net	10,399	2	7,764
Revenue in excess (deficiency) of expenses	23,952	5,235	8,077

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St Francis Home of Fond du Lac, Wisconsin, Inc	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2011	2010	
\$ 25,365	\$ 11,736	\$ 29,018	\$ (27,884)	\$ 368,232	\$ 334,885	
-	210	-	(1,275)	6,139	5,130	
25,365	11,946	29,018	(29,159)	374,371	340,015	
7,933	5,897	4,892	-	122,085	114,669	
2,600	2,713	1,454	(16,783)	19,899	14,423	
1,631	90	504	(11,149)	74,768	69,923	
4,684	1,192	21,694	(375)	73,677	68,264	
1,838	625	510	(852)	22,881	23,582	
384	1	25	-	12,957	11,393	
567	905	331	-	17,625	18,477	
-	198	-	-	5,719	5,181	
19,637	11,621	29,410	(29,159)	349,611	325,912	
5,728	325	(392)	-	24,760	14,103	
44	73	3	-	4,098	2,781	
(31)	-	32	-	1	(212)	
-	-	-	-	(890)	-	
-	-	-	-	7,764	-	
6	-	-	-	1,778	(67)	
-	-	-	(5,390)	151	37	
19	73	35	(5,390)	12,902	2,539	
5,747	398	(357)	(5,390)	37,662	16,642	

Agnesian HealthCare, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (Deficit) (Continued) Year Ended June 30, 2011 (With Comparative Totals for the Year Ended June 30, 2010)

	In Thousands		
	Agnesian HealthCare, Inc	Waupun Memorial Hospital, Inc	Ripon Medical Center, Inc
Other changes in unrestricted net assets			
Net asset transfer	\$ 14,000	\$ (10,000)	\$ -
Change in unrealized gains and losses on investment securities	9,902	-	-
Interest rate swap valuation adjustment	399	-	-
Contributions for property and equipment	-	6	-
Net assets released from restrictions for capital	90	-	-
Total other changes in unrestricted net assets	24,391	(9,994)	-
Increase (decrease) in unrestricted net assets	48,343	(4,759)	8,077
Temporarily restricted net assets			
Change in interest in net assets of foundations	2,316	-	(60)
Net assets released from restrictions			
For capital	(90)	-	-
For operations	(869)	-	-
Contribution related to acquisition of Ripon Medical Center	-	-	3,288
Increase in temporarily restricted net assets	1,357	-	3,228
Increase in permanently restricted net assets -			
Change in interest in net assets of foundations	7	-	-
Increase (decrease) in net assets	49,707	(4,759)	11,305
Net assets (deficit) at beginning	161,775	19,327	-
Net assets at end	\$ 211,482	\$ 14,568	\$ 11,305

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St Francis Home of Fond du Lac, Wisconsin, Inc	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2011	2010	
\$ (4,000)	\$ (4,000)	\$ -	\$ 4,000	\$ -	\$ -	
-	228	-	-	10,130	3,410	
-	-	-	-	399	(614)	
-	7	-	-	13	18	
-	-	-	-	90	404	
(4,000)	(3,765)	-	4,000	10,632	3,218	
1,747	(3,367)	(357)	(1,390)	48,294	19,860	
-	317	-	-	2,573	1,977	
-	-	-	-	(90)	(404)	
-	-	-	-	(869)	(672)	
-	-	-	-	3,288	-	
-	317	-	-	4,902	901	
-	-	-	-	7	36	
1,747	(3,050)	(357)	(1,390)	53,203	20,797	
8,770	17,652	4,027	(12,797)	198,754	177,957	
\$ 10,517	\$ 14,602	\$ 3,670	\$ (14,187)	\$ 251,957	\$ 198,754	