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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
AULTMAN HEALTH FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2600 SIXTH STREET SW

City or town, state or country, and ZIP + 4
CANTON, OH 44710

D Employer identification number
34-1445390

E Telephone number
(330) 363-6352

G Gross receipts $ 37,782,086

F Name and address of principal officer
MARK WRIGHT
2600 SIXTH STREET SW
CANTON, OH 44710

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: ▶ N/A

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

L Year of formation 1975

M State of legal domicile OH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF AULTMAN HEALTH FOUNDATION IS TO "LEAD OUR COMMUNITY TO IMPROVED HEALTH "

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

Activities & Governance	**3** Number of voting members of the governing body (Part VI, line 1a)	**3**	41
	4 Number of independent voting members of the governing body (Part VI, line 1b)	**4**	36
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	265
	6 Total number of volunteers (estimate if necessary)	**6**	0
	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)	38,171,802	37,396,428
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,148,246	122,349
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	54,811	250,994
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	43,374,859	37,769,771
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,066,575	1,135,630
	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)	18,811,919	20,239,853
	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)	35,058,762	24,370,248
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	54,937,256	45,745,731
	19 Revenue less expenses Subtract line 18 from line 12	-11,562,397	-7,975,960

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	161,909,186	246,457,735
	21 Total liabilities (Part X, line 26)	65,675,091	17,359,858
	22 Net assets or fund balances Subtract line 21 from line 20	96,234,095	229,097,877

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

****** 2012-11-15
Signature of officer — Date

MARK WRIGHT CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Joyce A Dulworth | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: BKD LLP, 200 E Main St Suite 700, Fort Wayne, IN 46802 | EIN ▶ | Phone no ▶ (260) 460-4000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF AULTMAN HEALTH FOUNDATION IS TO "LEAD OUR COMMUNITY TO IMPROVED HEALTH " THE VERTICALLY INTEGRATED HEALTH SYSTEM OF AULTMAN HOSPITAL AND AULTCARE HEALTH PLANS ENABLE AULTMAN TO BE ONE OF THE LOWEST-COST HEALTH CARE PROVIDERS IN NORTHEASTERN OHIO LOWER COSTS HELP LOCAL BUSINESSES STAY FINANCIALLY HEALTHY AND MAINTAIN GOOD JOBS IN OUR COMMUNITY IN ADDITION TO PROVIDING HIGH-QUALITY, LOW-COST HEALTH CARE, AULTMAN HEALTH FOUNDATION PROVIDES HEALTH EDUCATION FOR THE COMMUNITY THE WELLNESS ON WHEELS (WOW) MOBILE HEALTH-FAIR UNIT PROVIDES HEALTH SCREENINGS AND WELLNESS EDUCATION FOR OUR COMMUNITY, REACHING MORE THAN 12,500 PEOPLE AT 150 EVENTS

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 $ 6,231,158 including grants of $) (Revenue $ 8,268,505)

THE ACUTE CARE SPECIALTY HOSPITAL, LOCATED ON THE MAIN AULTMAN CAMPUS, PROVIDES LONG-TERM ACUTE CARE FOR PATIENTS WITH MEDICALLY COMPLEX CONDITIONS PATIENTS' AVERAGE LENGTH OF STAY IS 25 DAYS, AND THEY ARE TYPICALLY TRANSFERRED FROM AULTMAN ICU OR STEP-DOWN UNITS OR OTHER LOCAL HOSPITALS IN 2011, 202 PATIENTS WERE CARED FOR AT THE ACUTE CARE SPECIALTY HOSPITAL THE ACUTE CARE SPECIALTY HOSPITAL'S QUALITY PROGRAM HAS BEEN ENHANCED IN THE AREAS OF IMPROVED PREVENTION OF SKIN BREAKDOWN, VENTILATOR-ASSOCIATED PNEUMONIA, LINE SEPSIS, AND CLOSTRIDIUM DIFFICILE

4b (Code) (Expenses $ 13,007,389 including grants of $) (Revenue $ 5,290)

SYSTEMS AND TECHNOLOGY WITH NEARLY 76 FULL-TIME EMPLOYEES, THE AULTMAN SYSTEMS AND TECHNOLOGY DEPARTMENT PROVIDES THE TECHNICAL INFRASTRUCTURE FOR BUSINESS AND CLINICAL SYSTEMS THROUGHOUT AULTMAN HOSPITAL, ITS SATELLITE FACILITIES, AND SUBSIDIARIES THE SYSTEMS AND TECHNOLOGY TEAM HANDLES EVERYTHING RELATED TO INFORMATION TECHNOLOGY AT AULTMAN HEALTH FOUNDATION - INCLUDING HARDWARE, SOFTWARE DATA SECURITY, AND INTERNAL CUSTOMER SUPPORT

4c (Code) (Expenses $ 3,045,056 including grants of $) (Revenue $ 35,931)

HUMAN RESOURCES THE 26-MEMBER AULTMAN HEALTH FOUNDATION HUMAN RESOURCES DEPARTMENT PROVIDES SUPPORT SERVICES RELATIVE TO EMPLOYEE BENEFITS, COMPENSATION, EDUCATION AND DEVELOPMENT, EMPLOYEE RECRUITING, NEW-HIRE ORIENTATION, DIVERSITY AND INCLUSION, EMPLOYEE EVENTS AND WORKPLACE SAFETY

4d Other program services (Describe in Schedule O)

(Expenses $ 15,432,311 including grants of $) (Revenue $ 29,086,702)

4e **Total program service expenses** ▶ $ 37,715,914

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		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		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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	Yes	
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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, 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**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
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**	Yes	
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**	78		
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**	265			
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**	Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ, EI 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**		No
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** 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	41		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	36		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	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	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		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 ▶

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 ▶

MARK WRIGHT
2600 SIXTH ST SW
CANTON, OH 44710
(330) 363-6192

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								2,916,083	1,668,011	253,326

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 ▶ 20

			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
SQUIRE SANDERS DEMPSEY LLP PO BOX 643051 CINCINNATI, OH 452643051	LEGAL	3,079,101
QCS CLEANING SOLUTIONS PO BOX 752 MASSILLON, OH 44648	CLEANING SERVICES	166,845
RICE'S NURSERY LANDSCAPING 1651 55TH STREET NORTHEAST CANTON, OH 44721	LANDSCAPING	108,287
CANTON DATA PRINT 2617 CLEVELAND AVENUE NW CANTON, OH 44709	PRINT SERVICES	163,897
BRUNER-COX LLP PO BOX 35429 CANTON, OH 44735	ACCOUNTING FEES	153,177

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 ▶ 32

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 . . . . . ▶	0			
Program Service Revenue		Business Code				
	2a	HEALTH SYSTEM ADMINISTRATION 561000	28,695,590	28,695,590		
	b	COMMUNITY HEALTH EDUCATION 561000	81,570	81,570		
	c	PROPERTY MANAGEMENT REVENUE 561000	1,429,055	1,429,055		
	d	PATIENT SERVICE REVENUE 561000	7,190,213	7,190,213		
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	37,396,428			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	122,349			122,349
	4	Income from investment of tax-exempt bond proceeds . . ▶	0			
	5	Royalties . . . . . ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses 12,315				
	c	Rental income or (loss) -12,315				
	d	Net rental income or (loss) . . . . . ▶	-12,315			-12,315
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . . ▶	0			
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶	0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . . ▶	0			
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶	0			
		Miscellaneous Revenue / Business Code				
	11a	UNIFORM SALES 561000	101,504			101,504
	b	OTHER REVENUE 561000	161,805			161,805
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	263,309			
	12	**Total revenue.** See Instructions . . . ▶	37,769,771	37,396,428		373,343

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	1,135,630	1,135,630		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,987,159	1,629,470	357,689	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	14,647,913	12,011,289	2,636,624	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	491,540	403,063	88,477	
9	Other employee benefits	1,939,189	1,590,135	349,054	
10	Payroll taxes	1,174,052	962,723	211,329	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	4,515,967	3,703,093	812,874	
c	Accounting	192,078	157,504	34,574	
d	Lobbying	108,250	88,765	19,485	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	6,300,826	5,166,677	1,134,149	
12	Advertising and promotion	164,910	135,226	29,684	
13	Office expenses	1,392,667	1,141,987	250,680	
14	Information technology	7,852,412	6,438,978	1,413,434	
15	Royalties . .	0			
16	Occupancy	1,462,056	1,198,886	263,170	
17	Travel	306,695	251,490	55,205	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,211	993	218	0
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	696,463	571,100	125,363	
23	Insurance	352	289	63	
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	MEDICAL SUPPLIES	1,023,810	839,524	184,286	
b	EDUCATION	128,990	105,772	23,218	
c	OHIO HOSPITAL FRANCHISE FEE	75,612	62,002	13,610	
d	MISCELLANEOUS	147,949	121,318	26,631	
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	45,745,731	37,715,914	8,029,817	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		0	1	0
	2	Savings and temporary cash investments		7,819,698	2	5,874,883
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		1,281,850	4	4,960,826
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		5,885,334	7	1,079,167
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		1,309,969	9	1,264,815
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 16,144,220			
	b	Less accumulated depreciation	10b 4,844,232	11,636,452	10c	11,299,988
	11	Investments—publicly traded securities		0	11	75,774,760
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		131,095,883	13	143,683,296
	14	Intangible assets		2,880,000	14	2,520,000
	15	Other assets See Part IV, line 11		0	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		161,909,186	16	246,457,735
Liabilities	17	Accounts payable and accrued expenses		3,546,394	17	6,065,649
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		62,128,697	25	11,294,209
	26	**Total liabilities.** Add lines 17 through 25		65,675,091	26	17,359,858
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		96,234,095	27	229,097,877
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		96,234,095	33	229,097,877
	34	Total liabilities and net assets/fund balances		161,909,186	34	246,457,735

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	37,769,771
2	Total expenses (must equal Part IX, column (A), line 25)	2	45,745,731
3	Revenue less expenses Subtract line 2 from line 1	3	-7,975,960
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	96,234,095
5	Other changes in net assets or fund balances (explain in Schedule O)	5	140,839,742
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	229,097,877

Part XII Financial Statements and Reporting

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

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

Employer identification number
34-1445390

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)**		No
(ii) a family member of a person described in (i) above? **11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		No

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?
(A) AULTMAN HOSP	340714538	03	Yes		Yes		Yes		0
Total									0

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

AULTMAN HEALTH FOUNDATION (AHF) WAS FORMED TO HANDLE THE OVERALL MANAGEMENT FOR AULTMAN HOSPITAL (AH) AND AHF'S SUBSIDIARIES THIS STRUCTURE IS COMMON TO MANY HEALTH CARE SYSTEMS AHF PERFORMS ACTIVITIES THAT DIRECTLY AND INDIRECTLY IMPACT AH SPECIFICALLY IDENTIFYING THOSE EXPENSES RELATED TO AH WOULD BE DIFFICULT TO QUANTIFY AS SUCH, AHF HAS NOT REPORTED ANY DIRECT EXPENSES ON SCHEDULE A PART I THERE IS A CLOSE WORKING RELATIONSHIP BETWEEN AHF AND AH AND SUBSTANTIAL RESOURCES OF AHF ARE COMMITTED TO FURTHERING THE AH MISSION

Additional Data

Software ID:
Software Version:
EIN: 34-1445390
Name: AULTMAN HEALTH FOUNDATION

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
EDWARD J ROTH III CEO & PRESIDENT	50.0	X		X				525,281	0	19,325
RICK L HAINES DIRECTOR	1.0	X						0	352,955	19,298
CHRISTOPHER E REMARK TREASURER	5.0	X		X				0	295,299	17,193
LEO E DOYLE DIRECTOR	1.0	X						0	0	0
T STEPHEN GREGORY CHAIRMAN	1.0	X		X				0	0	0
DAVID W BARTLEY II DIRECTOR	1.0	X						0	0	0
WILLIAM H BELDEN JR DIRECTOR	1.0	X						0	0	0
BARBARA HAMMONTREE BENNETT DIRECTOR	1.0	X						0	0	0
SHEILA MARKLEY BLACK ESQ DIRECTOR	1.0	X						0	0	0
THEODORE V BOYD DIRECTOR	1.0	X						0	0	0
STEPHEN G DEUBLE DIRECTOR	1.0	X						0	0	0
DARRYL J DILLENBACK DIRECTOR	1.0	X						0	0	0
MILAN R DOPIRAK MD DIRECTOR/PHYSICIAN	1.0	X						0	400,081	13,550
GLENN A EISENBERG DIRECTOR	1.0	X						0	0	0
DAVID M FINDLEY DIRECTOR	1.0	X						0	0	0
NORMAN J GAYNOR III DIRECTOR	1.0	X						0	0	0
PATRICIA A GRISCHOW DIRECTOR	1.0	X						0	0	0
JOSEPH R HALTER JR VICE CHAIRMAN	1.0	X		X				0	0	0
MICHAEL E HANKE DIRECTOR	1.0	X						0	0	0
JOHN B HUMPHREY JR MD DIRECTOR/PHYSICIAN	1.0	X						0	0	0
JAMES E KNISLEY DIRECTOR	1.0	X						0	0	0
GEORGE W LEMON DIRECTOR	1.0	X						0	0	0
GENE E LITTLE DIRECTOR	1.0	X						0	0	0
RONALD R LYONS DIRECTOR	1.0	X						0	0	0
HARRY C MACNEALY DIRECTOR	1.0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEVEN OAKLAND DIRECTOR	1 0	X						0	0	0
MARC L SCHNEIDER DIRECTOR	1 0	X						0	0	0
LOUIS G SHAHEEN MD DIRECTOR	1 0	X						0	0	0
DOUGLAS J SIBILA 2ND VICE CHAIR & SECY	1 0	X		X				0	0	0
VICKY L STERLING DIRECTOR	1 0	X						0	0	0
R CLINT ZOLLINGER ESQ DIRECTOR	1 0	X						0	0	0
PRABHCHARAN P GILL MD DIRECTOR/PHYSICIAN	1 0	X						0	619,676	20,071
PAUL R BISHOP DIRECTOR	1 0	X						0	0	0
LISA WARBURTON GREGORY DIRECTOR	1 0	X						0	0	0
JEFFERY MILLER MD DIRECTOR/PHYSICIAN	1 0	X						0	0	0
ROBERT SABOTA MD DIRECTOR/PHYSICIAN	1 0	X						0	0	0
JOHN A SIRPILLA DIRECTOR	1 0	X						0	0	0
TODD SOMMER DIRECTOR	1 0	X						0	0	0
BRIAN BELDEN DIRECTOR	1 0	X						0	0	0
MICHAEL RICH MD DIRECTOR	1 0	X						0	0	0
WILLIAM WALLACE MD DIRECTOR	1 0	X						0	0	0
EILEEN F GOOD CEO - POST ACUTE SERVICES	5 0			X				276,955	0	15,171
MARK D WRIGHT CHIEF FINANCIAL OFFICER - AHF	50 0			X				304,025	0	16,478
MARK N ROSE MD JD VICE PRESIDENT LEGAL SERVICES	55 0				X			236,252	0	16,578
ELIZABETH A GETZ CHIEF INFO SYSTEMS OFFICER	50 0				X			196,330	0	14,493
SUSAN OLIVERA VP HUMAN RESOURCES	50 0				X			174,931	0	13,319
NICOLE M KOLACZ VICE PRESIDENT	40 0				X			165,713	0	12,306
RONALD R RUSNAK MD DIRECTOR-CLINICAL INFORMATICS	5 0					X		289,485	0	16,478
TIMOTHY S REGULA INTERNAL AUDIT COMPLIANCE	50 0					X		162,913	0	14,784
FRANCIS J SNYDER VICE PRESIDENT	50 0					X		222,929	0	18,245

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
TIMOTHY M TEYNOR VP PUBLIC POLICY	50.0					X		200,027	0	14,768
REBECCA J CROWL PRESIDENT - COLLEGE OF NURSING	55.0					X		161,242	0	11,269

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

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

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

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

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

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

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

Name of the organization	Employer identification number
AULTMAN HEALTH FOUNDATION	34-1445390

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		108,250
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			108,250
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE C	PART II-B, LINE 1G	ONE EMPLOYEE CONDUCTS LOBBYING ACTIVITIES ON BEHALF OF THE ORGANIZATION

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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
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,579,436		6,579,436
b Buildings		6,323,682	2,844,425	3,479,257
c Leasehold improvements				
d Equipment		2,758,552	1,554,294	1,204,258
e Other		482,550	445,513	37,037
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				11,299,988

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
(1) INVESTMENT IN AFFILIATES	143,683,296	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	143,683,296	

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	0
ACCRUED CONTINGENCY-LEGAL	10,100,000
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,194,209
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	11,294,209

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	37,769,771
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	45,745,731
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-7,975,960
4	Net unrealized gains (losses) on investments	4	-1,254,720
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	142,094,462
9	Total adjustments (net) Add lines 4 - 8	9	140,839,742
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	132,863,782

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	36,774,375
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-1,254,720		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	259,324		
e	Add lines **2a** through **2d**			2e	-995,396
3	Subtract line **2e** from line **1**			3	37,769,771
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	37,769,771

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

1	Total expenses and losses per audited financial statements			1	45,745,731
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	45,745,731
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	45,745,731

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
ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES	FIN 48 FOOTNOTE FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS	WHEN TAX RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD BE ULTIMATELY SUSTAINED IN ACCORDANCE WITH THE INCOME TAXES TOPIC OF THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION, THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE FINANCIAL STATEMENT IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY TAX POSITIONS TAKEN ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS TAX POSITIONS THAT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50% LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS RECORDED AS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS
RECONCILIATION	PART XI, LINE 8	INTERCOMPANY TRANSFER $68,053,155 TRANSFER OF ASSETS FROM ADI $73,781,982 ADJUSTMENT TO PAID IN CAPITAL $271,639 AFFILIATE REVENUE ($12,315) TOTAL 142,094,462 PART XII, LINE 2D AFFILIATE REVENUE ($12,315) ADJUSTMENT TO PAID IN CAPITAL $271,639

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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
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

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 _____ %	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 0 %	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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)						
b Medicaid (from Worksheet 3, column a)			739,911	913,708	-173,797	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			739,911	913,708	-173,797	
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			739,911	913,708	-173,797	

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						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with 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	3,596,566		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,894,363		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	702,203		
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

	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	ACUTE CARE SPECIALTY HOSPITAL OF AULTMAN 2600 SIXTH STREET SW CANTON,OH 44710	X								ACUTE CARE

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)

ACUTE CARE SPECIALTY HOSPITAL OF AULTMAN

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		
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 100%			
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 __%			
	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	Yes	
	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, LINE 3C		AULTMAN HEALTH FOUNDATION IS THE PARENT COMPANY OF ACUTE CARE SPECIALTY HOSPITAL AT AULTMAN (ACSH THEREAFTER) ACSH HAS A FINANCIAL ASSISTANCE POLICY (FAP) WHICH HAS THE SAME PROVISIONS AS THE POLICY FOR AULTMAN HOSPITAL AND OTHER FACILITIES WITHIN AULTMAN HEALTH FOUNDATION ACCORDING TO THE POLICY ALL MEDICALLY NECESSARY SELF PAY PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE ELIGIBILITY CRITERIA IS BASED ON THE FEDERAL POVERTY GUIDELINES (FPG) AND ARE UPDATED ANNUALLY BASED ON THE UPDATES PUBLISHED BY THE UNITED STATES HEALTH AND HUMAN SERVICES THE PERCENT OF ASSISTANCE PROVIDED IS DETERMINED ON AS SLIDING SCALE AS FOLLOWS 0% TO 100% OF FPG RECEIVES A 100% DISCOUNT, 101% TO 150% OF FPG IS DISCOUNTED 90%, 151% TO 200% IS DISCOUNTED 80%, 201% TO 250% IS DISCOUNTED 65%, 251% TO 300% IS DISCOUNTED 55%, 301% TO 350% IS DISCOUNTED 45%, 351% TO 400% IS DISCOUNTED 35%, AND 401% AND ABOVE IS DISCOUNTED 30%

Identifier	ReturnReference	Explanation
PART I, LINE 6A		Aultman Health Foundation, the parent company, publishes annually its annual report which includes all related organizations' programs and services designed to lead the community to improved health and promote healthy lifestyles This report is available on Aultman's website

Identifier	ReturnReference	Explanation
PART I, LINE 7		THE ORGANIZATION USED THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H

Identifier	ReturnReference	Explanation
PART III, LINE 4A		Patients referred to ACSH are referred here because their illnesses are complex and will require long-term critical care Most of the patients with such complex illnesses are elderly and have chronic as well as acute illness and are able to qualify for Medicare or Medicaid If the patient meets the health criteria for admissions into a Long Term Acute Care facility, ACSH accepts the patient regardless of their ability to pay Patients are often considered self-pay patients at the time of admission and then through our Outreach program these patients are usually able to qualify for Medicaid or some other form of assistance Because of this, ACSH had no charity care or bad debt expense in 2011 The organization does have a Financial Assistance Policy which has the same provisions as the policy for any other facility within the Aultman Health Foundation

Identifier	ReturnReference	Explanation
PART III, LINE 8A		ACHS does not have a shortfall with its Medicare patients The costing methodology used in determining the amount reported in line 6 is the Medicare cost report

Identifier	ReturnReference	Explanation
PART III, LINE 9B		ACSH follows the same collection procedures outlined in the parent companys collection policy For those patients known to qualify for charity care or financial assistance, the organization repeatedly offers patients access to financial help during their hospital stay and after as well as with each billing notice Bills are sent to a collection agency as a last resort and only when patients have the ability to pay some portion of their healthcare expenses but decline to do so, when patients decline to work with the organization to determine if they qualify for free or discounted care via federal, state, local or hospital assistance programs, or when the organization is unable to locate the patient or person responsible for the bill PART V, LINE 19D A SLIDING SCALE IS USED TO DETERMINE TEH MAXIMUM AMOUNTS THAT CAN BE CHARGED TO FAP-ELIGIBLE INDIVIDUALS FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		Aultman Hospital assesses the community's health care needs a variety of ways We study protocol volume and patient satisfaction surveys We document the medical conditions thousands of community members and medical staff members inquire about in our Sharon Lane Health Center health library We track attendance at the more than 100 "Health Talk" presentations held each year to determine what topics are of most interest to the community In 2011, Aultman collaborated with area hospitals and health care facilities to conduct a community health survey The goal was to gauge the health status and health habits of Stark County residents - and identify areas where Aultman can improve the health of our community Fifteen questions were included on the poll of 1,067 Stark County households The survey showed access to health insurance coverage and health care as the top priority, along with obesity and lack of healthy lifestyle choice, other areas of concern were prescription drug misuse, larger need for mental health services, and greater access to dental care The hospital is currently in the process of developing its implementation plan

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		If able, at the time of registration patients are asked to fill out the hospital care assurance program application which includes contact information for questions and assistance in completing the forms Signs and applications are posted at all points of admissions informing patients of the free care programs which are available In 2010, the application was added to the internet for easy patient access Aultmans Outreach department assists self pay inpatients with the Medicaid process and other programs under which they are eligible for assistance Patients who are unable to be screened during their stay receive follow up assistance with qualifying for the assistance program that most appropriately fits their financial needs The application and contact information for the Outreach department is printed on the back of every statement

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		ACSH encourages its employees and board members to be actively involved in the community The organization has eleven board members who all work and primarily reside within the community The board members are actively involved in the community to be representatives of the communitys interests in health care services The Medical Staff is comprised of 243 physicians Any physician in good standing within Aultman Hospitals Medical Staff and with an appropriate specialty to care for medically complex patients may apply for privileges at ACSH ACSH' service area includes Stark, Wayne, Holmes, Carroll and Tuscarawas counties The core market for the hospital is Stark county The Ohio Department of Development estimated the 2011 population of our five county area to be over 654,000 The organization is one of only 3 facilities wihtin the 5 county area who are considered long-term acute care facilities and who provide the specialization needed to care for patients with such complex medical contitions

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		ACSH is a wholly owned subsidiary of Aultman Health Foundation Aultman Health Foundation supports and promotes the health of its community members in a variety of ways From educa tional programs to health screenings, Aultman actively promotes health and wellness in the community Educational programs include more than 100 free Health Talk presentations each year and access to medical information through the Sharon Lane Health Information Center Additional health resources include the A D A M illustrated health encyclopedia on the A ultman website and community health presentations offered by nurses with the Aultman WOW m obile health-fair unit In 2011, Aultman encouraged members of the community to take a pro active approach to their health The online Health Assessment Center at www aultman org of fered free risk assessments for heart disease (HeartAware), joint problems (JointAware), b reast, lung, prostate and colorectal cancer (CancerAware), and sleep disorders (SleepAware) Participants received customized reports based on the responses provided during the ass essment Those at high risk for health problems were invited for a personal consultation o r group presentation with Aultman health professionals In 2011, a total of 615 members of the community completed "Aware" risk assessments - and 174 people took advantage of the f ree follow-up consultations Additional outreach efforts CONSIST OF A diabetes health fair and "Wear Red" events to promote women's heart health Aultman representatives also atten ded health fairs throughout the year, including Senior Citizens' Day at the Pro Football H all of Fame, the Canton Farmers' Market, the Senior Expo and health fairs at local schools Through the Safety First program, Aultman is striving to keep our community's kids safe by preventing head trauma and other bike-related injuries In 2011, Aultman volunteers vis ited 84 Stark County schools and taught more than 200 classes The safety lesson - which r eached approximately 5,000 students - included topics such as the importance of wearing a bike helmet and other safety gear, obeying traffic signs and signals, and using hand signa ls In addition to the in-class education, each student received a free bicycle safety boo klet and bike helmet Since the program's inception in 2005, Safety First has reached abou t 22,000 students with free helmets and the important message of bicycle safety Aultman's Level III Neonatal Intensive Care Unit, designated by the Ohio Department of Health, is a transfer hospital for the aforementioned counties and Coshocton and Columbiana counties Aultman provides specialized care for mothers with high-risk pregnancies and premature bab ies In 2011, Aultman collaborated with Northeastern Ohio Universities Colleges of Medicin e and Pharmacy (NEOUCOM) and Aultman College of Nursing and Health Sciences to provide a d ay of education and activities for minority high school students interested in becoming ph ysicians, pharmacists or nurses The Minority Medical Career Symposium included presentati ons from health care professionals, a panel discussion, a career fair and tours of Aultman College and the Aultman Pharmacy More than two dozen local high school students attended Critically injured patients who need specialized care are brought to Aultman's Level II Trauma Center Aultman Hospital has the only Level II trauma center for adult and pediatri c patients in its five-county service area The Level II designation from the American Col lege of Surgeons certifies Aultman has the facilities, technology and specially trained cl inical staff to treat trauma patients The Aultman Trauma Center was re-verified as a Leve l II center in 2011 Aultman's WOW mobile health-fair unit debuted in February 2009 Staff ed by medical professionals, the WOW van visits schools, community centers, churches, seni or centers and block parties to provide free screenings and health education Screenings s uch as blood pressure checks, height, weight and Body Mass Index/percentage of body fat ar e provided In 2011, the WOW van has reached more than 21,000 people In 2011, Aultman Hea lth Foundation contributed to the betterment of the Stark County community with the follow ing activities Health Vision 2020 Aultman launched its Health Vision 2020 initiative in r esponse to a national study (http //www countyhealthrankings org) that ranked every U S c ounty based on factors ranging from low birth weight to diet and exercise to education and unemployment Stark County ranked 44 out of Ohio's 88 counties in current health outcomes and 37 in future health based on current actions Wanting to make a measurable impact in those health rankings, the Aultman Health Vision 2020 committee targeted tobacco use and o besity in 2011 Aultman provided free educational programs, health screenings and tobacco cessation classes to equip local residents with the tools they need to make healthier life style choices Cancer Screening Day For a decade,

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		the Aultman Cancer Center has held Cancer Screening Day to help underinsured people in our community The 2011 event brought 173 patients to Aultman, who received a total of 375 fr ee screenings for breast, cervical, colon, lung, prostate and skin cancer Close the Gap I n conjunction with the "O'Jays Celebration Weekend" in August 2011, Aultman Health Foundat ion and Boston Scientific collaborated on a Close the Gap event to raise awareness about h ealth disparities in heart care for women, African-Americans and Latino Americans Aultman provided free health screenings and information, healthy food samples and cooking demonst rations, tobacco cessation materials and the opportunity to take the HeartAware risk asses sment "Look Good Feel Better" The Aultman Infusion Therapy Department offers an American Cancer Society program called "Look Good Feel Better" It is a free program that helps ind ividuals with cancer improve their self-esteem and manage their treatment and recovery wit h greater confidence The program is provided in collaboration with the Cosmetic, Toiletry and Fragrance Association Foundation and the National Cosmetology Association Particip an ts in the Look Good, Feel Better program are given makeup kits that contain more than $300 worth of cosmetics Specially trained, licensed cosmetologists help patients apply makeup to help cover the effects of chemotherapy Aultman Infusion Therapy also has a wig bank t hat provides free wigs to anyone in need A total of 50 women took advantage of the Look G ood Feel Better program in 2011 Harvest for Hunger Aultman Health Foundation team members generously donated 7,775 pounds of food and $36,053 during the 2011 Harvest for Hunger ca mpaign Aultman donations provided more than 114,000 meals to hungry families served by th e Akron-Canton Regional Foodbank United Way Aultman Health Foundation made a significant contribution to the United Way of Greater Stark County's 2011 fundraising campaign Aultma n team members and physicians donated more than $450,000 - while Aultman Health Foundation 's corporate contribution brought the total donation to more than $896,000 Adopt-a-Need C reated by an Aultman employee, the Adopt-a-Need program provides year-round support for si x location organizations that do not receive government or United Way funding On the seco nd Friday each month, Aultman employees donate personal care items, cleaning supplies and baby necessities to six local outreach organizations that help people in need In 2011, Au ltman employees donated nearly 14,000 items such as shampoo, deodorant, toilet paper, femi nine hygiene products, baby necessities and soap Cedar Elementary School Reading Program Each school year, Aultman provides volunteers to help nearby Cedar Elementary School stude nts improve their reading skills In 2011, 34 Aultman employees donated 228 hours of time to mentor students and help the children improve their reading skills and confidence Ault man Career Academy Aultman partners with eight local high schools to provide top-performin g junior and senior students with the opportunity to explore health care careers The Ault man Career Academy also helps nurture local talent and keeps young individuals connected t o Aultman Health Foundation Career Academy students participate in clinical rotations in areas such as the Aultman Emergency Department, the Aultman Birth Center and various nursi ng units, in addition to learning about support areas such as corporate communications, th e consumer health library and finance In the 2011-12 school year, 37 students participate d in the Aultman Career Academy Students and Aultman staff members collectively contribut ed 5,620 hours of their time to the Career Academy Project SEARCH The goal of Project SEA RCH is to train, improve and build workplace skills for adults with disabilities through y earlong internships The program participants work in areas ranging from Human Resources t o Environmental Services to Aultman Weig

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES		AULTMAN'S BOARD OF DIRECTORS HAS 36 NON-EMPLOYED MEMBERS A TOTAL OF 30 OF THE 39 VOTING BOARD MEMBERS RESIDE IN THE CORE MARKET AREA THE REMAINING PORTION RESIDES IN THE TERTIARY MARKET COMMUNITY PHYSICIANS REQUESTING AND ULTIMATELY QUALIFYING FOR MEDICAL STAFF PRIVILEGES WOULD BE GRANTED PRIVILEGES IN THEIR RESPECTIVE MEDICAL DEPARTMENTS

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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
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

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
(1) Stark Community Foundation220 Market Ave S Canton,OH 447022181	34-0943665	501(C)(3)	20,000				Support
(2) Canton Regional Chamber of Commerce222 Market Ave N North Canton,OH 44702	34-0129930	501(C)(3)	10,265				Support
(3) WALSH UNIVERSITY 2020 East Maple N Canton,OH 44720	34-0868798	501(C)(3)	155,000				Support
(4) United Way Greater Stark County4825 Higbee Ave NW Suite 101 Canton,OH 447182597	13-4254191	501(C)(3)	352,270				Support
(5) Arts in Stark1001 Market Ave N Canton,OH 44702	34-6609771	501(C)(3)	154,851				Support
(6) Thomson Reuters Healthcare Inc1007 Church St Evanston,IL 60201	06-1467923	N/A	44,027				SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 5

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
SCHEDULE I	PART I, LINE 2	AULTMAN HEALTH FOUNDATION'S (AHF) COMMUNITY SUPPORT POLICY/PROCEDURE PROVIDES GUIDANCE IN RESPONSE TO COMMUNITY ORGANIZATION REQUESTS FOR SUPPORT AHF DEEMS IT BENEFICIAL AND NECESSARY TO BE A GOOD CORPORATE CITIZEN AND WILL CONSIDER SUPPORT OF COMMUNITY ENDEAVORS AND PROJECTS THAT WILL IMPROVE THE LIVES AND LIVELIHOOD OF THE COMMUNITY IT SERVES

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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
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		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) EDWARD J ROTH III	(i)	519,216	0	6,065	7,350	11,975	544,606	0
	(ii)	0	0	0	0	0	0	0
(2) RICK L HAINES	(i)	0	0	0	0	0	0	0
	(ii)	350,633	0	2,322	7,350	11,948	372,253	0
(3) CHRISTOPHER E REMARK	(i)	0	0	0	0	0	0	0
	(ii)	294,856	0	443	7,350	9,843	312,492	0
(4) MILAN R DOPIRAK MD	(i)	0	0	0	0	0	0	0
	(ii)	296,956	99,957	3,168	7,350	6,200	413,631	0
(5) EILEEN F GOOD	(i)	266,888	0	10,067	7,350	7,821	292,126	0
	(ii)	0	0	0	0	0	0	0
(6) MARK D WRIGHT	(i)	303,448	0	577	7,350	9,128	320,503	0
	(ii)	0	0	0	0	0	0	0
(7) RONALD R RUSNAK MD	(i)	284,448	2,434	2,603	7,350	9,128	305,963	0
	(ii)	0	0	0	0	0	0	0
(8) PRABHCHARAN P GILL MD	(i)	0	0	0	0	0	0	0
	(ii)	473,559	65,000	81,117	7,350	12,721	639,747	0
(9) MARK N ROSE MD JD	(i)	215,656	19,500	1,096	6,735	9,843	252,830	0
	(ii)	0	0	0	0	0	0	0
(10) TIMOTHY S REGULA	(i)	161,924	0	989	4,389	10,395	177,697	0
	(ii)	0	0	0	0	0	0	0
(11) FRANCIS J SNYDER	(i)	212,101	9,600	1,228	6,270	11,975	241,174	0
	(ii)	0	0	0	0	0	0	0
(12) TIMOTHY M TEYNOR	(i)	197,898	0	2,129	5,640	9,128	214,795	0
	(ii)	0	0	0	0	0	0	0
(13) ELIZABETH A GETZ	(i)	195,654	0	676	5,469	9,024	210,823	0
	(ii)	0	0	0	0	0	0	0
(14) SUSAN OLIVERA	(i)	174,404	0	527	4,815	8,504	188,250	0
	(ii)	0	0	0	0	0	0	0
(15) NICOLE M KOLACZ	(i)	149,359	16,200	154	4,494	7,812	178,019	0
	(ii)	0	0	0	0	0	0	0
(16) REBECCA J CROWL	(i)	160,389	0	853	4,335	6,934	172,511	0
	(ii)		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
SCHEDULE J	PART I	LINE 1 ALL EMPLOYEES ARE ELIGIBLE TO RECEIVE REIMBURSEMENT FOR HEALTH CLUB COSTS UP TO $120 ANNUALLY AS PART OF THE ORGANIZATION'S EFFORT TO PROMOTE HEALTHY LIVING STYLES LINE 3 SEE SCHEDULE O FOR THE EXPLANATION OF EXECUTIVE COMPENSATION REVIEW LINE 4b EDWARD J ROTH III, CHRISTOPHER E REMARK, RICK L HAINES, EILEEN F GOOD, AND MARK D WRIGHT ARE PARTICIPANTS IN THE ORGANIZATIONS 457(F) PLAN THERE WERE NO PAYOUTS IN 2011

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 34-1445390
Name: AULTMAN HEALTH FOUNDATION

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
EDWARD J ROTH III	(I)	519,216	0	6,065	7,350	11,975	544,606	0
	(II)	0	0	0	0	0	0	0
RICK L HAINES	(I)	0	0	0	0	0	0	0
	(II)	350,633	0	2,322	7,350	11,948	372,253	0
CHRISTOPHER E REMARK	(I)	0	0	0	0	0	0	0
	(II)	294,856	0	443	7,350	9,843	312,492	0
MILAN R DOPIRAK MD	(I)	0	0	0	0	0	0	0
	(II)	296,956	99,957	3,168	7,350	6,200	413,631	0
EILEEN F GOOD	(I)	266,888	0	10,067	7,350	7,821	292,126	0
	(II)	0	0	0	0	0	0	0
MARK D WRIGHT	(I)	303,448	0	577	7,350	9,128	320,503	0
	(II)	0	0	0	0	0	0	0
RONALD R RUSNAK MD	(I)	284,448	2,434	2,603	7,350	9,128	305,963	0
	(II)	0	0	0	0	0	0	0
PRABHCHARAN P GILL MD	(I)	0	0	0	0	0	0	0
	(II)	473,559	65,000	81,117	7,350	12,721	639,747	0
MARK N ROSE MD JD	(I)	215,656	19,500	1,096	6,735	9,843	252,830	0
	(II)	0	0	0	0	0	0	0
TIMOTHY S REGULA	(I)	161,924	0	989	4,389	10,395	177,697	0
	(II)	0	0	0	0	0	0	0
FRANCIS J SNYDER	(I)	212,101	9,600	1,228	6,270	11,975	241,174	0
	(II)	0	0	0	0	0	0	0
TIMOTHY M TEYNOR	(I)	197,898	0	2,129	5,640	9,128	214,795	0
	(II)	0	0	0	0	0	0	0
ELIZABETH A GETZ	(I)	195,654	0	676	5,469	9,024	210,823	0
	(II)	0	0	0	0	0	0	0
SUSAN OLIVERA	(I)	174,404	0	527	4,815	8,504	188,250	0
	(II)	0	0	0	0	0	0	0
NICOLE M KOLACZ	(I)	149,359	16,200	154	4,494	7,812	178,019	0
	(II)	0	0	0	0	0	0	0
REBECCA J CROWL	(I)	160,389	0	853	4,335	6,934	172,511	0
	(II)		0	0	0	0	0	0

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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
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	PART III LINE 4D	OTHER EXPENSES INCURRED ARE IN SUPPORT OF AULTMAN HEALTH FOUNDATION'S PURPOSE TO "LEAD OUR COMMUNITY TO IMPROVED HEALTH"

Identifier	Return Reference	Explanation
OTHER IRS FILINGS AND TAX COMPLIANCE	PART V, LINE 1A	AULTMAN HEALTH FOUNDATION'S EMPLOYEES ARE PAID BY A COMMON PAYMASTER AULTMAN HEALTH FOUNDATION IS THE PARENT COMPANY WITH THE FOLLOWING SUBSIDIARIES AULTMAN DEVELOPMENT INSTITUTE THE AULTMAN FOUNDATION AULTMAN HOSPITAL NORTH CANTON MEDICAL RESOURCES, INC AULTCARE CORPORATION MCKINLEY LIFE INSURANCE COMPANY WEST TUSCARAWAS PROPERTY MANAGEMENT, LLC MCKINLEY ASSURANCE SPC AULTRA ADMINISTRATIVE GROUP PART VI, SECTION A, LINE 1B EDWARD J ROTH III IS A PAID EMPLOYEE OF THE ORGANIZATION RICK L HAINES, CHRISTOPHER E REMARK, MILAN R DOPIRAK MD, AND PRABHCHARAN P GILL MD ARE PAID EMPLOYEES OF A RELATED ORGANIZATION PART VI, SECTION A, LINE 2 JOHN SIRPILLA AND THEODORE BOYD ARE BOARD MEMBERS OF AULTMAN HEALTH FOUNDATION AND AULTMAN HOSPITAL AND HAVE A BUSINESS RELATIONSHIP R CLINT ZOLLINGER ESQ AND SHEILA MARKLEY BLACK ESQ ARE BOARD MEMBERS OF AULTMAN HEALTH FOUNDATION AND AULTMAN HOSPITAL AND HAVE A BUSINESS RELATIONSHIP BRIAN BELDEN AND WILLIAM BELDEN ARE BOARD MEMBERS OF THE AULTMAN HEALTH FOUNDATION AND AULTMAN HOSPITAL AND HAVE A FAMILY RELATIONSHIP T STEPHEN GREGORY AND LISA WARBURTON-GREGORY ARE BOARD MEMBERS OF THE AULTMAN HEALTH FOUNDATION AND AULTMAN HOSPITAL AND HAVE A FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
POLICIES	PART VI, SECTION B, LINE 11B	A DETAIL REVIEW OF THE FORM 990 IS PERFORMED BY AN INDEPENDENT CPA FIRM AULTMAN HEALTH FOUNDATION'S FINANCE DEPARTMENT ALSO CAREFULLY REVIEWS AND ANALYZES THE TAX RETURN THE DEPARTMENT RECONCILES THE GENERAL LEDGER AMOUNTS TO THE APPROPRIATE SCHEDULES ON THE FORM 990 AND COMPARES THOSE AMOUNTS TO THE AUDITED FINANCIAL STATEMENTS IN ADDITION, THE FINANCE DEPARTMENT DOES A COMPARATIVE ANALYSIS TO THE PRIOR YEAR RETURN THE ANALYSIS AND RECONCILIATION SCHEDULES ALONG WITH A COMPLETE COPY OF THE 990 ARE PROVIDED TO THE CHIEF FINANCIAL OFFICER FOR REVIEW AND APPROVAL A COMPLETE COPY OF THE 990 IS THEN MADE AVAILABLE AT THE BOARD OF DIRECTORS MEETING PRIOR TO THE FILING DATE THE 990 IS PRESENTED AT THE BOARD OF DIRECTORES MEETING AND A COMPLETE FINAL COPY IS EMAILED TO EACH MEMBER OF THE BOARD PRIOR TO THE FILING DATE

Identifier	Return Reference	Explanation
POLICIES	PART VI, SECTION B, LINE 12C	THE AULTMAN HEALTH FOUNDATION'S BOARD OF DIRECTORS HAS A CONFLICT OF INTEREST POLICY AS A RESULT OF THIS POLICY, EACH YEAR BOARD MEMBERS, OFFICERS, AND SENIOR STAFF COMPLETE A FORM DISCLOSING ANY CONFLICTS OF INTEREST THEY MAY HAVE. THE COMPLIANCE OFFICE REVIEWS THESE DISCLOSURE FORMS AND INFORMS THE BOARD CHAIRMAN, AND OTHER APPROPRIATE OFFICERS, OF NOTABLE CONFLICTS, IF ANY. THOSE WITH CONFLICTS ARE ASKED TO RECUSE THEMSELVES FROM DISCUSSIONS RELATING TO THE CONFLICT

Identifier	Return Reference	Explanation
POLICIES	PART VI, SECTION B, LINE 15A AND 15B	THE AULTMAN HEALTH FOUNDATION AND ITS AFFILIATED ENTITIES USE THE FOLLOWING REFERENCE MATERIALS FOR THE DEVELOPMENT OF EXECUTIVE COMPENSATION OHIO HOSPITAL ASSOCIATION (OHA), MERCER INTEGRATED HEALTH NETWORK, INCLUDING SURVEY DATA FOR BOTH HOSPITALS AND HEALTH PLANS, AND SULLIVAN COTTER AND ASSOCIATES (SCA) ADDITIONAL SOURCES OF SALARY SURVEY DATA ARE AVAILABLE FOR USE WHERE APPROPRIATE INCLUDING COMPDATASURVEYS COM, SALARY COM, AND CHAMPS IN THESE CASES, THE SURVEY IS REFERENCED WHERE APPLICABLE EXECUTIVE PERFORMANCE, WAGE RECOMMENDATIONS, AND BONUS PAYMENTS ARE REVIEWED BY THE COMPENSATION COMMITTEE OF THE AULTMAN HEALTH FOUNDATION BOARD OF DIRECTORS THE COMPENSATION COMMITTEE OF THE AULTMAN HEALTH FOUNDATION BOARD OF DIRECTORS HAS ENGAGED SULLIVAN COTTER & ASSOCIATES, INC , AN INDEPENDENT COMPENSATION CONSULTING FIRM FOR REVIEW OF EXECUTIVE COMPENSATION PRACTICES THE AULTMAN HEALTH FOUNDATION AND ITS AFFILIATED USES ENTITIES THE FOLLOWING REFERENCE MATERIALS FOR THE DEVELOPMENT OF PHYSICIAN COMPENSATION MEDICAL GROUP MANAGEMENT ASSOCIATES (MGMA), AMERICAN MEDICAL GROUP ASSOCIATION (AMGA), HOSPITAL AND HEALTHCARE COMPENSATION SERVICE (HHCS) AND SULLIVAN COTTER AND ASSOCIATES (SCA) IN ADDITION TO SALARY SURVEYS, AULTMAN HOSPITAL ALSO RETAINS AN INDEPENDENT CONSULTING FIRM FOR PHYSICIANS COMPENSATION SERVICES ALL PHYSICIAN COMPENSATION RECOMMENDATIONS ARE SENT TO THE CEO, VP OF PHYSICIAN SERVICES, COO, AND CNO FOR FINAL APPROVAL

Identifier	Return Reference	Explanation
DISCLOSURE	PART VI, SECTION C, LINE 19	AULTMAN HEALTH FOUNDATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST OTHER DISCLOSURE ITEMS In January 2012, the Foundation acquired Orrville Hospital Foundation dba Dunlap Community Hospital (DCH) for approximately $5,992 Included in the purchase price is the forgiveness of the $4,752 note receivable As a result of the agreement, the entire note receivable balance is classified as a current asset in other receivables on the consolidated balance sheets at December 31, 2011 Additionally, the Foundation has made a five year capital commitment to DCH in the amount of $7,348 to be used in conjunction with information technology, facilities, equipment, routine capital and physician and new service development Due to the timing of the closing, the initial accounting for this acquisition has not been finalized or recorded in the Foundation's December 31, 2011 consolidated financial statements Therefore, the estimated fair value of the acquisition components are not yet available

Identifier	Return Reference	Explanation
STATEMENT OF REVENUE	EXPLANATION FOR LINE 3	RETURN ON INVESTMENT FROM AFFILIATE $122,349

Identifier	Return Reference	Explanation
STATEMENT OF FUNCTIONAL EXPENSES	EXPLANATION FOR LINE 11G	LTACH Patient Services 2,194,859 Personnel 86,251 Purchased Maintenance 1,750,552 Other Contracted Services 437,673 CONSULTING FEES 1,831,491 TOTAL 6,300,826

Identifier	Return Reference	Explanation
RECONCILIATION OF NET ASSETS		INTERCOMPANY TRANSFERS $68,053,155 TRANSFER OF ASSETS FROM ADI $73,781,982 NET UNREALIZED LOSSES ON INVESTMENTS ($1,254,720) AFFILIATE REVENUE ($12,315) ADJUSTMENT TO PAID IN CAPITAL &271,639 TOTAL $140,839,742

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME EDWARD J ROTH III TITLE CEO & PRESIDENT HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RICK L HAINES TITLE DIRECTOR HOURS 54

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CHRISTOPHER E REMARK TITLE TREASURER HOURS 50

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MILAN R DOPIRAK MD TITLE DIRECTOR/PHYSICIAN HOURS 54

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PRABHCHARAN P GILL MD TITLE DIRECTOR/PHYSICIAN HOURS 54

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME EILEEN F GOOD TITLE CEO - POST ACUTE SERVICES HOURS 50

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MARK D WRIGHT TITLE CHIEF FINANCIAL OFFICER - AHF HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ELIZABETH A GETZ TITLE CHIEF INFO SYSTEMS OFFICER HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SUSAN OLIVERA TITLE VP HUMAN RESOURCES HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RONALD R RUSNAK MD TITLE DIRECTOR-CLINICAL INFORMATICS HOURS 50

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TIMOTHY S REGULA TITLE INTERNAL AUDIT COMPLIANCE HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME FRANCIS J SNYDER TITLE VICE PRESIDENT HOURS 5

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TIMOTHY M TEYNOR TITLE VP PUBLIC POLICY HOURS 5

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
AULTMAN HEALTH FOUNDATION

Employer identification number
34-1445390

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ACUTE CARE SPECIALTY HOSPITAL 2600 SIXTH ST SW CANTON, OH 44710 13-4246188	MED SERVICE	OH	7,200,022	3,762,780	NA

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) AULTMAN DEVELOPMENT INSTITUTE 2600 SIXTH ST SW CANTON, OH 44710 34-1388891	SUPPORT ORG	OH	501(C)(3)	11 B	NA	Yes	
(2) THE AULTMAN FOUNDATION 2600 SIXTH ST SW CANTON, OH 44710 20-8090459	FUNDRAISER	OH	501(C)(3)	7	NA	Yes	
(3) AULTMAN COLLEGE OF NURSING AND HEALTH 2600 SIXTH ST SW CANTON, OH 44710 20-1359433	COLLEGE	OH	501(C)(3)	2	NA	Yes	
(4) AULTMAN HOSPITAL 2600 SIXTH ST SW CANTON, OH 44710 34-0714538	HOSPITAL	OH	501(C)(3)	3	NA	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) WTPM LLC 2600 SIXTH ST SW CANTON, OH 44710 20-0090246	PROPERTY MGMT	OH	NA	EXCLUDED	-12,315	516,821		No	0		No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) NORTH CENTRAL MEDICAL RESOURCES INC 2600 SIXTH ST SW CANTON, OH 44710 34-1610344	MED EQUIP RENTAL	OH	NA	C CORP	54,236,977	10,420,895	100 000 %
(2) AULTRA ADMINISTRATIVE GROUP 4845 FULTON DR NW CANTON, OH 44718 20-4951704	ADMIN SERVICE	OH	NA	C CORP	6,850,273	856,870	100 000 %
(3) MCKINLEY LIFE INSURANCE COMPANY 2600 SIXTH SW CANTON, OH 44710 34-1624818	INSURANCE	OH	NA	C CORP	443,982,312	122,133,875	100 000 %
(4) MCKINLEY ASSURANCE SPC PO BOX 1051 GEORGE TOWN, GRAND CAYMANS CJ 98-0468384	PORTFOLIO	CJ	NA	C CORP	4,686,808	26,689,414	100 000 %

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 34-1445390
Name: AULTMAN HEALTH FOUNDATION

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	NORTH CENTRAL MEDICAL RESOURCES	B	12,819,712	FMV
(2)	THE AULTMAN FOUNDATION	B	101,500	FMV
(3)	THE AULTMAN FOUNDATION	R	1,000,000	FMV
(4)	AULTMAN HOSPITAL	R	10,151,767	FMV
(5)	THE AULTMAN FOUNDATION	C	268,959	FMV
(6)	AULTMAN DEVELOPMENT INSTITUTE	C	73,781,982	FMV
(7)	AULTMAN HOSPITAL	I	268,495	FMV
(8)	AULTMAN HOSPITAL	J	323,557	FMV
(9)	AULTMAN HOSPITAL	O	1,610,126	FMV
(10)	AULTMAN HOSPITAL	P	27,066,269	FMV
(11)	MCKINLEY LIFE INSURANCE	P	573,699	FMV
(12)	AULTRA ADMINISTRATIVE GROUP	P	82,431	FMV
(13)	NORTH CENTRAL MEDICAL RESOURCES	P	78,000	FMV
(14)	AULTMAN HOSPITAL	O	51,409,710	FMV
(15)	AULTMAN DEVELOPMENT INSTITUTE	O	753,368	FMV
(16)	THE AULTMAN FOUNDATION	P	62,124	FMV

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TY 2011 Earnings and Profits Other Adjustments Statement

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

Description	Amount
RETROSPECTIVE PREMIUMS CREDITS	4,314,183

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TY 2011 Earnings and Profits Other Adjustments Statement

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

Description	Amount
OUTSTANDING LOSS PROVISION	204,827
UNEARNED PREMIUMS	146,207
DEFERRED REINSURANCE PREMIUMS	17,601
RELATED PARTY PREMIUMS	5,500,071

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TY 2011 Itemized Other Current Assets Schedule

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		REINSURANCE RECOVERABLES	3,052,949	3,177,362
		DEFERRED REINSURANCE PREMIUMS	305,420	323,021
		PREPAID EXPENSES	64,211	64,730
		SECURITIES AVAILABLE FOR SALE	22,402,074	22,821,939

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TY 2011 Other Deductions Schedule

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
LOSSES AND LOSS ADJUSTMENTS EXPENSE		5,072,847
ACTUARIAL FEES		72,000
MANAGEMENT FEES		67,600
AUDIT FEES		30,000
LEGAL FEES		38,525
TRAVEL AND MEETING EXPENSES		19,369
GOVERNMENT FEES		17,012
OFFICE EXPENSES		4,750
REGISTERED OFFICE FEE		1,600
BANK CHARGES		580
ADMINISTRATION EXPENSES		951

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TY 2011 Itemized Other Liabilities Schedule

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

TY 2011 Itemized Other Liabilities Schedule

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		UNEARNED PREMIUM RESERVE	1,965,475	1,819,268
		RESERVES FOR LOSSES	15,646,667	15,566,253

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TY 2011 Other Income Statement

Name: AULTMAN HEALTH FOUNDATION

EIN: 34-1445390

Description	Foreign Amount	Amount
UNEARNED PREMIUMS		146,207
REINSURANCE PREMIUMS		-977,071
DEFERRED REINSURANCE PREMIUMS		17,601

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TY 2011 Paid-In or Capital Surplus Reconciliation Statement

Name: AULTMAN HEALTH FOUNDATION

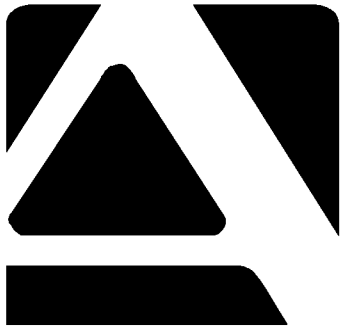
EIN: 34-1445390

Description	Beginning Amount	Ending Amount
PAID IN CAPITAL	118,800	118,800

Audited Consolidated Financial Statements and Other Financial Information

Aultman Health Foundation and Subsidiaries

December 31, 2011 and December 25, 2010



CONTENTS

BRUNER-COX LLP
Business Consultants & Certified Public Accountants

4505 Stephen Circle NW Suite 200
Post Office Box 35429
Canton, OH 44735-5429
P 330 497 2000 F 330 497 2244

AES Campus Building
388 South Main Street Suite 403
Akron, OH 44311-4407
P 330 376 0100 F 330 376 0658

6133 Rockside Road Suite 403
Independence, OH 44131-2244
P 216 750 6173 F 216 674 4201

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Aultman Health Foundation and Subsidiaries
Canton, Ohio

We have audited the accompanying consolidated balance sheets of Aultman Health Foundation and Subsidiaries, as of December 31, 2011 and December 25, 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the 53 and 52 weeks then ended These financial statements are the responsibility of Aultman Health Foundation and Subsidiaries' management Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aultman Health Foundation and Subsidiaries, as of December 31, 2011 and December 25, 2010, and the results of their operations, changes in their net assets and their cash flows for the 53 and 52 weeks then ended in conformity with accounting principles generally accepted in the United States of America

Bruner · Cox, LLP

Canton, Ohio
May 17, 2012

CONSOLIDATED BALANCE SHEETS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

December 31, 2011 and December 25, 2010
(Dollars in Thousands)

ASSETS	2011	2010
Current assets		
Cash and cash equivalents	**$ 28,826**	$ 36,968
Patient accounts receivable, less allowance for doubtful accounts of $13,476 in 2011 and $8,536 in 2010	**39,221**	38,516
Premiums receivable, net	**2,390**	473
Reinsurance recoverables	**4,706**	3,073
Other receivables	**17,385**	9,187
Inventories of supplies	**4,457**	4,587
Deferred income taxes, net	**5,147**	4,251
Prepaid expenses and other assets	**4,697**	4,454
Total current assets	**106,829**	101,509
Investments		
Board designated	**76,620**	78,232
Of insurance subsidiary	**79,759**	74,330
Of captive insurance subsidiary	**22,822**	22,402
Restricted by donor	**3,004**	2,749
	182,205	177,713
Investment in joint venture	**1,706**	1,929
Property and equipment, net	**258,653**	264,592
Notes receivable, net of current portion	**1,079**	5,885
Intangible and other assets, net	**3,116**	3,625
	$ 553,588	$ 555,253

The accompanying notes are an integral part of the consolidated financial statements

LIABILITIES AND NET ASSETS	2011	2010
Current liabilities		
Unpaid claims and claims adjustment expenses	**$ 23,741**	$ 21,903
Loss and loss-adjustment expenses	**15,566**	15,647
Accounts payable and accrued expenses	**45,296**	44,487
Salaries, wages and payroll taxes	**25,643**	20,775
Estimated third-party payor settlements	**4,790**	3,829
Premiums received in advance	**5,440**	4,105
Accrued contingency	**10,100**	10,100
Total current liabilities	**130,576**	120,846
Net assets		
Unrestricted	**420,819**	432,117
Temporarily restricted	**1,794**	1,891
Permanently restricted	**399**	399
Total net assets	**423,012**	434,407
	$ 553,588	$ 555,253

CONSOLIDATED STATEMENTS OF OPERATIONS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53 and 52 weeks ended December 31, 2011 and December 25, 2010
(Dollars in Thousands)

	2011	2010
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT		
Net patient service revenue	**$ 319,165**	$ 308,237
Premium revenue	**439,138**	418,909
Other revenue	**47,777**	44,755
Net assets released from restrictions for operations	**2,609**	1,833
Total unrestricted revenues, gains and other support	**808,689**	773,734
EXPENSES		
Salaries and benefits	**337,949**	324,697
Medical supplies	**66,540**	62,586
Pharmacy	**18,889**	18,806
Professional fees	**18,923**	16,698
Equipment maintenance	**17,112**	17,183
Administrative and general	**87,247**	80,001
Utilities	**9,748**	9,302
Claims, losses and loss-adjustment expenses	**209,973**	217,087
Depreciation and amortization	**23,248**	23,111
Provision for doubtful accounts	**24,339**	12,315
Total expenses	**813,968**	781,786
Loss from operations	**(5,279)**	(8,052)
INVESTMENT AND OTHER INCOME, NET	**2,289**	15,834
CONTINGENCY EXPENSES - NOTE 19	**8,784**	20,902
Deficiency of revenues over expenses before (provision) benefit for income tax	**(11,774)**	(13,120)
(PROVISION) BENEFIT FOR INCOME TAX	**476**	(1,770)
Deficiency of revenues over expenses	**(11,298)**	(14,890)
Decrease in unrestricted net assets	**$ (11,298)**	$ (14,890)

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53 and 52 weeks ended December 31, 2011 and December 25, 2010
(Dollars in Thousands)

	2011	2010
UNRESTRICTED NET ASSETS		
Deficiency of revenues over expenses before (provision) benefit for income tax	**$ (11,774)**	$ (13,120)
(Provision) benefit for income tax	**476**	(1,770)
Deficiency of revenues over expenses	**(11,298)**	(14,890)
Decrease in unrestricted net assets	**(11,298)**	(14,890)
TEMPORARILY RESTRICTED NET ASSETS		
Gifts, grants and bequests	**2,512**	1,297
Net assets released from restrictions for operations	**(2,609)**	(1,833)
Decrease in temporarily restricted net assets	**(97)**	(536)
Decrease in net assets	**(11,395)**	(15,426)
NET ASSETS, BEGINNING OF YEAR	**434,407**	449,833
NET ASSETS, END OF YEAR	**$ 423,012**	$ 434,407

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53 and 52 weeks ended December 31, 2011 and December 25, 2010
(Dollars in Thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	**$ (11,395)**	$ (15,426)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	**23,248**	23,111
Impairment of property	**1,055**	-
Deferred income tax benefit	**(896)**	(1,727)
Net realized and unrealized (gains) losses on investments	**2,314**	(10,106)
Provision for doubtful accounts	**24,339**	12,315
Undistributed losses of joint venture	**223**	765
Restricted contributions received	**(2,512)**	(1,297)
Changes in operating assets and liabilities, net		
Receivables	**(32,270)**	(12,645)
Inventories of supplies and prepaid expenses	**(113)**	429
Trading securities	**(6,806)**	19,301
Unpaid claims and claims adjustment expenses	**1,838**	(4,490)
Loss and loss-adjustment expenses	**(81)**	(1,173)
Accounts payable, accrued expenses and other liabilities	**7,973**	16,003
Cash provided by operating activities	**6,917**	25,060
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(17,855)**	(17,339)
Collection of notes receivable	**284**	284
Cash used in investing activities	**(17,571)**	(17,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from restricted contributions	**2,512**	1,297
Cash provided by financing activities	**2,512**	1,297
Increase (decrease) in cash and cash equivalents	**(8,142)**	9,302
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**36,968**	27,666
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 28,826**	$ 36,968

The accompanying notes are an integral part of the consolidated financial statements

Note 1. Description of Business and Significant Accounting Policies

Aultman Health Foundation (Foundation) is the parent holding company of Aultman Hospital and Subsidiary (Hospital), Aultman Development Institute (ADI), North Central Medical Resources, Inc and Subsidiaries (North Central), AultCare Corporation (AultCare), McKinley Life Insurance Company and Subsidiary (McKinley), West Tuscarawas Property Management, LLC (West Tusc), Acute Care Specialty Hospital at Aultman, LLC (Acute Care), McKinley Assurance SPC (McKinley SPC), Aultra Administrative Group (Aultra) and The Aultman Foundation (TAF) The Foundation's purpose is to provide high quality, low cost integrated health care delivery to the citizens in Stark County, Ohio and the surrounding area

Premium revenues of McKinley and McKinley SPC amount to 54% of unrestricted revenue for the 53 and 52 weeks ended December 31, 2011 and December 25, 2010 Net patient service revenues amount to 40% of unrestricted revenue for the 53 and 52 weeks ended December 31, 2011 and December 25, 2010

The significant accounting policies followed by the Foundation and its subsidiaries are described below

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and its subsidiaries All material interaffiliated accounts and transactions have been eliminated in consolidation

Fiscal Year

The Foundation`s fiscal year ends on the Saturday nearest December 31 References to 2011 and 2010 refer to the 53 and 52 weeks ended December 31, 2011 and December 25, 2010, respectively While some of the consolidated entities have a year end of December 31, there has been no adjustment to the December 25 consolidated year end date due to immateriality

Concentration of Credit Risk

The Foundation and its subsidiaries maintain cash in various bank deposit accounts which, at times, may exceed federally insured limits The Foundation and its subsidiaries have not experienced any losses in such accounts All cash balances of McKinley SPC are held by financial institutions located in the Cayman Islands Management does not expect any losses as a result of these concentrations

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of consolidated revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts that are included in investments

Note 1. Description of Business and Significant Accounting Policies (Continued)

Receivables and Provision for Bad Debts

Patient accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. Premiums receivable are carried at original billed amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Premiums receivable are considered past due to the extent that there is no related unearned premium.

Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for doubtful accounts, $24,339 and $12,315 for 2011 and 2010, respectively, is based upon management's assessment of the historical and expected net collections.

Inventories of Supplies

The inventories of supplies are stated at the lower of average cost or market value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Realized gains or losses on investments are based on specific identification method. Investments managed by professional asset managers are accounted for as trading securities and all realized and unrealized gains and losses relating to these investments are included in investment income. Investment income or loss is included in the deficiency of revenues over expenses unless the income or loss is restricted by donor or law.

Investments of the captive insurance subsidiary are considered to be other-than-trading and are recorded in the balance sheets at their fair market value, which is obtained from an independent investment custodian. Any unrealized gains or losses calculated by reference to cost or amortized cost as appropriate are excluded from the deficiency of revenues over expenses. Realized gains and losses are included in investment income or loss.

Investments include assets set aside by the Board of Directors for various purposes including future capital improvements (referred to as board-designated investments), amounts held under statutory requirements for McKinley and McKinley SPC and assets restricted by donor.

Investment in Joint Venture

The Foundation has a joint venture agreement with Union Hospital Association for a radiation oncology center. The investment in joint venture is stated at cost plus equity in undistributed earnings, which does not exceed estimated net realizable value.

Property and Equipment

Property and equipment are recorded at cost less allowances for depreciation. Additions and improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

Note 1. Description of Business and Significant Accounting Policies (Continued)

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

Intangibles

The Foundation and its subsidiaries have intangible assets, including a right of first refusal, capitalized computer software, and acquired customer relationships Amortizable intangible assets are reported at cost less accumulated amortization For consolidated financial statement purposes, amortization is computed using the straight-line method over the assets' estimated lives

Temporarily and Permanently Restricted Net Assets

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

Deficiency of Revenues Over Expenses

The consolidated statements of operations include deficiency of revenues over expenses Some changes in unrestricted net assets are excluded from deficiency of revenues over expenses They include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

In addition, the Foundation has recorded contingency expenses, as discussed in Note 19, as non-operating charges due to the nature of the expenses

Net Patient Service Revenue

The Hospital and certain other subsidiaries of the Foundation have agreements with third-party payors that provide for payments at amounts different from their established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are recognized on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined

The Hospital provides a sliding scale of discounts for uninsured patients The Hospital first assists uninsured patients with determining whether they qualify for Medicaid, other Federal or state assistance or charity care If an uninsured patient does not qualify for these programs, an uninsured discount is applied

Note 1. Description of Business and Significant Accounting Policies (Continued)

Premium Revenue

Premiums are recognized as revenue when due but no earlier than the effective date of coverage Premiums received prior to the due date are deferred and recorded as premiums received in advance

McKinley provides health insurance to employers and individuals in Stark County and the immediate surrounding counties McKinley SPC provides primary layer insurance to the Foundation, its subsidiaries, affiliates, employees, and certain non-employed physicians McKinley SPC also provides excess professional and general liability insurance to the Foundation and its subsidiaries

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

Hospital Care Assurance Program

The Foundation participates in the Hospital Care Assurance Program (HCAP) Ohio created HCAP to financially support those hospitals that service a disproportionate share of low-income patients unable to pay for care HCAP funds basic, medically necessary hospital services for patients whose family income is at or below the federal poverty level, which includes Medicaid patients and patients without health insurance The Foundation recorded net HCAP revenues of $5,311 and $4,021 for 2011 and 2010, respectively, which is included in net patient service revenue in the accompanying consolidated statements of operations The costs of providing charity care are discussed in Note 15

Reinsurance

Reinsurance premiums and benefits paid or provided are accounted for on bases consistent with those used in accounting for the original policies` issued and the terms of insurance contracts

Unpaid Claims and Claims Adjustment Expenses

Unpaid claims and claims adjustment expenses represent the estimated ultimate net cost and claims adjustment expenses of all reported and unreported health claims incurred through December 31 The reserve for unpaid claims and claims adjustment expenses is estimated using actual historical experience and statistical analyses and is not discounted Those estimates are subject to the effects of trends in claim severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserve for unpaid claims and claims adjustment expenses is adequate It is reasonably possible that expectations associated with these amounts could change in the near term (i e within one year) and that the effect of such changes could be material to the consolidated financial statements The estimates are continually reviewed and adjusted when necessary as experience develops or new information becomes known, such adjustments are included in current operations in the period they are determined

Note 1. Description of Business and Significant Accounting Policies (Continued)

Loss and Loss-Adjustment Expenses

The provision for loss and loss-adjustment expenses is determined on the basis of losses reported by the Foundation to McKinley SPC Management has engaged the services of independent consulting actuaries to advise them on the required level of total outstanding losses The provision is based upon the advice of these actuaries and represents management's best estimate of the ultimate development of such losses Management believes that the amounts included in the provision for loss and loss-adjustment expenses are sufficient to cover the ultimate remaining liability for losses incurred prior to the balance sheet date It is reasonably possible that the expectations associated with these amounts could change in the near term (i e within one year) and that the effect of such changes could be material to the consolidated financial statements

Changes in estimates of outstanding losses resulting from the continuous review process and differences between estimates and payments are recognized in the period in which they are determined

Donor-Restricted Gifts

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

Professional and General Liability Claims

The Foundation and its subsidiaries are insured by McKinley SPC for general liability, professional liability and employment practices liability

Substantially all of the Hospital's professional liability claims reported after March 15, 2004 are insured through the wholly-owned subsidiary of the Foundation, subject to certain limits The policy is a retrospectively rated policy for which premiums are subject to adjustment based on the Hospital's claim experience (See also Note 10)

For claims which were made prior to March 15, 2004, the Hospital is self-insured, with excess insurance purchased through commercial insurance companies Claims and incidents arising from services provided to patients, whether presently known or unknown, may result in the assertion of claims To the extent losses are within the Hospital's self-insured retention, losses that are probable and can be reasonably estimated are recognized based on estimates that incorporate the Hospital's experience, as well as other considerations, including the nature of the claim or incident and relevant trend factors The Hospital's estimated liability for the self-insured portion of professional liability claims is reported in the accompanying consolidated balance sheets

Note 1. Description of Business and Significant Accounting Policies (Continued)

Income Taxes

The Foundation, Hospital, ADI, and TAF are not-for-profit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code AultCare and Aultra, although incorporated as not-for-profit corporations under Ohio law, conduct business as taxable entities and are subject to Federal income taxes North Central and McKinley are incorporated as for-profit corporations in accordance with Chapter 1701 of the Ohio Revised Code West Tusc and Acute Care are incorporated as limited liability companies in accordance with Chapter 1705 of the Ohio Revised Code McKinley SPC is a captive insurance company incorporated as a segregated portfolio company in the Cayman Islands where there is presently no taxation imposed on income or premiums by the government of the Cayman Islands If any form of taxation were to be enacted, McKinley SPC has been granted an exemption therefrom to October 21, 2023

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained In accordance with the *Income Taxes* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any Tax positions taken are not offset or aggregated with other positions Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is recorded as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination

With few exceptions, the Foundation is no longer subject to income tax examinations by tax authorities for years before 2008

Deferred Taxes

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

Reclassifications

Certain information previously reported has been reclassified to conform to the current year presentation

Note 1. Description of Business and Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In 2011, the Foundation adopted FASB issued guidance related to fair value measurements, which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2 This guidance also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these charges With respect to matters other than Level 3 measurements, the guidance was effective for periods beginning on or after December 15, 2009 The guidance related to Level 3 measures was effective for periods beginning on or after December 15, 2010

In 2011, the Foundation adopted FASB issued guidance related to the presentation of insurance claims and related insurance recoveries, which clarifies that a health care entity should not net insurance recoveries against a related claim liability The guidance was effective for fiscal years beginning after December 15, 2010

In 2011, the Foundation adopted FASB issued guidance related to charity care disclosures, which prescribes that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care The guidance was effective for fiscal years beginning after December 15, 2010

Pending Accounting Pronouncements

In July 2011, the FASB issued guidance which amends the current presentation and disclosure requirements for health care entities that recognize significant amounts of patient service revenue at the time the services are rendered without assessing the patient's ability to pay This guidance requires health care entities to reclassify the provision for bad debts from an operating expense to a deduction from patient service revenues In addition, this guidance requires more disclosure on the policies for recognizing revenue, assessing bad debts, as well as quantitative and qualitative information regarding changes in the allowance for doubtful accounts This guidance is applied retrospectively to all prior periods presented and is effective for the first annual period ending after December 15, 2012 The adoption of this guidance is not expected to have a material impact on the Foundation's consolidated financial position, results of operations or cash flows Upon adoption of this guidance, the Foundation will reclassify the provision for bad debts related to prior period patient service revenue from operating expenses to a reduction in revenue and it will have no impact on previously reported deficiency of revenue over expenses

In July 2011, the FASB issued guidance on fees paid to the federal government by health insurers The objective of this guidance is to address how health insurers should recognize and classify in their income statements fees mandated by the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act These amendments specify that the liability for the fee should be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense using the straight-line method of allocation unless another method better allocates the fee over the calendar year that it is payable These amendments are effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective The Foundation is currently evaluating the impact of this guidance on its consolidated financial statements

Note 1. Description of Business and Significant Accounting Policies (Continued)

In May 2011, the FASB issued updated accounting guidance related to fair value measurements and disclosures that result in common fair value measurements and disclosures between U S Generally Accepted Accounting Principles and International Financial Reporting Standards This guidance includes amendments that clarify the application of existing fair value measurement requirements, in addition to other amendments that change principles or requirements for measuring fair value and for disclosing information about fair value measurements This guidance is effective for annual periods beginning after December 15, 2011 The guidance will primarily impact the Foundation's disclosures, but otherwise is not expected to have a material impact on the Foundation's consolidated financial statements

In October 2010, the FASB issued guidance related to accounting for costs associated with acquiring or renewing insurance contracts This guidance modifies the definitions of the type of costs incurred by insurance entities that can be capitalized in the successful acquisition of new and renewal contracts This guidance requires incremental direct costs of successful contract acquisition as well as certain costs related to underwriting, policy issuance and processing, medical and inspection and sales force contract selling for successful contract acquisition be capitalized These incremental direct costs and other costs are those that are essential to the contract transaction and would not have been incurred had the contract transaction not occurred This guidance is effective for the Foundation for the year beginning January 1, 2012 and may be applied prospectively or retrospectively The Foundation is in the process of assessing the effect that the implementation of the new guidance will have on its consolidated financial position and results of operations

Note 2. Net Patient Service Revenue

The Foundation is paid a prospectively determined rate for the majority of inpatient acute care and outpatient, skilled nursing, and rehabilitation services provided (principally Medicare, Medicaid, and certain insurers) These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Medicare payments for capital are received on a prospective basis and on a cost reimbursement methodology for Medicaid Payments are received on a prospective basis for the Foundation's medical education costs, subject to certain limits The Foundation is paid for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Foundation and audits thereof by the Medicare fiscal intermediary Provision for estimated retroactive adjustments, if any, resulting from regulatory matters or other adjustments under payment agreements are estimated in the period the related services are provided

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation as well as significant regulatory action, and, in the normal course of business, the Foundation is subject to contractual reviews and audits As a result, there is at least a reasonable possibility that recorded estimates will change in the near term The Foundation believes it is in compliance with applicable laws and regulations governing the Medicare and Medicaid programs and that adequate provisions have been made for any adjustments that may result from final settlements

Revenue from the Medicare and Medicaid programs accounted for approximately 26% and 5%, respectively, of net patient service revenue for 2011 and 28% and 5%, respectively, of net patient service revenue for 2010

The Hospital and certain other subsidiaries of the Foundation also have entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations that provide for payments at amounts different from their established rates The basis for payment under these arrangements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

Note 3. Medicare Premiums

McKinley recorded Medicare premiums of approximately $237,368 and $221,396 for 2011 and 2010, respectively. Of these amounts, approximately 90% and 91%, respectively, was received from the Centers for Medicare and Medicaid Services (CMS), a Federal agency under the U S Department of Health and Human Services

McKinley has an arrangement with CMS for certain Medicare products whereby periodic changes in member risk factor adjustment scores, for certain diagnoses codes, result in changes to its Medicare revenue The risk factor adjustment scores are determined by CMS based on claims data submitted by McKinley Due to the complexity of the calculation, McKinley is unable to estimate risk adjusted payments due or receivable in relation to its 2011 and 2010 contracts McKinley recognizes such adjustments when they occur In 2011 and 2010, McKinley recognized approximately $642 and $2,417, respectively, for changes in prior year Medicare risk factor estimates which are recorded as premium revenue in the consolidated statements of operations

During 2011 and 2010, McKinley is undergoing a data validation audit covering risk factor adjustment scores related to the 2006 contract McKinley estimated an amount due by applying an expected error rate, as determined based upon internal tracking of sampled enrollees, and an expected average error amount to the amount received for a sample of Medicare enrollees over the contract The resulting error was projected into the population Included in accounts payable and accrued expenses in the consolidated balance sheets are accruals of $11,000 and $7,474 at December 31, 2011 and December 25, 2010, respectively, relating to this audit Because the actual number of errors is not known, it is reasonably possible that this estimate will change in the future

McKinley serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS Payments from CMS under this contract include amounts for premiums, amounts for risk corridor adjustments, and amounts for reinsurance and low-income cost subsidies

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage McKinley recognizes premium revenues for providing this insurance coverage ratably over the contract period Premiums received in advance are recorded in premiums received in advance Pharmacy benefit and administrative costs under the contract are expensed as incurred As a result of the Medicare Part D product design, McKinley incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year, which ends December 31

McKinley's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions McKinley recognizes a risk sharing payable or receivable based on year-to-date activity The risk corridor provisions compare costs targeted in McKinley's annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS Variances exceeding certain thresholds may result in CMS making additional payments to McKinley or require McKinley to refund to CMS a portion of what was received McKinley estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period Accordingly, this estimate provides no consideration to future pharmacy claims experience

(Dollars in Thousands)

Note 4. Investments

The principal components of investments in the accompanying consolidated balance sheets at fair value are as follows

	2011	2010
Cash, cash equivalents and short-term investments	$ 2,424	$ 2,477
Mutual funds	88,032	86,131
Corporate obligations	10,774	9,979
U S Government and Agency obligations	65,369	60,198
Marketable equity securities	7,872	10,838
Alternative investments	7,734	8,090
	$ 182,205	$ 177,713

The Foundation and its subsidiaries hold investments in debt and equity securities which are classified as trading and other-than-trading securities Most of these securities are publicly traded on the national stock exchanges and are considered Level 1 investments (see also Note 16) For 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent

At December 31, 2011 and December 25, 2010, bonds with a value of $500 were held pursuant to Ohio Revised Code 3907 07 to satisfy regulatory requirements

Investment Income

Investment income and gains on investments and cash equivalents are comprised of the following

	2011	2010
Investment and other income		
Investment income and net realized gains on sale of securities and other investments	$ 6,866	$ 8,768
Net unrealized gains (losses) on trading securities	(3,522)	7,066
Other unrealized losses on investments	(1,055)	-
	$ 2,289	$ 15,834

There were no other-than-temporary impairment losses on other-than-trading securities for 2011 or 2010

Investment expenses for 2011 and 2010 amounted to approximately $538 and $526, respectively

(Dollars in Thousands)

Note 5. Property and Equipment

A summary of property and equipment is as follows

	2011	2010
Land	$ 35,875	$ 33,038
Land improvements	11,541	10,951
Buildings and fixed equipment	283,948	280,053
Moveable equipment	144,402	141,491
	475,766	465,533
Less accumulated depreciation and amortization	253,283	231,648
	222,483	233,885
Construction in progress	36,170	30,707
Property and equipment, net	$ 258,653	$ 264,592

Depreciation expense for 2011 and 2010 was $22,739, and $22,602, respectively

As part of its capital expansion and renovation projects, the Hospital has commitments for construction and renovation of buildings and equipment purchases of approximately $7,200 at December 31, 2011

Asset Retirement Obligations

The Foundation and its subsidiaries have determined that there is a limited area of their facilities that are subject to legal obligations associated with asset retirements At December 31, 2011, the Foundation and its subsidiaries have no plans for retiring the affected assets, and management expects that the amount of the legal obligations associated with any such retirements would be immaterial Should the Foundation and its subsidiaries make plans to retire the aforementioned assets, the fair value of the liability for the legal obligations associated with the asset retirements will be recognized in the period in which it can be reasonably estimated

Note 6. Notes Receivable

The Foundation has an agreement obligating it to advance up to $6,140 to another entity in conjunction with the acquisition, construction, or purchase of equipment for existing hospital facilities The agreement requires repayment in 50 equal installments effective January 1, 2007 As of December 31, 2011, the Foundation had advanced $5,940 under this agreement The balance outstanding on the note receivable is $4,752 and $4,989 at December 31, 2011 and December 25, 2010, respectively See Note 20 for further information regarding this note receivable

During 2005, the Foundation entered into an agreement obligating it to advance up to $4,000 to another entity for the acquisition, construction, or purchase of equipment for an acute care facility As of December 31, 2011 the Foundation had advanced $1,229 under this agreement The balance outstanding on the note receivable is $1,079 and $1,133 at December 31, 2011 and December 25, 2010, respectively

(Dollars in Thousands)

Note 7. Intangible Assets

Amortization expense recognized on all amortizable intangible assets totaled $509 for 2011 and 2010

The following is a summary of intangible assets subject to amortization at December 31, 2011 and December 25, 2010

	2011		2010	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Right of first refusal	$ 5,400	$ 2,880	$ 5,400	$ 2,520
Acquired customer relationships	1,490	894	1,490	745
	$ 6,890	$ 3,774	$ 6,890	$ 3,265

The right of first refusal is being amortized over 15 years The acquired customer relationships are being amortized over 10 years

Note 8. Income Taxes

Net deferred tax assets consist of the following components as of December 31, 2011 and December 25, 2010

	2011	2010
Deferred tax assets		
Accrued expenses	$ 733	$ 856
Receivable allowances	3,066	2,686
Other	5,178	3,840
Loss carryforwards	24,901	21,468
	33,878	28,850
Less valuation allowance	(28,563)	(24,369)
	5,315	4,481
Deferred tax liabilities		
Depreciation and amortization	(61)	(110)
Other	(107)	(120)
	(168)	(230)
	$ 5,147	$ 4,251

Deferred tax assets have been classified in the accompanying consolidated balance sheets as follows

	2011	2010
Deferred income taxes (current)	$ 5,147	$ 4,251

(Dollars in Thousands)

Note 8. Income Taxes (Continued)

As of December 31, 2011 and December 25, 2010, the Foundation and its subsidiaries recorded valuation allowances of $28,563 and $24,369, respectively, on the deferred tax assets to reduce the total to an amount that management believes will ultimately be realized Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income The net change in the valuation allowance was an increase of $4,194 for 2011 and $4,058 for 2010

Loss carryforwards for tax purposes of approximately $73,238 at December 31, 2011 will expire in years beginning 2016 through 2031

The (provision) benefit for income tax expense for 2011 and 2010 consists of the following

	2011	2010
Current tax expense	$ (420)	$ (3,497)
Deferred tax benefit	896	1,727
	$ 476	$ (1,770)

Note 9. Reinsurance Agreements

Certain premiums and benefits of McKinley and McKinley SPC are ceded to other insurance companies under reinsurance agreements The ceded reinsurance agreements provide McKinley and McKinley SPC with increased capacity to write larger risks and maintain its exposure to loss within their capital resources

For 2011, McKinley has a reinsurance agreement with Zurich American Insurance Company for its commercial and individual medical businesses The agreement provides for indemnification of 100% of eligible incurred claim expenses for fully-insured and self-insured individuals in excess of $325, to a maximum of $675 per covered person per agreement year, less McKinley's retention and reimbursable amount

For 2010, McKinley has a reinsurance agreement with Munich Reinsurance America, Inc for its commercial and individual medical businesses The agreement provides for indemnification of 100% of eligible incurred claim expenses for fully-insured and self-insured individuals in excess of $300, to a maximum of $700 per covered person per agreement year, less an adjustment for an aggregating specific deductible For covered oncology claims, the agreement provides for indemnification of 100% of eligible incurred claim expenses for fully-insured individuals in excess of $285, to a maximum of $715 per covered person per agreement year, less an adjustment for an aggregating specific deductible

Beginning in April 2011, McKinley has a reinsurance agreement with Zurich American Insurance Company for its Medicare business The agreement provides for indemnification of 100% of eligible incurred claim expenses per covered person(s) in excess of $250, to a maximum of $2,000 per covered person per agreement year, less McKinley`s retention and reimbursable amount

Note 9. Reinsurance Agreements (Continued)

For April 2010 through March 2011, McKinley has a reinsurance agreement with Zurich American Insurance Company for its Medicare business The agreement provides for indemnification of 90% of eligible incurred claim expenses per covered person(s) in excess of $250, to a maximum of $2,000 per covered person per agreement year, less McKinley's retention and reimbursable amount

For January 2010 through March 2010, McKinley has reinsurance agreements with HM Life Insurance Company for its Medicare business The agreements provide for indemnification of 90% of eligible incurred claim expenses per covered person(s) in excess of $180, to a maximum of $1,000 per covered person per agreement year, less McKinley's retention and reimbursable amount

For 2011 and 2010, McKinley has dollar-for-dollar reinsurance agreements with ACE American Insurance Company for its commercial and individual medical businesses The agreements provide for indemnification of 100% of in-network eligible incurred transplant claim expenses for fully-insured and self-insured individuals up to maximum of $2,000 per covered person per agreement year The agreements provide for indemnification of 70% of out-of-network eligible incurred transplant claim expenses for fully-insured and self-insured individuals up to a maximum of $1,000 per covered person per agreement year

McKinley SPC reinsures a portion of its risk in order to limit its exposure to losses Reinsurance contracts do not relieve the obligations to the policyholders Failure of reinsurers to honor their obligations could result in losses to McKinley SPC Consequently, McKinley SPC evaluates the financial conditions of its reinsurers and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies

McKinley and McKinley SPC would still be liable to pay the full amount of outstanding losses should any of its reinsurers fail to meet their obligations under the reinsurance agreements In the opinion of management, based on review of McKinley and McKinley SPC's reinsurers, any amount that would become payable are presently considered collectible

Reinsurance premium expenses were approximately $11,694 and $11,767 for 2011 and 2010, respectively Amounts received from reinsurers are reported as reductions to claims expense

(Dollars in Thousands)

Note 10. Unpaid Claims and Claims Adjustment Expenses, Loss and Loss-Adjustment Expenses

The liabilities for unpaid claims and claims adjustment expenses and loss and loss-adjustment expenses of McKinley and McKinley SPC are based on the estimated amount payable on claims and losses reported prior to the balance sheet date that have not yet been settled

Activity in the liability for unpaid claims and claims adjustment expenses and loss and loss-adjustment expenses is summarized as follows

	2011	2010
Balance, beginning of year	$ 37,550	$ 43,212
Less reinsurance recoverables	(3,073)	(6,238)
Net balance, beginning of year	34,477	36,974
Amount incurred, related to		
Current year	218,266	228,241
Prior years	(1,550)	(4,954)
Total incurred	216,716	223,287
Amount paid related to		
Current year	195,161	205,013
Prior years	21,431	20,771
Total paid	216,592	225,784
Net balance, end of year	34,601	34,477
Plus reinsurance recoverables	4,706	3,073
Balance, end of year	$ 39,307	$ 37,550

As a result of changes in estimates of insured events in prior years, the provisions above (net of reinsurance recoveries of $4,935 and $3,428 for 2011 and 2010, respectively) decreased by $1,550 in 2011 and by $4,954 in 2010 The changes in the provisions were primarily the result of settling case-basis provisions for amounts that were different than expected

Independent consulting actuaries have been engaged to evaluate the required provision for the outstanding claims on losses In their calculation, the actuaries have used industry-based data as well as the historical loss data of the insureds which together may or may not be representative of McKinley`s and McKinley SPC`s ultimate liabilities under the insurance written

Management believes that the amounts included in the provision for claims and losses and claims and loss expenses is sufficient to cover McKinley and McKinley SPC`s ultimate remaining liability for claims and losses incurred prior to the balance sheet date However, the liability for such claims and losses is ultimately based on management's reasonable expectation of future events It is reasonably possible that the expectations associated with these amounts could change in the near term and that the effect of such changes could be material to the consolidated financial statements

(Dollars in Thousands)

Note 11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	2011	2010
Health care services		
Purchase of equipment	$ 314	$ 513
Health education and research	1,369	1,212
Other	111	166
	$ 1,794	$ 1,891

Permanently restricted net assets in the amount of $399 at December 31, 2011 and December 25, 2010 are restricted to investments to be held in perpetuity The income is expendable to support chaplaincy services

During 2011 and 2010, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of purchase of equipment, incurring expenses of indigent care and health care education and research and other programs in the amount of $2,609 and $1,833, respectively

Note 12. Employee Benefit Plans

The Foundation has established a salary deferral plan under Section 401(k) of the Internal Revenue Code The plan allows eligible employees to defer a portion of their compensation ranging from 1% to 20% Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds

In 2010, the Foundation sponsored a defined contribution plan which covered the Foundation and its subsidiaries' regular full-time and regular part-time employees The Foundation and subsidiaries made contributions to the plan based on a formula specified in the plan agreement In December 2010, the Foundation terminated this defined contribution plan and transferred all assets of the plan to the Section 401(k) plan As a result, the Foundation and its subsidiaries will direct all future employer contributions to the Section 401(k) plan

Charges to expense related to these plans were approximately $9,381 and $8,729 for 2011 and 2010, respectively

In addition, the Foundation sponsors a salary deferral plan under Section 403(b) of the Internal Revenue Code The plan allows eligible employees of various subsidiaries of the Foundation to defer a portion of their compensation Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds The plan does not have any matching requirement and provides for discretionary contributions No discretionary contributions were made to the plan in 2011 and 2010

The Foundation also sponsors a deferred compensation plan for a select group of executives The plan allows participants to defer compensation up to certain limits Participants shall be fully vested in all funds credited to their account At December 31, 2011 and December 25, 2010, the total value of plan assets was $3,908 and $3,156, respectively

(Dollars in Thousands)

Note 13. Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors was as follows

	2011	2010
Medicare	41 %	46 %
Medicaid	14	14
Other third-party payors	45	40
	100 %	100 %

Concentrations of credit risk with respect to premiums receivable are limited due to the large number of customers comprising McKinley's customer base Accordingly, McKinley does not believe any significant concentrations of credit risk exist at December 31, 2011 or December 25, 2010

McKinley manages any exposure to credit risk on their reinsurance recoverables by dealing only with reinsurers with strong ratings

McKinley evaluates the financial condition of their reinsurers and monitors concentrations of credit risk of their reinsurers to minimize exposure to losses from reinsurer insolvencies

Note 14. Functional Expenses

The Foundation provides health care services Expenses related to providing these services are as follows

	2011	2010
Health care services	$ 639,599	$ 623,272
General and administrative	174,369	158,514
	$ 813,968	$ 781,786

Note 15. Charity Care

The Hospital provided a substantial amount of the area's total care for patients having no private or governmental health insurance and no significant level of income Management's estimates consider uncompensated care to include charity care and Medicaid shortfall Charity care consists of the direct and indirect costs of services for care given to patients who are unable to pay based on pre-established criteria Medicaid shortfall is management's estimate of the difference between the payments received for and the direct and indirect costs of care provided to patients who are covered by the government entitlement program of Medicaid The Hospital estimated these costs by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients The charity care policy is subject to periodic review and change based on management's analysis of current economic and regulatory factors

A summary of the estimates of uncompensated care follows

	2011	2010
Charity care	$ 9,224	$ 13,529
Medicaid shortfall	19,395	18,587

(Dollars in Thousands)

Note 16. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments

Cash, cash equivalents, accounts receivables, unpaid claims, accounts payable, and accrued liabilities The carrying amounts approximate fair value due to the short maturity of these instruments

Notes receivable The carrying amount is cost, which is not materially different from their estimated fair values

Investments The tables below present investments measured at fair value on a recurring basis by level within the valuation hierarchy

December 31, 2011	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash, cash equivalents and short-term investments	$ 2,424	$ 2,424	$ -	$ -
Mutual funds	88,032	65,210	22,822	-
Corporate obligations	10,774	10,774	-	-
U S Government and Agency obligations	65,369	65,369	-	-
Marketable equity securities				
Small cap value funds	3,924	3,924	-	-
Mid cap growth funds	3,948	3,948	-	-
Alternative investments				
Hedge funds	5,685	-	-	5,685
Global real estate securities	2,049	2,049	-	-
	$ 182,205	$ 153,698	$ 22,822	$ 5,685
December 25, 2010				
Cash, cash equivalents and short-term investments	$ 2,477	$ 2,477	$ -	$ -
Mutual funds	86,130	63,728	22,402	-
Corporate obligations	9,979	9,979	-	-
U S Government and Agency obligations	60,198	60,198	-	-
Marketable equity securities				
Small cap value funds	5,514	5,514	-	-
Mid cap growth funds	5,325	5,325	-	-
Alternative investments				
Hedge funds	5,876	-	-	5,876
Global real estate securities	2,214	2,214	-	-
	$ 177,713	$ 149,435	$ 22,402	$ 5,876

Note 16. Fair Value of Financial Instruments (Continued)

During the 53 weeks ended December 31, 2011, the Foundation did not make significant transfers between Level 1 and Level 2 assets and liabilities

McKinley SPC has used the net asset values per share (NAV) as the practical expedient to measure fair value As at December 31, 2011, McKinley SPC held investments in the following mutual funds, which are categorized as Level 2

a) Vanguard US Government Bond Index This fund seeks to provide returns consistent with the performance of the Barclays Capital Global Aggregate U S Government Bond Index, a market-weighted index of the U S government market with an intermediate average-weighted maturity
b) Vanguard US Investment Grade Credit Index This fund seeks to provide returns consistent with the performance of the Barclays Global Aggregate U S Credit Float Adjusted Bond Index, a market weighted bond index of U S dollar-denominated investment-grade credit securities
c) Vanguard U S Ultra Short Term Bond Fund This fund seeks to provide current income with limited price volatility The fund invests principally in high-quality, ultra-short-term debt instruments traded primarily in the United States, including securities backed by the full faith and credit of the U S Government, securities issued by the U S Government agencies, and securities issued by corporations and financial institutions
d) Vanguard 500 Stock Index Fund This fund invests in stocks in the Standard & Poor's 500 Index, representing 500 of the largest U S companies The fund's goal is to closely track the index's return, which is considered a gauge of the overall U S stock returns
e) Vanguard Global Stock Index Fund This fund seeks to provide long-term growth of capital by tracking the performance of the Morgan Stanley Capital International World Free Index, a market-capitalization-weighted index of common stocks of companies in developed countries
f) Vanguard Global Small Cap Index This fund seeks to provide long-term growth of capital by tracking the performance of the Index, a market-capitalization-weighted index of small-cap companies in developed countries

The above funds do not impose redemption penalties and do not have a redemption notice period In addition, there are no unfunded commitments

The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement The following tables include a reconciliation of the amounts of financial instruments measured at fair value on a recurring basis classified within Level 3

(Dollars in Thousands)

Note 16. Fair Value of Financial Instruments (Continued)

	Fair Value Measurements Using Level 3 Inputs				
December 31, 2011	Beginning balance	Reclassification of securities to Level 2	Purchases and sales	Gains (losses) included in deficiency of revenues over expenses	Ending balance
Investments					
Alternative investments	$ 5,876	$ -	$ -	$ (191)	$ 5,685
Total	$ 5,876	$ -	$ -	$ (191)	$ 5,685
December 25, 2010					
Investments					
Alternative investments	$ 5,604	$ -	$ -	$ 272	$ 5,876
Total	$ 5,604	$ -	$ -	$ 272	$ 5,876

During the 53 weeks ended December 31, 2011, the Foundation did not make significant transfers, purchases, or sales of Level 3 assets and liabilities

Realized and unrealized gains and losses reported above are included in investment and other income in the consolidated statements of operations Gains and losses reported above relate to investments still held at the reporting date

Note 17. Capital and Surplus Requirement

McKinley is required to maintain capital and surplus of $1,500 for regulatory purposes At December 31, 2011 and December 25, 2010, McKinley's statutory basis capital and surplus were $57,436 and $59,575, respectively

In addition, life/health insurance companies are subject to certain Risk-Based Capital (RBC) requirements as specified by the National Association of Insurance Commissioners Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it At December 31, 2011 and December 25, 2010, McKinley met the RBC requirements

The payment of dividends by McKinley to its parent is limited and cannot be made except from earned profits The maximum amount of dividends that may be paid by health insurance companies without prior approval of the Ohio Department of Insurance Commissioner is subject to restrictions related to statutory surplus and net income In 2012, McKinley cannot pay any dividends without prior approval of the Ohio Department of Insurance Commissioner

(Dollars in Thousands)

Note 18. Commitments

Operating Leases

The Foundation and its subsidiaries lease equipment under noncancelable leases expiring in various years through 2016 Rental expense for all operating leases was $12,138 and $11,507 for 2011 and 2010, respectively The following is a schedule by years of future minimum lease payments under operating leases with terms in excess of one year as of December 31, 2011

2012	$	7,548
2013		5,263
2014		3,288
2015		2,037
2016		694
	$	18,830

Commitments

The Hospital has entered into agreements with medical practices to provide medical services to the Hospital The agreements call for monthly payments over terms expiring through 2014 The agreements call for medical services to be provided for a variable number of hours of services at fixed hourly rates

Note 19. Contingencies

Litigation

On or about December 27, 2007, CSAHS/UHHS-Canton, Inc d/b/a Mercy Medical Center ("Mercy"), a competitor of Aultman Hospital in Stark County, Ohio, filed an action in the Stark County Court of Common Pleas against Aultman Health Foundation, AultCare Corporation, Aultman Hospital, and McKinley Life Insurance Company (collectively, "Defendants") Mercy alleged that the four Defendants had violated Ohio's antitrust laws, tortiously interfered with Mercy's business relationships, engaged in unfair competition, deceptive trade practices and a civil conspiracy, and violated Ohio's Patten of Corrupt Activities Statute The action went to trial, and in June 2010, the jury rendered judgment in favor of the Defendants on five of the six Mercy claims that were still at issue by that time With respect to the sixth claim, for an alleged violation of Ohio's Patten of Corrupt Activities Statute, the jury found "Aultman" liable to Mercy for $6,148,000 in damages Mercy had sought $110,000,000 in damages On October 19, 2010, the trial judge overruled the four Defendants' motion for judgment notwithstanding the verdict and for a new trial, but denied Mercy's claim for prejudgment interest The trial judge also granted Mercy injunctive relief and attorneys' fees of $4,000,000 Neither the one verdict on which Mercy prevailed nor any of the Court's October 19 orders allocated the jury's award among the four Defendants The four Defendants appealed the jury verdict and the judge's orders on October 22, 2010 and intend to vigorously pursue the appeal On March 5, 2012, the Court of Appeals affirmed the monetary awards to Mercy, but reversed the Trial Court's injunctive relief requiring payments to non-parties Defendants filed an appeal to the Ohio Supreme Court on April 19, 2012

Note 19. Contingencies (Continued)

On or about June 7, 2006, HomeTown Health Plan and its affiliates, competitors of AultCare Corporation and McKinley Life Insurance Company, filed an action in the Tuscarawas County Court of Common Pleas against Defendants (the "HomeTown Case") HomeTown alleged that the Defendants had violated Ohio's antitrust laws, tortiously interfered with HomeTown's business relationships, engaged in unfair competition, deceptive trade practices, and a civil conspiracy, and violated Ohio's Pattern of Corrupt Activities Statute ("POCA") Defendants denied any wrongdoing and filed counterclaims The HomeTown case was set for trial in June, 2009 Immediately prior to trial, the Court dismissed the POCA claim and stayed the litigation to seek guidance from the Ohio Department of Insurance ("ODI") and two federal agencies respecting HomeTown's allegations that the Defendants violated state and federal laws While the ODI investigation was pending, the Stark County jury found against Mercy on all of the same claims that remained pending in the HomeTown Case Then, on December 13, 2010, ODI concluded its investigation and issued a detailed Report and Recommendation in response to the Court's request in the HomeTown Case ODI concluded that the program at issue did not violate any Ohio insurance laws and was not materially different than other incentive programs Thereafter, the parties agreed to settle the HomeTown Case, which was dismissed with prejudice on September 20, 2011

Patient Protection and Affordable Care Act

In March 2010, the President signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively referred to as the "Healthcare Reform Legislation") which considerably transforms the U S health care delivery system and increases regulations within the U S health insurance industry This legislation is intended to expand the availability of health insurance coverage to millions of Americans The Healthcare Reform Legislation contains provisions that take effect from 2010 through 2018 with most measures effective in 2014 The total impact of the Healthcare Reform Legislation is unknown, as many aspects of the legislation require additional guidance and clarification to be developed by the Department of Health and Human Services, the Department of Labor, the Department of the Treasury and the NAIC Certain provisions of the new legislation are likely to have an impact on the Foundation's future operations, including a fee assessed on companies in the insurance industry beginning in 2014, minimum medical loss ratios (MLR) beginning in 2011, guarantee issue and renewability of policies beginning in 2014, and state-based insurance exchanges for individual insurance and small groups beginning in 2014 The impact of the Healthcare Reform Legislation on the consolidated financial position and results of operations and changes in net assets of the Foundation will continue to be evaluated

Recovery Audit Contractors Program

In 2005, the Centers for Medicare & Medicaid Services (CMS) announced a new demonstration project using recovery audit contractors (RACs) as part of CMS' further efforts to assure accurate payments The project uses RACs to search for potentially improper Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts Once a RAC identifies a claim it believes to be improper, it makes an adjustment to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment The Foundation deducts from revenue amounts that are assessed under the RAC audits at the time a notice is received or when sufficient information is available to make a reasonable estimate of amounts due

Note 20. Subsequent Events

Subsequent events have been evaluated through May 17, 2012, which is the date the consolidated financial statements were available for issue

In January 2012, the Foundation acquired Orrville Hospital Foundation dba Dunlap Community Hospital (DCH) for approximately $5,992 Included in the purchase price is the forgiveness of the $4,752 note receivable described in Note 6 As a result of the agreement, the entire note receivable balance of $4,752 is classified as a current asset in other receivables on the consolidated balance sheets at December 31, 2011 Additionally, the Foundation has made a five year capital commitment to DCH in the amount of $7,348 to be used in conjunction with information technology, facilities, equipment, routine capital and physician and new service development Due to the timing of the closing and in accordance with accounting principles generally accepted in the United States of America, the initial accounting for this acquisition has not been finalized or recorded in the Foundation's December 31, 2011 consolidated financial statements Therefore, the estimated fair value of the acquisition components are not yet available

On March 14, 2012, McKinley Life Insurance Company changed its name to AultCare Insurance Company

In March 2012, the Foundation entered into a line of credit agreement with a bank to borrow up to $25,000 for the use of capital improvement as well as funding working capital needs

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Directors
Aultman Health Foundation
Canton, Ohio

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Brunet · Cox, LLP

Canton, Ohio
May 17, 2012

CONSOLIDATING BALANCE SHEET

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

December 31, 2011
(Dollars in Thousands)

ASSETS	Consolidated	Eliminations	Aultman Health Foundation	Aultman Hospital and Subsidiary	Aultman Development Institute
Current assets					
Cash and cash equivalents	$ 28,826	$ -	$ 2,231	$ 9,256	$ -
Patient accounts receivable, net	39,221	(19,456)	-	53,568	-
Premiums receivable, net	2,390	-	-	-	-
Reinsurance recoverables	4,706	-	-	-	-
Other receivables	17,385	(1,150)	4,871	4,828	-
Inventories of supplies	4,457	-	-	3,132	-
Deferred income taxes, net	5,147	-	-	453	-
Prepaid expenses and other assets	4,697	(2,450)	1,235	1,939	-
Total current assets	106,829	(23,056)	8,337	73,176	-
Investments					
Board designated	76,620	-	75,775	-	-
Of insurance subsidiary	79,759	-	-	-	-
Of captive insurance subsidiary	22,822	-	-	-	-
Restricted by donor	3,004	-	-	3,004	-
	182,205	-	75,775	3,004	-
Investment in joint venture	1,706	-	-	1,706	-
Property and equipment, net	258,653	(5)	11,300	233,892	-
Investments in affiliates	-	(152,616)	143,683	-	-
Notes receivable, net	1,079	-	1,079	-	-
Intangible and other assets, net	3,116	-	2,520	-	-
	$ 553,588	$ (175,677)	$ 242,694	$ 311,778	$ -

North Central Medical Resources, Inc and Subsidiaries	AultCare Corporation	McKinley Life Insurance Company and Subsidiary	West Tuscarawas Property Management, LLC	Acute Care Specialty Hospital at Aultman, LLC	McKinley Assurance SPC	Aultra Administrative Group	The Aultman Foundation
$ 2,470	$ -	$ 10,877	$ -	$ 3,644	$ 302	$ 43	$ 3
5,020	-	-	-	89	-	-	-
-	-	2,390	-	-	-	-	-
-	-	1,529	-	-	3,177	-	-
1,312	819	6,391	175	-	-	139	-
1,240	18	-	-	-	-	-	67
-	-	4,694	-	-	-	-	-
288	737	2,474	3	30	388	53	-
10,330	1,574	28,355	178	3,763	3,867	235	70
-	-	-	-	-	-	-	845
-	-	79,759	-	-	-	-	-
-	-	-	-	-	22,822	-	-
-	-	-	-	-	-	-	-
-	-	79,759	-	-	22,822	-	845
-	-	-	-	-	-	-	-
91	4,077	-	9,272	-	-	26	-
-	-	8,933	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	596	-
$ 10,421	$ 5,651	$ 117,047	$ 9,450	$ 3,763	$ 26,689	$ 857	$ 915

CONSOLIDATING BALANCE SHEET (CONTINUED)

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

December 31, 2011
(Dollars in Thousands)

LIABILITIES AND NET ASSETS	Consolidated	Eliminations	Aultman Health Foundation	Aultman Hospital and Subsidiary	Aultman Development Institute
Current liabilities					
Unpaid claims and claims adjustment expenses	$ 23,741	$ (19,457)	$ -	$ -	$ -
Loss and loss-adjustment expenses	15,566	-	-	-	-
Accounts payable and accrued expenses	45,296	(4,781)	4,292	18,756	-
Salaries, wages and payroll taxes	25,643	-	1,158	19,676	-
Estimated third-party payor settlements	4,790	-	-	3,596	-
Premiums received in advance	5,440	(4,144)	-	2,369	-
Intercompany accounts	-	-	-	(690)	-
Accrued contingency	10,100	-	10,100	-	-
Total current liabilities	130,576	(28,382)	15,550	43,707	-
Net assets					
Common stock and paid in capital	-	(155,028)	-	1,129	-
Unrestricted	420,819	7,733	227,144	264,749	-
Temporarily restricted	1,794	-	-	1,794	-
Permanently restricted	399	-	-	399	-
Total net assets	423,012	(147,295)	227,144	268,071	-
	$ 553,588	$ (175,677)	$ 242,694	$ 311,778	$ -

North Central Medical Resources, Inc and Subsidiaries	AultCare Corporation	McKinley Life Insurance Company and Subsidiary	West Tuscarawas Property Management, LLC	Acute Care Specialty Hospital at Aultman, LLC	McKinley Assurance SPC	Aultra Administrative Group	The Aultman Foundation
$ -	$ -	$ 43,198	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	15,566	-	-
740	3,086	16,618	-	231	5,852	303	199
2,536	1,732	12	-	384	-	145	-
-	-	-	-	1,194	-	-	-
-	526	4,870	-	-	1,819	-	-
-	6,053	(9,019)	-	-	-	3,656	-
-	-	-	-	-	-	-	-
3,276	11,397	55,679	-	1,809	23,237	4,104	199
83,690	-	49,876	11,859	204	120	8,150	-
(76,545)	(5,746)	11,492	(2,409)	1,750	3,332	(11,397)	716
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,145	(5,746)	61,368	9,450	1,954	3,452	(3,247)	716
$ 10,421	$ 5,651	$ 117,047	$ 9,450	$ 3,763	$ 26,689	$ 857	$ 915

CONSOLIDATING STATEMENT OF OPERATIONS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53-weeks ended December 31, 2011
(Dollars in Thousands)

	Consolidated	Eliminations	Aultman Health Foundation	Aultman Hospital and Subsidiary	Aultman Development Institute
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT					
Net patient service revenue	$ 319,165	$ (151,905)	$ -	$ 420,154	$ -
Premium revenue	439,138	(39,143)	-	34,860	-
Other revenue	47,777	(34,050)	30,712	19,202	99
Net assets released from restrictions	2,609	-	-	2,609	-
Total unrestricted revenues, gains and other support	808,689	(225,098)	30,712	476,825	99
EXPENSES					
Salaries and benefits	337,949	-	16,507	237,136	91
Medical supplies	66,540	-	(317)	66,369	-
Pharmacy	18,889	-	92	18,251	-
Professional fees	18,923	(3,717)	97	18,875	-
Equipment maintenance	17,112	-	7,345	8,268	3
Administrative and general	87,247	(1,180)	8,537	37,751	312
Utilities	9,748	-	616	7,880	-
Claims, losses and loss-adjustment expenses	209,973	(192,356)	-	-	-
Depreciation and amortization	23,248	-	696	21,038	-
Management fee	-	(27,985)	-	27,166	-
Provision for doubtful accounts	24,339	-	-	23,479	-
Total expenses	813,968	(225,238)	33,573	466,213	406
Income (loss) from operations	(5,279)	140	(2,861)	10,612	(307)
INVESTMENT AND OTHER INCOME (LOSS), NET	2,289	1,263	(1,138)	97	(611)
CONTINGENCY EXPENSES	8,784	-	4,516	-	-
Excess (deficiency) of revenues over expenses before (provision) benefit for income tax	(11,774)	1,403	(8,515)	10,709	(918)
(PROVISION) BENEFIT FOR INCOME TAX	476	-	-	(309)	-
Excess (deficiency) of revenues over expenses	(11,298)	1,403	(8,515)	10,400	(918)
CAPITAL CONTRIBUTIONS (DISTRIBUTIONS)	-	(13,069)	73,781	-	(73,781)
INTERFUND TRANSFERS	-	-	68,803	(67,711)	-
Increase (decrease) in unrestricted net assets	$ (11,298)	$ (11,666)	$ 134,069	$ (57,311)	$ (74,699)

North Central Medical Resources, Inc and Subsidiaries	AultCare Corporation	McKinley Life Insurance Company and Subsidiary	West Tuscarawas Property Management, LLC	Acute Care Specialty Hospital at Aultman, LLC	McKinley Assurance SPC	Aultra Administrative Group	The Aultman Foundation
$ 43,726	$ -	$ -	$ -	$ 7,190	$ -	$ -	$ -
-	-	438,734	-	-	4,687	-	-
9,531	11,667	1	1,151	4	-	6,848	2,612
-	-	-	-	-	-	-	-
53,257	11,667	438,735	1,151	7,194	4,687	6,848	2,612
50,085	7,119	16,040	241	5,897	-	4,494	339
136	8	-	-	343	-	1	-
30	-	-	-	516	-	-	-
561	23	2,988	-	96	-	-	-
429	207	533	128	15	-	184	-
14,076	2,619	20,337	357	786	252	2,148	1,252
629	48	215	221	1	-	138	-
-	-	397,256	-	-	5,073	-	-
77	798	-	412	-	-	227	-
-	195	574	-	-	-	50	-
241	-	619	-	-	-	-	-
66,264	11,017	438,562	1,359	7,654	5,325	7,242	1,591
(13,007)	650	173	(208)	(460)	(638)	(394)	1,021
1	-	1,701	(1,055)	6	2,011	-	14
-	-	4,268	-	-	-	-	-
(13,006)	650	(2,394)	(1,263)	(454)	1,373	(394)	1,035
-	-	785	-	-	-	-	-
(13,006)	650	(1,609)	(1,263)	(454)	1,373	(394)	1,035
12,808	-	-	(21)	-	-	282	-
-	-	-	-	(750)	-	-	(342)
$ (198)	$ 650	$ (1,609)	$ (1,284)	$ (1,204)	$ 1,373	$ (112)	$ 693

CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53-weeks ended December 31, 2011
(Dollars in Thousands)

	Consolidated	Eliminations	Aultman Health Foundation	Aultman Hospital and Subsidiary	Aultman Development Institute
UNRESTRICTED NET ASSETS					
Excess (deficiency) of revenues over expenses before (provision) benefit for income tax	$ (11,774)	$ 1,403	$ (8,515)	$ 10,709	$ (918)
(Provision) benefit for income tax	476	-	-	(309)	-
Excess (deficiency) of revenues over expenses	(11,298)	1,403	(8,515)	10,400	(918)
Capital contribution to NCMR	-	(13,090)	-	-	-
Transfer of net assets from ADI to AHF	-	-	73,781	-	(73,781)
Capital distribution from WTPM	-	21	-	-	-
Transfer of Aultcomp net assets from NCMR to AAG	-	-	-	-	-
Interfund transfers	-	-	68,803	(67,711)	-
Increase (decrease) in unrestricted net assets	(11,298)	(11,666)	134,069	(57,311)	(74,699)
TEMPORARILY RESTRICTED NET ASSETS					
Gifts, grants and bequests	2,512	-	-	2,512	-
Net assets released from restrictions	(2,609)	-	-	(2,609)	-
Decrease in temporarily restricted net assets	(97)	-	-	(97)	-
Increase (decrease) in net assets	(11,395)	(11,666)	134,069	(57,408)	(74,699)
NET ASSETS, BEGINNING OF YEAR	434,407	(135,629)	93,075	325,479	74,699
NET ASSETS, END OF YEAR	$ 423,012	$ (147,295)	$ 227,144	$ 268,071	$ -

North Central Medical Resources, Inc and Subsidiaries	AultCare Corporation	McKinley Life Insurance Company and Subsidiary	West Tuscarawas Property Management, LLC	Acute Care Specialty Hospital at Aultman, LLC	McKinley Assurance, SPC	Aultra Administrative Group	The Aultman Foundation
$ (13,006)	$ 650	$ (2,394)	$ (1,263)	$ (454)	$ 1,373	$ (394)	$ 1,035
-	-	785	-	-	-	-	-
(13,006)	650	(1,609)	(1,263)	(454)	1,373	(394)	1,035
13,090	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(21)	-	-	-	-
(282)	-	-	-	-	-	282	-
-	-	-	-	(750)	-	-	(342)
(198)	650	(1,609)	(1,284)	(1,204)	1,373	(112)	693
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(198)	650	(1,609)	(1,284)	(1,204)	1,373	(112)	693
7,343	(6,396)	62,977	10,734	3,158	2,079	(3,135)	23
$ 7,145	$ (5,746)	$ 61,368	$ 9,450	$ 1,954	$ 3,452	$ (3,247)	$ 716

SCHEDULES OF ASSETS, LIABILITIES AND ACCUMULATED EQUITY – AULTCOMP

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

December 31, 2011 and December 25, 2010

	2011	2010
ASSETS		
Cash and cash equivalents	**$ 43,254**	$ 37,187
Intercompany receivable	**546,843**	354,021
Prepaid expenses	**21,734**	15,115
	$ 611,831	$ 406,323
LIABILITIES AND ACCUMULATED EQUITY		
Accounts payable and accrued expenses	**$ 81,851**	$ 122,957
Salaries, wages and payroll taxes	**50,858**	1,614
	132,709	124,571
ACCUMULATED EQUITY	**479,122**	281,752
	$ 611,831	$ 406,323

SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN ACCUMULATED EQUITY – AULTCOMP

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53 and 52 weeks ended December 31, 2011 and December 25, 2010

	2011	2010
REVENUES	**$ 2,676,166**	$ 2,670,105
EXPENSES		
Salaries and benefits	**1,714,474**	1,649,736
Equipment maintenance	**106,440**	78,932
Administrative and general	**581,664**	573,907
Utilities	**26,453**	34,626
Management fee	**49,765**	64,805
Total expenses	**2,478,796**	2,402,006
Net income	**197,370**	268,099
ACCUMULATED EQUITY, BEGINNING OF YEAR	**281,752**	13,653
ACCUMULATED EQUITY, END OF YEAR	**$ 479,122**	$ 281,752

SCHEDULES OF OPERATING EXPENSES – AULTCOMP

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

For the 53 and 52 weeks ended December 31, 2011 and December 25, 2010

	2011	2010
Salaries	$ 1,320,090	$ 1,287,995
Employee benefits	288,615	265,761
Payroll taxes	105,769	95,980
Total salaries and benefits	1,714,474	1,649,736
Equipment maintenance	106,440	78,932
Audits and peer reviews	104,861	68,388
Leases	125,080	138,441
Consulting fees	92,499	80,666
Office equipment and supplies	86,266	99,230
Depreciation	44,118	11,296
Other administrative and general	128,840	175,886
Total administrative and general	581,664	573,907
Utilities	26,453	34,626
Management fee	49,765	64,805
TOTAL EXPENSES	$ 2,478,796	$ 2,402,006

NOTE TO SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN ACCUMULATED EQUITY - AULTCOMP

AULTMAN HEALTH FOUNDATION AND SUBSIDIARIES

Note 1. Description of Business and Provider Account

AultComp (the Company) provides medical case management and utilization management services for Workers' Compensation cases as a result of injuries to employees arising out of the course and scope of employment as provided by law. AultComp is fully URAC (Utilization Review Accreditation Commission) accredited by the American Accreditation HealthCare Commission for case management. The accreditation is earned by achieving certain case management organization standards.

The Company maintains a provider cash account on behalf of the State of Ohio Bureau of Workers' Compensation to distribute funds to awarded parties. The balance of this cash account and the related liability at December 31, 2011 and December 25, 2010 are $50,727 and $1,076, respectively.