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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

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

C Name of organization
NORTH CENTRAL HEALTH SERVICES INC

Doing Business As
RIVER BEND HOSPITAL

Number and street (or P O box if mail is not delivered to street address) | Room/suite
201 MAIN STREET NO 606

City or town, state or country, and ZIP + 4
LAFAYETTE, IN 47902

D Employer identification number
31-1118357

E Telephone number
(765)423-1604

G Gross receipts $ 132,478,710

F Name and address of principal officer
JOHN R WALLING
201 MAIN STREET NO 606
LAFAYETTE,IN 47902

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW NCHSI COM

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

L Year of formation 1984

M State of legal domicile IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE ACUTE INPATIENT PSYCHIATRIC CARE TO THE ADULT POPULATION OF MID-NORTH INDIANA

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**	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	5
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3
6	Total number of volunteers (estimate if necessary)	**6**	16
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	0	0
	9 Program service revenue (Part VIII, line 2g)	2,323,745	1,877,842
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,603,826	21,408,180
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	549,100	296,432
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	19,476,671	23,582,454
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,377,642	8,222,598
	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)	583,104	580,985
	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–24e)	5,923,331	5,093,103
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	7,884,077	13,896,686
	19 Revenue less expenses Subtract line 18 from line 12	11,592,594	9,685,768

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	315,667,029	328,793,649
	21 Total liabilities (Part X, line 26)	1,671,041	14,347,073
	22 Net assets or fund balances Subtract line 21 from line 20	313,995,988	314,446,576

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

****** 2012-11-14
Signature of officer — Date

JOHN R WALLING CHIEF EXECUTIVE OFFICER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: KEISHA CORSO CPA | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00852354

Firm's name (or yours if self-employed), address, and ZIP + 4: BLUE & CO LLC, ONE AMERICAN SQUARE 2200, INDIANAPOLIS, IN 46282 | EIN ▶ 35-1178661 | Phone no ▶ (317) 633-4705

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 ORGANIZATION IS COMMITTED TO ADVANCING AND PROVIDING HEALTH CARE FOR THE BENEFIT OF THE CITIZENS OF ITS EIGHT COUNTY SERVICE AREA CONTINUE ON SCHEDULE O THROUGH THE SUPPORT OF TECHNOLOGICAL AND SCIENTIFIC ADVANCEMENT, EDUCATION, QUALITY OF LIFE, AND HUMANITARIAN COMMUNITY SERVICES, NCHS WILL STRIVE TO PROMOTE A HEALTHY COMMUNITY FOR ALL AREA RESIDENTS

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

4a (Code) (Expenses $ 3,482,080 including grants of $ 0) (Revenue $ 1,877,842)

RIVER BEND HOSPITAL EXISTS TO MAKE AVAILABLE ACUTE INPATIENT PSYCHIATRIC CARE TO THE ADULT POPULATION OF MID-NORTH INDIANA THE ORGANIZATION PROVIDES CARE WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY BECAUSE THE ORGANIZATION DOES NOT COLLECT AMOUNTS DEEMED TO BE CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE OF THE ORGANIZATION'S TOTAL HEALTH CARE SERVICES EXPENSE REPORTED, AN ESTIMATED $902,639 (AT COST) AROSE FROM PROVIDING SERVICES TO CHARITY PATIENTS DURING THE YEAR ENDED DECEMBER 31, 2011 CONTINUE ON SCHEDULE O THE ESTIMATED COSTS OF PROVIDING CHARITY SERVICES ARE BASED ON A CALCULATION WHICH APPLIES A RATIO OF COSTS TO CHARGES TO THE GROSS UNCOMPENSATED CHARGES ASSOCIATED WITH PROVIDING CARE TO CHARITY PATIENTS THE RATIO OF COST TO CHARGES, CALCULATED USING THE IRS GUIDLINES, IS 73% FOR THE YEAR ENDED DECEMBER 31, 2011

4b (Code) (Expenses $ 9,681,612 including grants of $ 8,222,598) (Revenue $ 293,226)

NORTH CENTRAL HEALTH SERVICES IS COMMITTED TO ADDRESSING A WIDE RANGE OF HEALTH ISSUES AND ENHANCING THE QUALITY OF LIFE FOR INDIVIDUALS, FAMILIES AND COMMUNITIES IN THE EIGHT COUNTIES OF THE GREATER LAFAYETTE AREA

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 13,163,692

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		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*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b	Yes	
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, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made 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 made 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 ▶

JEFF NAGY TREASURER
201 MAIN ST
LAFAYETTE,IN 47902
(765)423-1604

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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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) BART BURRELL CHAIRMAN	2 00	X						0	0	0
(2) WILLIAM F COOK VICE CHAIRMAN	2 00	X						0	0	0
(3) JEFFREY R NAGY SECRETARY/TREASURER	10 00	X						27,550	0	0
(4) JAMES POULOS MD BOARD MEMBER	2 00	X						0	0	0
(5) JAMES K RISK III BOARD MEMBER	2 00	X						0	0	0
(6) MARJORIE ROBERTS BOARD MEMBER	2 00	X						0	0	0
(7) JOHN R WALLING PRESIDENT/CEO	40 00	X		X				323,890	0	51,310

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								351,440	0	51,310

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 1

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		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? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
WABASH VALLEY ALLIANCE 420 N 26TH ST WEST LAFAYETTE, IN 47904	MANAGEMENT SERVICES	3,463,671
HIRTLE CALLAGHAN & COLLC 300 BARR HARBOR DRIVE WEST CONSHOHOCKEN, PA 19428	INVESTMENT MANAGEMENT SERVICES	459,404

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 1

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	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		Business Code				
	2a	INPATIENT PSYCHIATRIC 900099	1,877,842	1,877,842		
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	1,877,842			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	8,769,615			8,769,615
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents 3,206				
	b	Less rental expenses 0				
	c	Rental income or (loss) 3,206				
	d	Net rental income or (loss) . . . . . ▶	3,206			3,206
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 113,535,043 / 7,999,778				
	b	Less cost or other basis and sales expenses 103,372,075 / 5,524,181				
	c	Gain or (loss) 10,162,968 / 2,475,597				
	d	Net gain or (loss) . . . . . ▶	12,638,565			12,638,565
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue	293,226	293,226		
	e	**Total.** Add lines 11a–11d . . . . . ▶	293,226			
	12	**Total revenue.** See Instructions . . . ▶	23,582,454	2,171,068	0	21,411,386

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

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 United States See Part IV, line 21	8,222,598	8,222,598		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	344,858	258,644	86,214	
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	107,359	80,519	26,840	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	19,959	14,969	4,990	
9	Other employee benefits	86,010	64,507	21,503	
10	Payroll taxes	22,799	17,099	5,700	
11	Fees for services (non-employees)				
a	Management	3,482,080	3,088,059	394,021	
b	Legal	32,324	16,162	16,162	
c	Accounting	66,000	33,000	33,000	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees	619,451	619,451		
g	Other	88,460	79,315	9,145	
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties . .				
16	Occupancy	166,277	149,647	16,630	
17	Travel	537	537		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	474	474		
20	Interest	7,811	7,811		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	442,532	442,532		
23	Insurance	162,323	64,929	97,394	
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	DUES & SUBSCRIPTIONS	5,081		5,081	
b	MEALS/ENTERTAINMENT	3,202	3,202		
c	MEDICAL SUPPLIES	1,067	237	830	
d					
e					
f	All other expenses	15,484		15,484	
25	**Total functional expenses.** Add lines 1 through 24f	13,896,686	13,163,692	732,994	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		22,583,278	1	24,578,201
	2	Savings and temporary cash investments		2,823,120	2	2,229,008
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		967,720	4	698,062
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		92,507	9	88,020
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 12,926,507			
	b	Less accumulated depreciation	10b 1,068,936	14,599,676	10c	11,857,571
	11	Investments—publicly traded securities		216,610,323	11	263,146,694
	12	Investments—other securities See Part IV, line 11		38,045,681	12	
	13	Investments—program-related See Part IV, line 11		19,677,342	13	16,033,404
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		267,382	15	10,162,689
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		315,667,029	16	328,793,649
Liabilities	17	Accounts payable and accrued expenses		471,360	17	318,678
	18	Grants payable		1,028,162	18	3,752,719
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		171,519	25	10,275,676
	26	**Total liabilities.** Add lines 17 through 25		1,671,041	26	14,347,073
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		313,851,412	27	314,306,815
	28	Temporarily restricted net assets		144,576	28	139,761
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		313,995,988	33	314,446,576
	34	Total liabilities and net assets/fund balances		315,667,029	34	328,793,649

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	23,582,454
2	Total expenses (must equal Part IX, column (A), line 25)	2	13,896,686
3	Revenue less expenses Subtract line 2 from line 1	3	9,685,768
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	313,995,988
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,235,180
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	314,446,576

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c		No
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		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 . .	3b		

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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

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

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 **section 170(b)(1)(A)(i).**

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

Part III **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:	
Software Version:	
EIN:	31-1118357
Name:	NORTH CENTRAL HEALTH SERVICES INC

Additional Data

Software ID:	
Software Version:	
EIN:	31-1118357
Name:	NORTH CENTRAL HEALTH SERVICES INC

Additional Data

Software ID:	
Software Version:	
EIN:	31-1118357
Name:	NORTH CENTRAL HEALTH SERVICES INC

Additional Data

Software ID:
Software Version:
EIN: 31-1118357
Name: NORTH CENTRAL HEALTH SERVICES INC

Form 990, Special Condition Description:

Special Condition Description

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	144,576	142,581	136,126	172,114	
b Contributions					
c Investment earnings or losses	3,525	10,335	6,455	-35,988	
d Grants or scholarships					
e Other expenditures for facilities and programs	8,340	8,340			
f Administrative expenses					
g End of year balance	139,761	144,576	142,581	136,126	

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

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

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,627,301		6,627,301
b Buildings		5,434,504	472,741	4,961,763
c Leasehold improvements		431,167	275,647	155,520
d Equipment		433,535	320,548	112,987
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				11,857,571

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
CHARITABLE REMAINDER TRUST	21,947
DEFERRED COMPENSATION	171,384
OBLIGATION TO RETURN SECURITIES	10,082,345
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	10,275,676

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	23,582,454
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	13,896,686
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	9,685,768
4	Net unrealized gains (losses) on investments	4	-9,230,365
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-4,815
9	Total adjustments (net) Add lines 4 - 8	9	-9,235,180
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	450,588

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	13,727,823
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-9,230,365		
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	-9,230,365
3	Subtract line **2e** from line **1**			3	22,958,188
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	619,451		
b	Other (Describe in Part XIV)	4b	4,815		
c	Add lines **4a** and **4b**			4c	624,266
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	23,582,454

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

1	Total expenses and losses per audited financial statements			1	13,277,235
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	0
3	Subtract line **2e** from line **1**			3	13,277,235
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	619,451		
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	619,451
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	13,896,686

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	2011 TOTAL RESTRICTED NET ASSETS ARE $139,761 WITH $55,536 RELATED TO A CHARITABLE REMAINDER TRUST TO PROVIDE PAYMENTS TO THE GRANTOR OVER THE DESIGNATED BENEFICIARY'S LIFETIME WITH THE REMAINING ASSETS AVAILABLE FOR THE ORGANIZATION'S USE FOR IMPROVEMENT, AND $84,225 HAVE BEEN DONATED SPECIFICALLY FOR THE USE OF IMPROVING HEALTHCARE FACILITIES AND PATIENT CARE
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE ORGANIZATION AND RECOGNIZE A TAX LIABILITY IF THE ORGANIZATION HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY VARIOUS FEDERAL AND STATE TAXING AUTHORITIES MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE ORGANIZATION, AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2011 AND DECEMBER 31, 2010, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE ACCOMPANYING FINANCIAL STATEMENTS THE ORGANIZATION IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS, HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN TEMPORARY RESTRICTED NET ASSETS -4,815
PART XII, LINE 4B - OTHER ADJUSTMENTS		CHANGE IN TEMPORARILY RESTRICTED NET ASSETS 4,815

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENT IN PRIVATE EQUITY FUND ORGANIZED AS A CORPORATION IN CAYMAN ISLANDS		6,807,848
3a Sub-total	0	0			6,807,848
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			6,807,848

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☐ Yes	☑ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☑ Yes	☐ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☑ Yes	☐ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	ReturnReference	Explanation

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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

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other 250.000000000000 %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☑ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			902,639		902,639	6 500 %
b Medicaid (from Worksheet 3, column a)			1,118,949	467,827	651,122	4 690 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			2,021,588	467,827	1,553,761	11 190 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total** Other Benefits						
k **Total.** Add lines 7d and 7j			2,021,588	467,827	1,553,761	11 190 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(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			6,930,000		6,930,000	49 870 %
2	Economic development						
3	Community support			270,755		270,755	1 950 %
4	Environmental improvements			869,000		869,000	6 250 %
5	Leadership development and training for community members			20,000		20,000	0 140 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other			132,843		132,843	0 960 %
10	**Total**			8,222,598		8,222,598	59 170 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	894,820		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	966,374		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-71,554		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	RIVER BEND HOSPITAL 2900 N RIVER ROAD WEST LAFAYETTE,IN 47906	X								PSYCHIATRIC INPATIENT

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

RIVER BEND HOSPITAL

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 250.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☐ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13		No
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☐ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☐ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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, L7 COL(F) TOTAL FINANCIAL STATEMENT BAD DEBT EXPENSE OF $0 INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) HAS BEEN EXCLUDED FROM THE DENOMINATOR FOR THE PERCENTAGE CALCULATION PER IRS INSTRUCTIONS

Identifier	ReturnReference	Explanation
		PART II NCHS BELIEVES THAT GRANT MAKING TO 501(C)(3) ORGANIZATIONS IN WHOSE BOARD OF DIRECTORS WE HAVE TRUST AND CONFIDENCE IS AN INVESTMENT IN OUR COMMUNITY IT IS OUR PRIVILEGE TO HELP THEM SUCCEED THE ORGANIZATION IS ROOTED IN ITS MISSION OF HELPING AND SERVING THE COMMUNITY AND ITS CITIZENS IN A VARIETY OF WAYS NCHS GRANTS HAVE PROVIDED FUNDS TO NOT FOR PROFIT ORGANIZATIONS FOR CAPITAL IMPROVEMENTS AND PROGRAM ENHANCEMENTS, EDUCATIONAL OPPORTUNITIES FOR BOARD MEMBERS OF NOT FOR PROFIT ORGANIZATIONS, AND CONTINUED THE LONG TERM ENHANCEMENT PLANS OF THE WABASH RIVER PROJECT NCHS GRANTED OVER $8 MILLION IN GRANT FUNDS DURING 2010-2011 PERIOD FOR PROJECTS THAT RELATE TO HEALTH, AND HEALTHY COMMUNITIES THE FOLLOWING ARE A FEW OF THESE PROJECTS PROMOTING HEALTH OF THE COMMUNITIES THAT NCHS SERVES RIGGS COMMUNITY CENTER-IN 2011, NCHS MADE A GIFT OF A BUILDING ON SOUTH STREET TO BE UTILIZED AS A SECOND LOCATION FOR EXPANDING THE RIGG'S COMMUNITY HEALTH CLINIC SERVICES MONTGOMERY COUNTY FREE CLINIC-A GRANT WAS PROVIDED IN 2011 TO RENOVATE AN EXISTING SCHOOL TO HOUSE A VOLUNTEERS IN MEDICINE CLINIC PROVIDING MEDICAL AND DENTAL SERVICE, HEALTH PROMOTION AND DISEASE PREVENTION TO THE UNINSURED IN MONTGOMERY COUNTY AREA IV AGENCY ON AGING AND COMMUNITY ACTION PROGRAM, INC -A GRANT WAS PROVIDED IN 2011 TO HELP PURCHASE AND RENOVATE SOUTHSIDE ELEMENTARY SCHOOL IN FRANKFORT TO HOUSE HEAD START STUDENTS AND STAFF AND CREATE A LEARNING CENTER PARTNERING OPPORTUNITY WITH COUNTY EXTENSION OFFICE, 4 SCHOOL CORPORATIONS, AND THE CROSSING ALTERNATIVE SCHOOL PRAIRIE PRESERVATION GUILD LTD -A GRANT WAS PROVIDED IN 2011 TO HELP WITH THE PHASE II RENOVATION OF THE FOWLER THEATRE TO INCLUDE HEALTH AND HYGIENE ISSUES REGARDING BATHROOMS, CATERING KITCHEN AND CONCESSION AREA IN FRONT LOBBY NOT-FOR-PROFIT BOARD GOVERNANCE SERIES - NCHS HAS MADE A 10 YEAR $200,000 COMMITMENT TO PROVIDE FUNDING FOR THE DOUGLAS W EBERLE NOT-FOR-PROFIT BOARD GOVERNANCE SERIES WORKING COLLABORATIVELY WITH THE UNITED WAY, AND THE COMMUNITY FOUNDATION OF GREATER LAFAYETTE, THIS EDUCATIONAL SERIES PROVIDES A HIGH QUALITY LEARNING EXPERIENCE TO NOT-FOR-PROFIT BOARD MEMBERS AND THEIR EXECUTIVE DIRECTORS NCHS PLACES A HIGH VALUE ON THE QUALITY OF GOVERNANCE IN NOT-FOR-PROFIT ORGANIZATIONS NCHS GRANTS ARE MADE TO THOSE ORGANIZATIONS IN WHOSE LEADERSHIP WE HAVE TRUST AND CONFIDENCE WABASH RIVER ENHANCEMENT CORPORATION - THE LONG TERM PROJECT OF ENHANCING THE WABASH RIVER CORRIDOR REMAINS A PRIORITY FOR NCHS GRANT FUNDING NCHS PLAYED A SIGNIFICANT ROLE BY CONTRIBUTING $550,000 TO ESTABLISH WABASH RIVER ENHANCEMENT CORPORATION IN 2005 AS THE PRIMARY ORGANIZATION TO FOCUS ON ISSUES RELATED TO THE WABASH RIVER IN OUR COMMUNITY THEY WORK WITH LOCAL, STATE AND FEDERAL AUTHORITIES AND HAVE COMPLETED IMPORTANT GROUND WORK IN HYDROLOGY STUDIES THE CORRIDOR MASTER PLAN HAS BEEN DEVELOPED IN CONJUNCTION WITH PROFESSIONAL GUIDANCE ON RIVER ENHANCEMENT WITH INPUT FROM LOCAL STAKEHOLDERS MOST RECENTLY, NCHS HAS PROVIDED GRANT FUNDING TO THE WABASH RIVER ENHANCEMENT CORPORATION FOR THE ACQUISITION OF LAND PARCELS SPECIFICALLY IDENTIFIED IN THE LONG RANGE CORRIDOR MASTER PLAN FOR FUTURE PROJECT DEVELOPMENT TIPPECANOE ARTS FEDERATION -THE TIPPECANOE ARTS FEDERATION (TAF) HAS PROVIDED LEADERSHIP FOR SEVERALYEARS IN ASSESSING APPLICATIONS FROM ITS MEMBER ORGANIZATIONS FOR NCHS GRANT FUNDING TAF PROMOTES THIS PROGRAM AT LOCAL FESTIVALS WHERE PEOPLE ARE GIVEN THE OPPORTUNITY TO HAVE HANDS ON EXPERIENCES WITH DONATED INSTRUMENTS IT IS ANTICIPATED THAT THE ARTREACH PROGRAM WILL BE EXPANDED TO SURROUNDING COUNTIES IN THE FUTURE OVER THE PAST SEVERAL YEARS, NCHS HAS GRANTED OVER $1 5 MILLION DOLLARS TO A VARIETY OF TAF MEMBER ORGANIZATIONS FOR CAPITAL PROJECTS TAFS EXPERIENCE AS A RE-GRANTOR OF INDIANA ARTS COMMISSION FUNDING IN REGION 4 WAS A MAJOR FACTOR IN THE NCHS DECISION TO ENLIST TAF TO CONDUCT THE PROCESS OF APPROVING AND DISTRIBUTING THE NCHS ARTS RELATED GRANTS MADE TO THEIR MEMBERSHIP

Identifier	ReturnReference	Explanation
		PART III, LINE 4 SECTION A BAD DEBT EXPENSE LINE 2 FOOTNOTE TO ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE THE ORGANIZATION ALLOWS FOR LOSSES ON ESTIMATED UNCOLLECTIBLE ACCOUNTS BASED ON PRIOR BAD DEBT EXPERIENCE AND A REVIEW OF THE EXISTING RECEIVABLES ACCOUNTS ARE DETERMINED UNCOLLECTIBLE AFTER ALL THIRD-PARTY PAYOR OPTIONS HAVE BEEN EXHAUSTED AND DILIGENT COLLECTION EFFORTS HAVE BEEN COMPLETED WRITE-OFFS AND BAD DEBT RECOVERIES ARE CHARGED TO ESTIMATED UNCOLLECTIBLE ACCOUNTS AS INCURRED AND REALIZED PART III, LINE 4 SECTION A BAD DEBT EXPENSE LINE 3 EXPLANATION FOR RATIONAL FOR INCLUDING OTHER BAD DEBT AMOUNT IN COMMUNITY BENEFIT NO OTHER BAD DEBT AMOUNTS HAVE BEEN INCLUDED AS COMMUNITY BENEFIT THE ORGANIZATION BELIEVES IT ACCURATELY CAPTURES ALL CHARITY CARE DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE SOURCE USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED FOR PART III, SECTION B, MEDICARE HAS BEEN PROVIDED FROM THE HOSPITAL STATEMENT OF REIMBURSMENT COST FOR THE PERIOD OF JANUARY 1 TO DECEMBER 31, 2011

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE PROVISIONS TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE ARE INCLUDED IN THE SEPARATE CHARITY CARE POLICY THE FINANCIAL ASSISTANCE DOCUMENT IS REFERENCED IN THE WRITTEN DEBT COLLECTION POLICY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION HAS DONE SEVERAL NEEDS ASSESSMENT OVER THE PAST FIVE YEARS TO IDENTIFY HEALTH CARE NEEDS OF THE COMMUNITY AND SURROUNDING AREA

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENTS WITHOUT INSURANCE ARE CONTACTED VIA TELEPHONE TO DISCUSS PAYMENT ARRANGEMENTS FINANCIAL ASSISTANCE AND CHARITY CARE ARE DISCUSSED AT THAT TIME AND APPROPRIATE FORMS ARE COMPLETED AS APPLICABLE ALSO, EACH PATIENT COMPLETES AN ADMISSION AGREEMENT AND SIGNS CERTIFYING THAT THE FORM WAS FULLY EXPLAINED AND UNDERSTOOD THE AGREEMENT INCLUDES A FINANCIAL AGREEMENT SECTION THAT STATES THE INDIVIDUAL UNDERSTANDS THAT FINANCIAL ASSISTANCE IS AVAILABLE BASED ON INCOME AND FAMILY SIZE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE ORGANIZATION SERVES LAFAYETTE-WEST LAFAYETTE CITIES AS WELL AS TIPPECANOE AND SURROUNDING INDIANA COUNTIES AND CITIZENS OF BENTON, CARROLL, CLINTON, FOUNTAIN, MONTGOMERY, TIPPECANOE, WARREN, AND WHITE

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 NCHS IS A MEDICAL SERVICES ORGANIZATION GOVERNED BY A VOLUNTEER BOARD OF DIRECTORS NCHS IS COMMITTED TO PROMOTING A HEALTHY COMMUNITY FOR ALL AREA CITIZENS SINCE 1999, THE ORGANIZATION HAS FULFILLED THIS OBJECTIVE BY FINANCIALLY SUPPORTING SELECT ACTIVITIES OF QUALIFED NOT-FOR-PROFIT ORGANIZATIONS WHO SHARE ITS VISION GRANTS ARE PROVIDED THAT WILL 1 ADVANCE TECHNOLOGY AND SCIENTIFIC DEVELOPMENT IN HEALTH CARE 2 DEVELOP AND PROMOTE COMMUNITY HEALTH EDUCATION 3 PROVIDE DIRECT, INDIVIDUAL SOCIAL WELFARE AND HUMAN SERVICE4 PROMOTE A HEALTHY COMMUNITY 5 IMPROVE THE QUALITY OF LIFE FOR ALL THE COMMUNITIES' PEOPLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 NOT APPLICABLE THE ORGANIZATION IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 13

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 1

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

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 UPON RECEIPT OF THE LETTER OF INQUIRY, INITIAL REVIEW WILL DETERMINE WHETHER OR NOT THE REQUEST MEETS THE FUNDING FOCUS, AND PRIORITIES OF NCHS THE RECIPIENT WILL BE PROMPTLY NOTIFIED IN WRITING OF THE INITIAL DETERMINATION, AND INFORMED OF APPLICATION OPPORTUNITIES GRANT RECIPIENTS ARE REQUIRED TO FILE A PROGRESS REPORT WITH NCHS SIX MONTHS AFTER RECEIVING THE GRANT WITH A FINAL REPORT REQUIRED ONE YEAR AFTER BEING AWARDED THE GRANT
		ORGANIZATIONS INTERESTED IN INITIATING A GRANT REQUEST SHOULD BEGIN BY WRITING A LETTER OF INQUIRY TO NORTH CENTRAL HEALTH SERVICES ATTN PROGRAM DIRECTOR, P O BOX 528 LAFAYETTE, IN 47902 THE LETTER OF INQUIRY SHOULD INCLUDE 1 A CONCISE DESCRIPTION OF THE ORGANIZATION 2 A STATEMENT OF THE PROBLEM OR NEED BEING ADDRESSED, AND AN EXPLANATION OF THE PROJECT 3 ESTIMATED TOTAL COST, AND THE AMOUNT BEING REQUESTED FROM NCHS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 31-1118357
Name: NORTH CENTRAL HEALTH SERVICES INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AREA IV AGENCY ON AGING AND COMMUNITY ACTION PROGRAM INC660 NORTH 36TH STREET LAFAYETTE,IN 47905	35-1329223	501C3	1,000,000				CAPITAL PROJECT
CARROLL COUNTY WABASH & ERIE CANAL INC1030 W WASHINGTON STREET DELPHI,IN 46923	23-7291289	501C3	87,500				CAPITAL PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CITY OF LAFAYETTE POLICE DEPARTMENT516 N MAIN STREET KOKOMO,IN 46903	35-6010880	GOV	14,000				CURRICULUM PROGRAM
COMMUNITY FOUNDATION OF GREATER LAFAYETTE1114 EAST STATE ST LAFAYETTE,IN 47905	23-7147996	501C3	20,000				CURRICULUM PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
PINE VILLAGE COMMUNITY FIRE DEPARTMENTPO BOX 191 PINE VILLAGE,IN 47975	35-6043744	501C3	30,000				CAPITAL PROJECT
LAFAYETTE TRANSITIONAL HOUSING CENTER INC615 N 18TH ST STE 102 LAFAYETTE,IN 47904	35-1781229	501C3	19,206				CAPITAL PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LYN TREECE BOYS & GIRLS CLUB1529 N 10TH STREET LAFAYETTE,IN 47904	35-1262269	501C3	19,270				CAPITAL PROJECT
MONTGOMERY COUNTY FREE CLINIC INC132 E MAIN ST C/O GAMBLE RECHARDSON CPA CRAWFORDSVILLE,IN 47933	27-1198512	501C3	900,000				CAPITAL PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MONTGOMERY COUNTY YOUTH SERVICES BUREAU 209 E PIKE STREET CRAWFORDSVILLE,IN 47933	35-1272759	501C3	19,000				CAPITAL PROJECT
PRAIRIE PRESERVATION GUILD LTDPO BOX 125 FOWLER,IN 47944	35-2150761	501C3	300,000				CAPITAL PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
RIGGS COMMUNITY HEALTH CENTER INC1716 HARTFORD STREET LAFAYETTE,IN 47903	35-1965865	501C3		5,000,000		BUILDING DONATION	BUILDING DONATION
ST ELIZABETH REGIONAL HEALTH DIABETES CENTER1501 HARTFORD STREET LAFAYETTE,IN 47903	35-0869066	501C3	6,755				EQUIPMENT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
TIPPECANOE ARTS FEDERATION INC 638 NORTH STREET LAFAYETTE,IN 47901	31-0942566	501C3	250,000				CAPITAL PROJECT
WABASH RIVER ENHANCEMENT CORPORATION200 NORTH 2ND STREET LAFAYETTE,IN 47901	20-1337591	501C3	550,000				CAPITAL PROJECT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) JOHN R WALLING	(i)	317,308	0	6,582	13,500	37,810	375,200	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE 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

2011

Open to Public Inspection

Name of the organization
NORTH CENTRAL HEALTH SERVICES INC

Employer identification number
31-1118357

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE ORGANIZATION'S CEO AND TREASURER THE GOVERNING BODY RECEIVES A PAPER AND ELECTRONIC COPY OF THE FORM 990 INCLUDING REQUESTED SCHEDULES, AS ULTIMATELY FILED WITH THE IRS, FOR REVIEW AND APPROVAL PRIOR TO FILING WITH THE IRS
	FORM 990, PART VI, SECTION B, LINE 12C	THE WRITTEN CONFLICT OF INTEREST POLICY IS REGULARLY AND CONSISTENTLY MONITORED AND COMPLIANCE ENFORCED BY THE CHAIRMAN, VICE CHAIRMAN, OR PRESIDENT OF NORTH CENTRAL HEALTH SERVICES, INC THE SCOPE OF THIS POLICY INCLUDES THE BOARD OF DIRECTORS, PRINCIPAL OFFICER, AND MEMBERS OF COMMITTEES WITH BOARD DELEGATED POWERS THE POLICY IS IN PLACE TO AVOID ANY DUALITY OF INTEREST OR POTENTIAL CONFLICT OF INTEREST BY FULL DISCLOSURE OF ANY SUCH POTENTIAL CONFLICT, AND BY ABSTENTION BY THE INTEREST PERSON FROM ANY VOTE ON A MATTER IN WHICH A CONFLICT EXISTS BETWEEN THE INTERESTED PERSON AND THE CORPORATION THE COVERED PERSONS ARE TO REFRAIN FROM ANY KNOWN OR ANTICIPATED FINANCIAL INTEREST OR RELATIONSHIP WHICH COULD REASONABLY BE EXPECTED TO CREATE A CONFLICT OF INTEREST ON ANY MATTER WHICH MIGHT COME BEFORE THE BOARD OF DIRECTORS A SELF DISCLOSURE FROM COVERED PERSONS TO THE CHAIRMAN OR THE SECRETARY OF THE BOARD OF DIRECTORS IS REQUIRED ON ANY POTENTIAL CONFLICTS OF INTEREST THE COVERED PERSONS ARE TO RECUES FROM PARTICIPATING IN ANY DELIBERATION OR DECISIONS ON SUCH TRANSACTIONS THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF DIRECTORS REVIEWS THE CONFLICTS DISCLOSED
	FORM 990, PART VI, SECTION B, LINE 15A	EXECUTIVE COMMITTEE OF THE BOARD MEETS ANNUALLY TO REVIEW THE COMPENSATION OF THE CEO IN FY 2008, AN INDEPENDENT CONSULTING FIRM WAS CONTRACTED TO PERFORM A COMPENSATION STUDY AND THE COMMITTEE REVIEWED THE FINDINGS TO HELP DETERMINE AND SET THE CEO'S COMPENSATION THE PROCESS AND FINDINGS ARE DOCUMENTED IN THE COMMITTEE'S MEETING MINUTES THERE WERE NO CHANGES TO THE CEO'S COMPENSATION FOR 2011
	FORM 990, PART VI, SECTION C, LINE 19	NORTH CENTER HEALTH SERVICES, INC DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -9,230,365 CHANGE IN TEMPORARY RESTRICTED NET ASSETS -4,815 TOTAL TO FORM 990, PART XI, LINE 5 -9,235,180
OVERSIGHT OF THE AUDIT	PART XI LINE 2C	THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND NO PROCESSES HAVE CHANGED FROM PRIOR YEAR

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493319002192

TY 2011 Category 3 filer statement

Name: NORTH CENTRAL HEALTH SERVICES INC

EIN: 31-1118357

Amount Of Indebtedness	Type Of Indebtedness	Name	Address	Identifying Number	Number Of Shares
		NA			

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493319002192

TY 2011 Category 3 filer statement

Name: NORTH CENTRAL HEALTH SERVICES INC

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		NA			

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Functional Currency and Exchange Rate QBU Statement

Name: NORTH CENTRAL HEALTH SERVICES INC

EIN: 31-1118357

QBU Id	Country of Operation	Functional Currency
EURO		1

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Functional Currency and Exchange Rate QBU Statement

Name: NORTH CENTRAL HEALTH SERVICES INC

EIN: 31-1118357

QBU Id	Country of Operation	Functional Currency
EURO		1

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

blue

NORTH CENTRAL HEALTH SERVICES, INC.

TABLE OF CONTENTS
DECEMBER 31, 2011 AND 2010

blue

REPORT OF INDEPENDENT AUDITORS

Board of Directors
North Central Health Services, Inc.
Lafayette, Indiana

We have audited the accompanying balance sheets of North Central Health Services, Inc. (the Organization) as of December 31, 2011 and 2010, and the related statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 financial statements referred to above present fairly, in all material respects, the financial position of North Central Health Services, Inc. as of December 31, 2011 and 2010, and its results of operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Blue & Co., LLC

May 17, 2012

NORTH CENTRAL HEALTH SERVICES, INC.

BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

ASSETS

	2011	2010
Current assets		
Cash and cash equivalents	$ 24,578,201	$ 22,583,278
Short-term investments	2,229,008	2,823,120
Receivable under securities loan agreements	10,082,345	10,028,203
Net investment in direct financing leases	327,940	472,265
Patient accounts receivable, net of allowance for doubtful accounts in 2011 of $131,263 and in 2010 of $234,851	698,062	967,720
Prepaid expenses and other	91,869	152,552
Interest and dividends receivable	-0-	182,152
Total current assets	38,007,425	37,209,290
Long-term investments	263,227,038	254,741,234
Property and equipment, net	11,857,571	14,599,676
Net investment in direct financing leases	15,701,615	19,145,032
Total assets	$ 328,793,649	$ 325,695,232

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	$ 279,378	$ 427,326
Accrued payroll and related expenses	61,247	65,981
Obligation to return securities	10,082,345	10,028,203
Grants payable - short term	3,099,368	249,811
Total current liabilities	13,522,338	10,771,321
Deferred compensation payable	171,384	149,572
Grants payable-long term	653,351	778,351
Total liabilities	14,347,073	11,699,244
Net assets		
Unrestricted	314,306,815	313,851,412
Temporarily restricted	139,761	144,576
Total net assets	314,446,576	313,995,988
Total liabilities and net assets	$ 328,793,649	$ 325,695,232

See accompanying notes to financial statements.

NORTH CENTRAL HEALTH SERVICES, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Revenues		
Net patient service revenue	$ 1,877,842	$ 2,323,745
Rental income	3,206	453,200
Interest income - direct financing lease	2,605,152	2,646,564
Other revenue	293,226	95,900
Total revenues	4,779,426	5,519,409
Expenses		
Healthcare services	3,482,080	3,515,024
Administrative and general services	732,994	748,599
Rental and property services	389,220	874,529
Depreciation and amortization	442,532	550,533
Bad debts	-0-	145,436
Interest	7,811	25,681
Grant awards	8,222,598	1,377,642
Total expenses	13,277,235	7,237,444
Loss from operations	(8,497,809)	(1,718,035)
Nonoperating income (loss)		
Investment income	15,707,980	9,055,335
Unrealized gain (loss) on investments	(9,230,365)	16,827,683
Gain on disposition of assets and leases	2,475,597	4,255,294
Total nonoperating income	8,953,212	30,138,312
Excess revenues over expenses / change in unrestricted net assets	455,403	28,420,277
Change in temporarily restricted net assets	(4,815)	1,995
Change in net assets	450,588	28,422,272
Net assets, beginning of year	313,995,988	285,573,716
Net assets, end of year	$ 314,446,576	$ 313,995,988

See accompanying notes to financial statements.

NORTH CENTRAL HEALTH SERVICES, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Operating activities		
Change in net assets	$ 450,588	$ 28,422,272
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	442,532	550,533
Bad debts	-0-	145,436
(Gain) loss on deferred financing lease transaction	466,663	(15,340)
Gain on disposition of asset in property transfer	-0-	(4,239,954)
Gain on disposition/granting of assets	(2,942,260)	-0-
Non cash grant expense of building to outside entity	5,000,000	-0-
Net realized and unrealized gains on investments	(932,603)	(20,077,136)
Amortization of direct financing lease interest income	(2,605,152)	(2,646,564)
Changes in		
Patient accounts receivable	269,658	(1,097,131)
Prepaid expenses and other	60,683	3,799
Interest and dividends receivable	182,152	230,159
Accounts payable and accrued expenses	(147,948)	(426,790)
Accrued payroll and related expenses	(4,734)	13,224
Grants payable	2,724,557	(170,925)
Deferred compensation payable	21,812	20,776
Net cash flows from operating activities	2,985,948	712,359
Investing activities		
Purchase of property and equipment	(7,944)	(5,458)
Purchase of investments	(120,494,132)	(268,558,220)
Proceeds from the sale of investments	113,535,043	269,859,487
Proceeds from the sale of property	249,778	-0-
Proceeds from the sale of direct financing lease	2,750,000	4,201,716
Direct financing leases payments received	2,976,230	3,242,638
Net cash flows from investing activities	(991,025)	8,740,163
Financing activities		
Principal payments on long-term debt	-0-	(3,084,656)
Net change in cash and cash equivalents	1,994,923	6,367,866
Cash and cash equivalents, beginning of year	22,583,278	16,215,412
Cash and cash equivalents, end of year	$ 24,578,201	$ 22,583,278
Cash paid for interest	$ 7,811	$ 25,681
Non-cash investing and financing activities		
Fair value step up of property in 2011	$ 5,000,000	$ -0-
Property acquired in nonmonetary transaction in 2010	-0-	9,530,072
Property disposed in nonmonetary transaction	(1,625,464)	(5,290,118)
Net gain on nonmonetary transaction	$ 3,374,536	$ 4,239,954
Securities received in secured lending transaction	$ 10,082,345	$ 10,028,203
Receivables under securities loan agreements	$ (10,082,345)	$ (10,028,203)

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

North Central Health Services, Inc. (the Organization) was incorporated as a not-for-profit organization in 1984, under the laws of the State of Indiana and is a not-for-profit organization as defined by Section 501(c)(3) of the Internal Revenue Code.

During 2010, the Organization purchased Wabash Valley Hospital, an inpatient psychiatric facility. The Organization concurrently contracted the Alliance to manage the operations. The facility has been renamed River Bend Hospital. Management fees paid during 2011 and 2010 were $3,482,080 and $3,484,965, respectively and are recorded in the healthcare services expense line on the statement of operations and changes in net assets. The Organization maintains control of and exercises oversight over the provisions of health care services and related activities at River Bend Hospital. Those activities directly associated with providing health care services through River Bend Hospital are considered to be unrestricted operating activities.

The Organization has provided and intends to continue to provide grants to worthy non-for-profit entities in the Organization's eight (8) county service area that address a wide range of health and quality of life issues.

Certain other unrestricted activities are considered to be nonoperating and principally represent investment income and losses, unrealized gains and losses on investments, and gains and losses from the disposition of assets. Operating and nonoperating activities comprise the Organization's performance indicator of excess revenues over expenses/change in unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers liquid investments, other than those included in certain managed equity investment portfolios, with original maturities of six months or less from date of purchase to be cash equivalents. The Organization maintains its cash in accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Repurchase Agreements

The Organization has entered into repurchase agreements with a financial institution (the Bank) in the approximate amounts of $10,080,000 and $10,028,000 as of December 31, 2011 and 2010, respectively, which are included in cash and cash equivalents. In consideration for the Organization's payment, the Bank sells and assigns securities, mainly governmental, or other pledged assets to the Organization collateralized at 101%. The Bank pays the Organization interest based on a determined rate computed on each agreement. Average interest rates for the two agreements approximated .23% and .58% at December 31, 2011 and 2010, respectively. These secured lending transactions require the Organization to recognize an asset (receivable under securities loan agreements) and an offsetting liability (obligation to return securities).

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Debt securities with a maturity date of one year or less are classified as short-term investments on the balance sheet. The Organizations investments are classified as trading securities.

The Organization invests in certain hedge funds, which are a fund of funds. The Organization utilizes hedge funds to reduce (hedge) the investment risk associated with debt and equity securities and to diversify the investment portfolio in accordance with the Board approved investment policy. Hedge funds may invest and trade in many different markets, strategies and instruments (including securities, non-securities and derivatives) and are not subject to the same regulatory requirements as mutual funds. The hedge funds are carried at fair value as estimated by the fund's manager. Although the manager uses its best judgment in estimating the fair value of the investments in the investment funds, there are inherent limitations in any estimation technique. Therefore, the values presented herein are not necessarily indicative of the amount that the investments funds could realize in a current transaction. These estimated values may differ significantly from the values that would have been used had a ready market for the investments in the investment funds existed and the difference could be material.

The Organization invests in certain private equity investment funds. The private equity funds primarily invest in limited partnerships. The limited partnerships are invested in certain ventures and real estate with various strategies including venture capital, real estate holdings, distressed and mezzanine debt, and buyout strategies. Investments in those limited partnerships are reported at fair value as determined by the individual manager of each partnership. Although the manager uses its best judgment in estimating the fair value of the investments in the investment funds, there are inherent limitations in any estimation technique. Therefore, the values presented herein are not necessarily indicative of the amount that the investments funds could realize in a current transaction. These estimated values may differ significantly from the values that would have been used had a ready market for the investments in the investment funds existed and the difference could be material.

Investment return includes dividends, interest and realized and unrealized gains and losses on investments carried at fair value. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets.

Charitable Remainder Trust

The Organization administers a charitable remainder trust. The charitable remainder trust provides for the payment of distributions to the grantor over the trust's term (the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Organization's use. The portion of the trust attributable to the future interest of the Organization is recorded in the statement of operations as temporarily restricted contributions in the period the trust is established. Assets held in the charitable remainder trust are recorded at fair value in the Organization's balance sheet. On an annual basis, the Organization revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 8.75% and applicable mortality tables. The assets held under trust amount to $80,344 and $85,230 for the years ended December 31, 2011 and 2010, respectively, and are classified within long-term investments. Liabilities exist in the amount of $21,947 for the years ended December 31, 2011 and 2010, respectively, and are classified within accounts payable and accrued expenses.

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset ranging from 5 to 40 years. Donated property and equipment is recorded at fair market value at the time of donation.

Grants Payable

Unconditional grants awarded by the Organization are charged to expense when awarded.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose and consist of a charitable remainder trust, net and funds specifically donated for improving healthcare facilities and patient care.

Pension Plans

Effective January 1, 2001, the Organization adopted a defined-contribution 403(b) pension plan covering all employees.

457(b) Deferred Compensation Plan

The Organization has established an elective 457(b) deferred compensation plan for certain key management or highly compensated employees. Participation in the 457(b) plan is conditioned upon an eligible employee's execution of a Compensation Reduction Agreement. Amounts specified under the Compensation Reduction Agreement are credited to an account maintained for the eligible employee under the 457(b) plan. The deferred amounts along with earning adjustments are recorded as a liability of the Organization.

Performance Indicator and Operating Indicator

The statements of operations and changes in net assets include a performance indicator, excess revenues over expenses/change in unrestricted net assets. The statements of operations and changes in net assets also include an operating indicator, loss from operations. Certain nonoperating items are excluded from the operating indicator including unrealized gain (loss) on investments.

Net Patient Service Revenue

Net patient service revenue is recognized as services are performed and is reported based on charges, net of certain deductions from those charges. Deductions are based on the difference between charges at established rates and amounts estimated by management to be reimbursable by third-party payers. Reimbursable amounts are generally less than the established charges. Final determination of amounts earned for patients is subject to review by appropriate program representatives. Subsequent adjustments arising from such reviews are recorded in the year they become known.

Charity Care

The Organization provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Organization does not collect amounts deemed to be charity care, they are not reported as revenue.

Of the Organization's total healthcare services expense reported, (approximately $3,482,000 and $3,515,000 during the years ended December 31, 2011 and 2010, respectively), an estimated $746,000 and $294,000 arose from providing services to charity patients during the years ended December 31, 2011 and December 31, 2010, respectively.

The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Organization's total expenses (less bad debt expense) divided by gross patient service revenue.

Leasing Arrangements

The Organization leases certain buildings to various health care entities located throughout its service area. Certain property generating operating lease revenue was exchanged during 2010 (See Note 3). Certain leases are classified as a direct financing leases expiring through 2021. A portion of the net investment in direct financing leases was sold during 2011 and 2010 (See Note 6). The net investment in direct financing leases is carried at the gross investment in the lease less unearned income. Unearned income is recognized in such a manner as to produce a constant periodic rate of return on the net investment.

Estimated Malpractice Costs

The Indiana Medical Malpractice Act provides for a maximum recovery of $1,250,000 per occurrence ($7,500,000 annual aggregate) for professional liability, for an act of malpractice, $250,000 of which would be paid through malpractice insurance coverage and the balance would be paid by the State of Indiana Patient Compensation Fund. Insurance coverage is provided on an occurrence basis. Previously, the Organization was insured for malpractice through PHICO Insurance Company. PHICO was placed into liquidation by the Pennsylvania Department of Insurance. Due to the financial circumstances of PHICO, the Organization obtained malpractice coverage through another carrier. The Organization may be liable for the first $250,000 of any pending PHICO claims. A known claim is outstanding that occurred within the timeframe the Organization was covered by PHICO. After consultation with legal counsel, the outcome of the known claim is not determinable at this time.

Income Taxes

The Organization is exempt from income taxes under Section 501(c) (3) of the United States Internal Revenue Code. However, the Organization is required to file Federal Form 990 – Return of Organization from Income Tax, which is an informational return only. The exemption is on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code.

Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2011 and December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Reclassifications

Certain amounts from 2010 have been reclassified in order to conform to the 2011 presentation.

Fair Value of Financial Instruments

The Organization uses various methods and assumptions in estimating the fair value of its financial instruments. Cash and cash equivalents carrying amount approximates fair value based upon short-term maturities. The investments fair value amounts, which are more fully disclosed in Note 5, are generally based upon quoted market prices, if available, or are estimated using quoted market prices for similar quoted market prices for similar securities, among other methods and assumptions. Accounts payable and accrued expenses carrying amount approximates fair value based upon short-term maturities. Net investment in direct financing leases carrying amount includes an estimate of the residual value of the associated property where applicable, which approximates fair value, among other assumptions as are disclosed in Note 6.

Functional Expenses

The costs of providing various program and administrative and general services have been summarized in the statements of operations and changes in net assets. Total program expenses for 2011 and 2010 were $12,544,241 and $6,488,845, respectively. Total administrative and general services for 2011 and 2010 were $732,994 and $748,599, respectively.

Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the balance sheet date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued which is May 17, 2012.

2. PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE

The Organization grants credit to patients, substantially all of whom are local residents. The Organization generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs. Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges net of an allowance for contractual adjustments. The allowance for contractual adjustments is based on expected payment rates from payors based on current reimbursement methodologies. In addition, management estimates an allowance for uncollectible patient accounts receivable based on an evaluation of historical losses, current economic conditions, and other factors unique to the Organization's patient base.

Accounts are determined uncollectible after all third-party payor options have been exhausted and diligent collection efforts have been completed. Write-offs and bad debt recoveries are charged to estimated uncollectible accounts as incurred and realized. Net patient service revenue represents the estimated net realizable amounts from patients, third-party payors, and others for services rendered. The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, discounted charges and per diem payments. Approximately 70% of the gross accounts receivable and revenue relates to the Medicare and Medicaid program.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue as presented in the statement of operations is as follows:

	2011	2010
Inpatient service revenue	$ 5,767,946	$ 5,648,422
Less:		
Charity care	1,235,179	494,232
Contractual allowances	2,654,925	2,830,445
Net patient service revenue	$ 1,877,842	$ 2,323,745

3. PROPERTY AND EQUIPMENT

The Organization's property and equipment as of December 31 is as follows:

	2011	2010
Property and equipment		
Land and land improvements	$ 6,627,301	$ 6,627,301
Buildings and improvements	5,434,504	10,926,700
Equipment	433,535	425,590
Leasehold improvements	431,167	431,167
	12,926,507	18,410,758
Less accumulated depreciation	(1,068,936)	(3,811,082)
	$ 11,857,571	$ 14,599,676

During 2011, the Organization sold a medical office facility, with total cost of buildings and improvements of $1,243,915 and accumulated depreciation of $561,861, for cash in the amount of $249,776; recognizing a loss on sale of $432,278.

The Organization also granted a medical office complex to Riggs Community Health Center (Riggs). The Riggs grant was recognized as a grant award. Buildings and improvements with a cost of $4,248,281 and accumulated depreciation of $2,622,817 were granted in the transaction with a fair market value of $5,000,000. As a result, the gain on the disposition/grant of Riggs was $3,374,536.

During 2010, related to the assumption of the inpatient psychiatric services of Wabash Valley Alliance, Inc., (the Alliance), the Organization exchanged a building with a net book value of $5,290,118 to the Alliance for a building and land with a fair value of $9,530,072, resulting in a gain of $4,239,954.

4. CASH, INVESTMENTS AND INVESTMENT RETURN

The carrying value of the Organization's cash, investments and charitable remainder trust as of December 31, 2011 and 2010 includes:

	2011	2010
Cash and cash equivalents	$ 24,658,545	$ 22,668,508
Certificates of deposit	2,229,008	2,190,750
Government and agency securities	-0-	14,523,607
Corporate bonds	-0-	7,367,009
Fixed income funds	101,261,299	77,747,687
Hedge funds	23,908,469	24,416,806
Private equity funds	14,961,705	13,628,875
Equity funds and other	123,015,221	117,604,390
	$ 290,034,247	$ 280,147,632

The following schedules summarize the investment return and its classification in the statements of operations:

	2011	2010
Interest and dividend income	$ 6,164,463	$ 6,452,515
Realized gains on investments	10,162,968	3,249,453
Investment fees	(619,451)	(646,633)
Investment income	$ 15,707,980	$ 9,055,335
Unrealized gain (loss) on investments	$ (9,230,365)	$ 16,827,683

5. FAIR VALUE MEASUREMENTS

Major classes of assets and liabilities that are measured at fair value are categorized according to a fair value hierarchy that prioritizes the inputs to value 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) and the lowest priority to unobservable inputs (Level 3).

The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of the Organization's investments that fall under each category and the valuation methodologies used to measure these investments at fair value.

Level 1 Fair Value Measurements

Inputs to the valuation methodology are quoted prices available in the active markets for identical investments as of the reporting date.

The fair value of mutual funds is based on quoted net asset values of the shares held by the Organization at year-end. The net asset value is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding. The net asset value is quoted in an active market.

The fair value of equities and the mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

Level 2 Fair Value Measurements

Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value can be determined through the use of models or other valuation methodologies.

The fair values of the individual corporate and governmental bonds are valued using a service as reported on the active market.

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

For private equity limited partnerships and hedge funds, fair value is estimated based upon the Organization's percentage ownership of the net asset value as reported to the Organization on a monthly basis. In addition, the Organization monitors the overall financial performance of the limited partnerships and hedge funds by reviewing the limited partnership's financial statements and other information on an ongoing basis.

The preceding methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

Assets and liabilities measured at fair value as of December 31, 2011 and 2010 are as follows:

	2011			
Description	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
on a recurring basis				
Equity funds				
SSGA emerging markets	$ 7,343,178	$ 7,343,178	$ -0-	$ -0-
Value equity	33,618,992	33,618,992	-0-	-0-
Small cap equity	5,845,944	5,845,944	-0-	-0-
International equity	33,850,291	33,850,291	-0-	-0-
Growth equity	36,486,525	36,486,525	-0-	-0-
Fixed income funds				
Vanguard fixed income inflation protected	30,698,320	30,698,320	-0-	-0-
M/ABS fixed income	15,823,681	15,823,681	-0-	-0-
High yield	23,915,398	23,915,398	-0-	-0-
Government fixed income	17,081,106	17,081,106	-0-	-0-
Corporate fixed income	13,742,794	13,742,794	-0-	-0-
Other				
Real estate	5,870,291	5,870,291	-0-	-0-
Private equity funds				
Private equity offshore fund VII LP	2,407,514	-0-	-0-	2,407,514
Private equity V offshore	5,774,922	-0-	-0-	5,774,922
Private equity offshore fund VI LTD	6,779,269	-0-	-0-	6,779,269
Hedge funds				
Absolute return offshore fund	9,886,555	-0-	-0-	9,886,555
Total return offshore	14,021,914	-0-	-0-	14,021,914
	263,146,694	$ 224,276,520	$ -0-	$ 38,870,174
Cash equivalents	24,578,201			
Restricted cash	80,344			
Certificates of deposit *	2,229,008			
Total investments	$ 290,034,247			
* Certificates of deposit are carried at contract value				
Liabilities measured at fair value on a recurring basis				
Deferred compensation payable	$ 171,384	$ -0-	$ 171,384	$ -0-
Charitable remainder trust	21,947	-0-	21,947	-0-
	$ 193,331	$ -0-	$ 193,331	$ -0-

	2010			
Description	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
on a recurring basis				
Corporate bonds				
Asset backed	$ 1,678,778	$ -0-	$ 1,678,778	$ -0-
Bank corporate bonds	599,906	-0-	599,906	-0-
Finance & insurance	2,129,923	-0-	2,129,923	-0-
Industrial	1,223,932	-0-	1,223,932	-0-
Oil & coal	275,680	-0-	275,680	-0-
Telephone	286,030	-0-	286,030	-0-
Transportation	117,125	-0-	117,125	-0-
Utility (electric)	477,480	-0-	477,480	-0-
Utility (gas)	105,799	-0-	105,799	-0-
Miscellaneous	10,931	-0-	10,931	-0-
Government bonds				
US Treasuries	5,865,681	-0-	5,865,681	-0-
US Agencies	8,657,926	-0-	8,657,926	-0-
Other bonds				
Canadian	40,169	-0-	40,169	-0-
Foreign	100,752	-0-	100,752	-0-
Private placements	320,504	-0-	320,504	-0-
Equity funds				
SSGA emerging markets	6,911,704	6,911,704	-0-	-0-
Value equity	26,893,645	26,893,645	-0-	-0-
Small cap equity	6,672,768	6,672,768	-0-	-0-
International equity	33,857,840	33,857,840	-0-	-0-
Growth equity	31,954,254	31,954,254	-0-	-0-
Fixed income funds				
High yield	18,919,832	18,919,832	-0-	-0-
M/ABS fixed income	7,860,500	7,860,500	-0-	-0-
Corporate fixed income	6,243,013	6,243,013	-0-	-0-
Government fixed income	8,206,996	8,206,996	-0-	-0-
Vanguard fixed inc inflation protected	36,517,346	36,517,346	-0-	-0-
Other				
Real estate	11,314,179	11,314,179	-0-	-0-
Private equity funds				
Private equity offshore fund VII LP	1,905,905	-0-	-0-	1,905,905
Private equity V offshore	5,873,809	-0-	-0-	5,873,809
Private equity offshore fund VI LTD	5,849,161	-0-	-0-	5,849,161
Hedge funds				
Absolute return offshore fund	9,830,016	-0-	-0-	9,830,016
Total return offshore	14,586,790	-0-	-0-	14,586,790
	255,288,374	$ 195,352,077	$ 21,890,616	$ 38,045,681
Cash equivalents	22,583,278			
Restricted cash	85,230			
Certificates of deposit*	2,190,750			
Total investments	$ 280,147,632			
Assets measured at fair value				
on a non-recurring basis				
Property acquired in				
nonmonetary transaction	$ 9,530,072	$ -0-	$ -0-	$ 9,530,072
* Certificates of deposit are carried at contract value				
Liabilities measured at fair value on a recurring basis				
Deferred compensation payable	$ 149,572	$ -0-	$ 149,572	$ -0-
Charitable remainder trust	21,947	-0-	21,947	-0-
	$ 171,519	$ -0-	$ 171,519	$ -0-

The fair value of the property acquired in the nonmonetary transaction during 2010, which is measured on a non-recurring basis, is based upon the most recent valuation performed in conjunction with the current property tax assessment and is comprised of land in the amount of $4,741,872 and building in the amount of $4,788,200.

The following is a progression of the Level 3 investments measured at fair value on a recurring basis for the years ended December 31, 2011 and 2010.

	2011		2010	
	Private Equity	Hedge Funds	Private Equity	Hedge Funds
Balance, beginning of year	$ 13,628,875	$ 24,416,806	$ 10,081,651	$ 23,590,104
Realized gains included in earnings	417,769	-0-	496,857	-0-
Unrealized gains (losses) included in earnings	1,197,085	(508,337)	500,472	826,702
Sales	(1,016,285)	-0-	(623,643)	-0-
Purchases	734,261	-0-	3,173,538	-0-
Balance, end of year	$ 14,961,705	$ 23,908,469	$ 13,628,875	$ 24,416,806

6. NET INVESTMENT IN DIRECT FINANCING LEASES

The Organization leases certain medical buildings to tenants with various terms extending through 2021 which are accounted for as direct financing leases. During 2010, the Organization sold a portion of the net investment in direct financing leases for $4,201,716 with a carrying value of $4,186,376 resulting in a gain of $15,340. During 2011, the Organization sold a portion of the net investment in direct financing leases for $2,750,000 with a carrying value of $3,216,663 resulting in a loss of $466,663.

The net investment in direct financing leases consists of the following as of December 31:

	2011	2010
Total minimum lease payments receivable	$ 21,025,056	$ 27,530,512
Estimated residual value of buildings (unguaranteed)	22,947,000	26,000,000
Less unearned interest income	(27,942,501)	(33,913,215)
Net investment in direct financing leases	$ 16,029,555	$ 19,617,297

At December 31, 2011, the future minimum lease payments receivable were as follows for the years ending December, 31:

2012	$	2,794,589
2013		2,840,160
2014		2,728,468
2015		2,298,538
2016		2,348,336
Thereafter		8,014,965
Future minimum lease payments	$	21,025,056

The carrying amount of the direct financing leases is a reasonable estimate of fair value. The Organization periodically reviews the unguaranteed residual value of the leased building.

Interest income earned for 2011 and 2010 was $2,605,152 and $2,646,564, respectively.

7. OPERATING LEASES

The Organization is involved in leasing activities related to medical office space for health care entities under operating lease arrangements. During 2010, the Organization exchanged certain property which was under an operating lease with Wabash Valley Alliance, Inc. (Note 3). The remaining lease arrangements expired during 2010. The Organization is in the process of strategically evaluating future operating leasing activities.

8. COMMITMENTS AND CONTINGENCIES

General Litigation

In addition to malpractice, the Organization is subject to claims and lawsuits, which arise, primarily in the ordinary course of conducting operations. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the Organization.

Investment in Direct Financing Lease

The Organization has estimated the fair market value of certain real estate at the end of its leases. This estimate affects the calculated investment in direct financing leases as well as the interest income recognized from the leases on an annual basis. The Organization periodically reviews its estimate of the unguaranteed residual value in the leased building. To the extent, it was determined that an other than temporary decline had occurred in the residual value, the Organization would recognize the decline as a charge in the period the change in estimate was made.

Repurchase Agreements

The Organization has entered into repurchase agreements in the approximate amounts of $10,080,000 and $10,028,000 as of December 31, 2011 and 2010, respectively, which are included in cash and cash equivalents. These secured lending agreements are not considered deposits and thus not insured by the Federal Deposit Insurance Corporation (FDIC). In addition, these agreements are subject to certain risks, including market value risk of the underlying securities and the credit risk of the associated bank.