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DLN: 93493319061612

# 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)

2011

OMB No 1545-0047

2011

► The organization may have to use a copy of this return to satisfy state reporting requirements

Open to Public

A Fo	r the :	2011 caler	ndar year, or tax year beginni	ing 01-01-2011	and ending 12-31-201	L1		·
B Che	eck ıf a		Name of organization MEMORIAL HOSPITAL OF SOUTH BEI	ND INC			D Employer i	dentification number
☐ Add	ress ch	nange					35-08681	
☐ Nai	me cha	nge	Doing Business As				E Telephone	
┌ Inıt	al retu	rn	Number and street (or P O box if n	naıl ıs not delivered	to street address) Room/s	uite	(574)647	
┌ Ter	mınate	d	615 N MICHIGAN STREET				<b>G</b> Gross receip	ts \$ 490,558,303
┌ Am	ended		City or town, state or country, and	ZIP + 4	I			
	olication	n pending	SOUTH BEND, IN 46601					
			F Name and address of prii	ncıpal officer		<b>H(a)</b> Is th	■ nis a group reti	ırn for
			PHILIP NEWBOLD 615 N MICHIGAN STREET				ates?	ΓYes <b>Γ</b> No
			SOUTH BEND, IN 46601			H(b) Are a	ıll affiliates inclu	uded?
						1 ' '		st (see instructions)
<b>I</b> Ta	x-exem	npt status	▼ 501(c)(3)	(insert no ) 4	947(a)(1) or 527	H(c) Gro	up exemption i	number ►
J W	ebsite	e: ► www q	ualityoflife org					
<b>K</b> Forr	n of org	ganization 🔽	Corporation Trust Association	on		<b>L</b> Year of fo	omation 1923	<b>M</b> State of legal domicile IN
Pa	rt I	Summa	ary			•		
		•	cribe the organization's missi	_				
e e	!	MEMORIAL	L IS COMMITTED TO IMPRO	OVING THE QU	JALITY OF LIFE OF TH	HE PEOPLE IN	NOUR COMMI	JNITY
Governance	-							
Ĕ								
ş.	2 (	Check this	box ► if the organization di	scontinued its	operations or disposed	of more than	25% of its net	assets
ঞ	3 1	Number of v	voting members of the govern	ning body (Part	VI, line 1a)		3	17
Activities &	4 1	Number of ı	independent voting members	of the governin	g body (Part VI, line 1b	)	. 4	13
Ē			er of individuals employed in				5	3,338
ξ			er of volunteers (estimate if r				6	625
¥			ated business revenue from P				7a	
			ed business taxable income f	•			7b	
	_				,	Pri	or Year	Current Year
	8	Contribut	tions and grants (Part VIII, li	ine 1h)			5,006,001	2,067,550
≗	9		service revenue (Part VIII, li	·	372,173,020	403,545,986		
Raveni	10		ent income (Part VIII, column				4,909,387	6,436,272
2	11		venue (Part VIII, column (A ),			·	12,921,446	
	12		enue—add lines 8 through 11			ne		· · ·
			<del></del>				395,009,854	
	13		nd sımılar amounts paıd (Part				1,222,556	1,040,579
	14		paid to or for members (Part I				0	0
82	15	Salaries, 5–10)	other compensation, employe	ee benefits (Pa	t IX, column (A), lines		148,393,083	149,522,222
Expenses	16a	•	onal fundraising fees (Part IX,	. column (A ), lın	e 11e)		0	0
¥ ⊕	Ь		raising expenses (Part IX, column (D		,			
ш	17		penses (Part IX, column (A),		.11f-24e)		210,491,302	222,451,606
	18		penses Add lines 13–17 (mu				360,106,941	373,014,407
	19	-	less expenses Subtract line	•			34,902,913	65,906,774
* <del>2</del>						Beginnin	g of Current	
Net Assets or Fund Balances							Year	End of Year
Ass Ba	20		sets (Part X, line 16)				638,068,406	676,052,791
¥ 5	21		oilities (Part X, line 26)				219,938,003	228,701,300
	22		ts or fund balances Subtract	line 21 from lir	ne 20		418,130,403	447,351,491
	rt II	_	ure Block					
know			ury, I declare that I have examin t is true, correct, and complete.					
		Cianation	e of officer				012-11-14	
Sign		'				L	ate	
Here	E		COSTELLO CFO print name and title					
		P			Data	Charle of	Dec = =	navor ido-tifiti
		Preparer's signature			Date	Check if self-	Preparer's tax (see instructio	payer identification number ns)
Paid		Signature				employed 🕨		
	arer's	Firm's name		LLP			EIN Þ	
Use (	Jniy	address, and		RCLE				
			INDIANAPOLIS IN 4	16204			Phone no 🕨	(317) 681-7000

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

┌Yes ┌No

Par	t III		of Program Sei ule O contains a re			Part III		
1	Brief	y describe the or	rganızatıon's mıssı	on				
MEM	ORIAL	IS COMMITTE	D TO IMPROVING	THE QUALITY	OF LIFE OF T	HE PEOPLE IN OUR C	OMMUNITY	
2			ndertake any signi 990-EZ?		rvices during	the year which were not		Yes ✓ No
	If "Ye	s," describe thes	e new services on	Schedule O				
3	servi	ces?			t changes in h	now it conducts, any pro		⊤Yes ┌ No
_			e changes on Sch					
4	exper	ses Section 50:	1(c)(3) and 501(c	)(4 ) organizations	and section 4	of its three largest prog 1947(a)(1) trusts are re r, for each program serv	equired to repo	
4a	(Code	e	) (Expenses \$	66,131,246	ıncludıng grants	s of \$	) (Revenue \$	161,423,032 )
	Treat Servi	ments - Radiation Or ces - Pharmacy Servi	ncology Therapy - Car	ncer Research - Cardia Statistics for this sen	ac Cath Lab - Sle vice unit include	vices - Outpatient Physical, ( ep Lab - Interventional Radic - 483,110 Inpatient procedui	ologý - Environme	ntal Services - Nutritional
4b	(Code	<u> </u>	) (Expenses \$	54,935,002	ıncludıng grants	of \$	) (Revenue \$	86,936,946 )
10	Patiei Oncol Level servic	nt Care Unit Services logy - Intensive and II - Pediatrics - Pedi	provides a wide varie intermediate - Heart a atric Intensive Care - 322 Patient Days - 19,	ty of hospital services ind Vascular - Mother Pediatric Hematology	s including - Inpa and Child - Spec Oncology - Medi	atient rehabilitation CARF acc ial Care Obstetrics - Neonata cal Flight program - Pediatric	credited - Medical al Intensive Care L : Intensive Care Ti	- Post surgical - Orthopedic - evel III - Emergency - Trauma ransports 2011 Statistics for this ion stays - 242 Medical flights -
	(Cod.		) (Fynansas d	45.275.650	maludus arauta	) of t	) (Davanua d	100 020 251 )
<b>4</b> c	(Code		) (Expenses \$	45,375,659	including grants	or \$ - Cardiac Surgery - Orthope	) (Revenue \$	109,839,351 )
	Surge	ery - GI Labs - Pulmo		Center - DaVıncı Robo				inpatient procedures - 366 Open
4d	O+h/	ar program servic	es (Describe in S	chedule O )				
Tu		enses \$		ncluding grants o	f\$	1,040,579 ) (Revenue	÷ \$ 5	2,430,851)
4e	Tota	l program service	e expenses <b>⊧</b> -\$	295,179,01	4			

			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	Yes	<u> </u>
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		Νo
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			
а	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	Yes	
C	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c		No
	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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If</i> "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	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	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II and IV</i>	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? 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? <i>If</i> " <i>Yes," complete Schedule G, Part I</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? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Par	t 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 $\textcircled{\textbf{5}}$	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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		Νo
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)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νo
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	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	
		F	orm <b>990</b>	(2011)

Form 990 (2011)

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
a	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable			
	<b>1a</b> 363			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable  1b 0			
С	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
а	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		1	
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)	20	165	
a	Did the organization have unrelated business gross income of \$1,000 or more during the			
	year?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
а	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		N o
h	·			140
ט	If "Yes," enter the name of the foreign country ►			
	See madactions for iming requirements for Form 1D F 30-22 1, Report of Foreign Bank and Financial Accounts			
3	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
		שכ		
С	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
3	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the	6a		No
	organization solicit any contributions that were not tax deductible?			
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts			
	were not tax deductible?	6b		
_	Organizations that may receive deductible contributions under section 170(c).	7-		NJ -
а	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		
	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to	_		
	file Form 8282?	<b>7</b> c		Νo
d	If "Yes," indicate the number of Forms 8282 filed during the year			
_	Did the average was a constant of the desired and the second of the seco			
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
	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	76		
	Form 1098-C?	7h		
	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> 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		
	Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a		
	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
)	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12   10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
_	facilities			
L	Section 501(c)(12) organizations. Enter			
а	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other			
	sources against amounts due or received from them )			
2a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the			
	year 12b			
3	Section 501(c)(29) qualified nonprofit health insurance issuers.			
а	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			
c	Enter the aggregate amount of reserves on hand			
_	Lisc			
ıa	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
L	If "Voc " has it filed a Form 7.20 to report these payments? If "No " provide an explanation in Schedule O	14L		4

**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.

Se	ction 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								
b	Enter the number of voting members included in line 1a, above, who are independent								
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No					
3	Did the organization delegate control over management duties customarily performed by or under the direct	3							
4	supervision of officers, directors or trustees, or key employees to a management company or other person? .  Did the organization make any significant changes to its governing documents since the prior Form 990 was	4	Yes	No					
5	filed?  Did the organization become aware during the year of a significant diversion of the organization's assets?								
6	Did the organization have members or stockholders?	6	Yes						
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or								
b	more members of the governing body?	7a 7b	Yes Yes						
	or persons other than the governing body?	75	1 65						
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			1					
а	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					
	ction B. Policies (This Section B requests information about policies not required by the Internal								
Re	venue Code.)								
			Yes	No					
	Did the organization have local chapters, branches, or affiliates?	10a		Νo					
b	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?								
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing								
	the form?  Describe in Schedule O the process, if any, used by the organization to review the Form 990	11a	Yes						
	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?								
а	The organization's CEO, Executive Director, or top management official	15a	Yes						
ь	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	16-	Vac						
L	taxable entity during the year?	16a	Yes						
D	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?	164	V • •						
۶-	ection C. Disclosure	16b	Yes						
<u>5e</u> 17	List the States with which a copy of this Form 990 is required to be filed IN								
	List and States with which a copy of and Form 350 is required to be incur-								

- 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.
  - Own website Another's website Vpon 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 > JEFFREY COSTELLO

615 N MICHIGAN STREET SOUTH BEND, IN 46601

(574) 647-3549

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

#### 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

(a) Name and Title  A verage hours par week (describe hours for related organizations in Schedule O)  See Additional Data Table  (b) Position (do not check more than one box, unless person is both an officer and a director/trustee)  (c) Position (do not check more than one box, unless person is both an officer and a director/trustee)  (describe hours for related organizations is not should be a director/trustee)  (describe hours for related organizations is not should be a director/trustee)  (describe hours for related organizations is not should be a director/trustee)  (describe hours for related organizations)  (describe hours for related organizations)  (describe hours for the director/trustee)  (describe hours for related organizations)  (describe hours for the director/trustee)  (describe hours for related organizations)  (describe hours for the director/trustee)  (de	Check this box if neither the organiz	•	lated o	rganı	ızatı	ons	compe	ensat	ed any current or fo	ormer officer, direct	tor, or trustee
for related organizations in Schedule Officer Schedule O) organizations	(A)	(B) Average hours per week	(C) Position (do not check more than one box, unless person is both an officer and a				(D) Reportable compensation from the organization (W-	<b>(E)</b> Reportable compensation from related organizations	(F) Estimated amount of other compensation from the		
See Additional Data Table	Con Additional Data Table	for	Individual trustee or director	Institutional Trustee	Officei	Ke) emplojee	Highest compensated employee	Former		Prisc)	I
	See Additional Data Table										

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

	(A) Name and Title A verage hours per week (describe hours			(C)  Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) ortable ensation m the zation (W-	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	amou com fr orgar	(F) Estimated amount of othe compensation from the organization an	
		for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			МІЗСУ		anızat	
See /	Addıtıonal Data Table						<del>                                     </del>							
												1		
												1		
								-						
												1		
								<u> </u> ▶⊺				1		
1b c	Sub-Total		tion A			•		<u> </u>						
d				•				<b> </b>		2,228,016	3,447,179	9		326,941
2	Total number of individuals (incli \$100,000 of reportable compens						above	) who	o receive	ed more tha	n	•		
												Y	es	No
3	Did the organization list any <b>forr</b> on line 1a? <i>If</i> "Yes," complete Sch					ey e	mploy	ee, d	or highes	t compens	ated employee			
4	For any individual listed on line 1					pens	sation	• and	other co	mpensatior	from the	3		No_
	organization and related organiza													
5	Did any person listed on line 1a	receive or accri	ie comi	• nensa	• etion	• from	manv	• unre	lated ord	· · ·	or individual for	4 Y	es	
•	services rendered to the organiz										•	5		No
	ection B. Independent Con	tractors												
1	Complete this table for your five	hıghest comper												
	\$100,000 of compensation from or within the organization's tax y		n Repo	rt co	mpe	nsat	tion fo	r the	calenda	r year endı	ng with			
	Nan	(A) ne and business ad	dress							Descr	(B) ription of services	Со	(C)	ation
	TH BEND EMERGENCY PHYSICIANS N Michigan									Physician ser	vices		6,8	327,829
	TH BEND, IN 46601 TH BEND MEDICAL FOUNDATION									, 		+		
	N Lafayette Blvd FH BEND, IN 46601									Lab services			5,9	60,212
3450	ANA BLOOD CENTER N Meridian Street									Blood Proces	sing Svc		2,9	94,815
	ANAPOLIS, IN 46208 DCOX BLDG CONTRACTORS									-		+		
SOUT	5 PRESCOTT AVE TH BEND, IN 46637									CONSTRUCT	ION MANAGER		2,5	552,703
	ON-LEWIS LLC WEST 11TH STREET									General Con	tractor		2,3	804,427

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►87

Form 99								Page <b>9</b>
Part V	<u> </u>	Statement o	of Revenue		<b>(A)</b> Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512,513,or 514
<u> </u>	1a	Federated cam	paigns 1a					311
E Ž	ь	Membership du	ies 1b					
% MX	c	Fundraising ev	ents <b>1</b> c					
損害	d	Related organiz	zations 1d	647,887				
ξĒ	e	Government grant	s (contributions) <b>1e</b>	1,419,663				
Contributions, gifts, grants and other similar amounts	f g	similar amounts not included above  Noncash contributions included in  lines 1a-1f \$						
S E	h	Total. Add line:	s 1a-1f	▶	2,067,550			
				Business Code				
anu.	2a	NET PATIENT REV	ENUE	621110	401,863,103	401,863,103		
Be K	ь	RENTAL REVENUE		532000	1,501,508	1,501,508		
- O-C-	С	MEDICAL EDUCATI	ION	611710	35,054	35,054		
Program Serwce Revenue	d	CASH DISCOUNTS		561499	68,399	68,399		
2	e	AMBULANCE SUPP	LY	621910	77,922	77,922		
<u> </u>	f	All other progra	am service revenue					
Ě	g	Total. Add line:	s 2a-2f		403,545,986			
	3	Investment inc	ome (including dividen	ds, interest				
			ar amounts)	-	5,347,564			
	4		stment of tax-exempt bond	· · · · · · · · · · · · · · · · · · ·	0			
	5	Royalties	(·) P.a.l		0			
	6a	Gross rents	(ı) Real 79,230	(II) Personal				
	ь	Less rental						
	l c	expenses Rental income	79,230					
	d	or (loss)	me or (loss)		79,230			79,230
	"	Net remaining	(ı) Securities	(II) Other	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			,
	7a	Gross amount from sales of assets other than inventory	52,549,691	176,139				
	b	Less cost or other basis and sales expenses	51,528,919	108,203				
	d	Gain or (loss)	1,020,772	67,936	1,088,708			1,088,708
	8a	Net gain or (los Gross income f	rom fundraising		1,000,700			2,000,700
Other Revenue			s reported on line 1c) ne 18					
ë E	Ь		penses <b>b</b>		_		ı	
õ	c 9a		(loss) from fundraising From gaming activities	events 🟲	0			
	ja 	See Part IV, lir	ne 19 <b>a</b>					
	b		penses <b>b</b> (loss) from gamıng actı	L L	0		I	
	10a	Gross sales of returns and allo	inventory, less	vides	, , ,			
	ь		a oods sold b					
	С	Net income or Miscellaneous	(loss) from sales of inv		0			
	11a			Business Code 561499	16,409,996			16,409,996
	ь	GAIN ON ACQ		713940	1,744,624			1,744,624
	c	-	ENTURE)INCOME	561499	1,454,128	1,454,128		, ,,==
			<u> </u>					
	d	All other reven			7,183,395	5,630,065	8,865	1,544,465
	12		s 11a-11d	· · · · •	26,792,143			
	**	iocai ievenue.	See Instructions .	• • • [	438,921,181	410,630,179	8,865	20,867,023

#### Part IX Statement of Functional Expenses

combined educational campaign and fundraising solicitation

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 (B) (C) (D) Do not include amounts reported on lines 6b, (A) Fundraising Program service Management and Total expenses 7b, 8b, 9b, and 10b of Part VIII. expenses general expenses expenses Grants and other assistance to governments and organizations in the United States See Part IV, line 21 1,040,579 1,040,579 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 Benefits paid to or for members 0 5 Compensation of current officers, directors, trustees, and 1,183,589 1,183,589 key employees . . Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . 30,317 30,317 7 Other salaries and wages 116,755,148 90,018,219 26,736,929 Pension plan contributions (include section 401(k) and section 4,643,049 3,579,791 403(b) employer contributions) . . . . 1,063,258 18,513,389 14,273,823 4,239,566 Other employee benefits . . . . . 8,396,730 6,473,879 1,922,851 10 Fees for services (non-employees) 11 Management . . . . . 341,231 341,231 Legal . . . . . . . Accounting . . . . . . . 233,159 233,159 Lobbying . . . . . . . . . . . . 14,954 11,530 3,424 Professional fundraising See Part IV, line 17 . . 0 Investment management fees . . . . . . 1,109,128 1,109,128 41,223,443 31,783,275 9,440,168 g Other . . . . . . . Advertising and promotion . . . 54,444 41,976 12,468 12 6,320,301 4,872,952 1,447,349 13 Office expenses . . . . 37,917 14 Information technology . . . . 49,179 11,262 15 Royalties . . 0 6,057,554 16 4,670,374 1,387,180 733,981 565,899 168,082 17 Payments of travel or entertainment expenses for any federal, 18 state, or local public officials . . . . . 19 Conferences, conventions, and meetings . . . . 170,486 131,445 39,041 4,008,747 3,090,744 918.003 20 21 Payments to affiliates . 22 Depreciation, depletion, and amortization . . . 22,995,849 17,729,800 5,266,049 23 1,841,240 1,419,596 421,644 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) MEDICAL SUPPLIES 68,369,537 52,712,913 15,656,624 0 0 **CORPORATE FEE** 23,252,099 17,927,368 5,324,731 UNCOLLECTIBLE ACCOUNTS 41,703,970 41,703,970 0 **DUES & SUBSCRIPTIONS** 1,031,362 795,180 236,182 0 d е All other expenses 2,940,942 2,267,467 673,475 25 Total functional expenses. Add lines 1 through 24f 373,014,407 295,179,014 77,835,393 0 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

Pa	rt X	Balance Sheet					
					(A) Beginning of year		<b>(B)</b> End of year
	1	Cash—non-interest-bearing	1		19,325	1	19,525
	2	Savings and temporary cash investments			50,012,044	2	53,275,792
	3	Pledges and grants receivable, net			539,700	3	383,473
	4	Accounts receivable, net			61,880,211	4	63,452,162
	5	Receivables from current and former officers, directors, trustee highest compensated employees Complete Part II of	s, key	employees, and			
		Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under spersons described in section $4958(c)(3)(B)$ Complete Part II		n 4958(f)(1)) an	i		
76		Schedule L			0	6	0
Assets	7	Notes and loans receivable, net		12,376	7	0	
88	8	Inventories for sale or use			13,706,162	8	12,855,237
⋖	9	Prepaid expenses and deferred charges			1,083,100	9	972,016
	10a	Land, buildings, and equipment cost or other basis <i>Complete Part VI of Schedule D</i>					
	b	Less accumulated depreciation	10b	282,537,0	29 279,912,299	10c	300,146,361
	11	Investments—publicly traded securities			123,873,292	11	125,744,343
	12	Investments—other securities See Part IV, line 11			99,517,740	12	103,904,579
	13	Investments—program-related See Part IV, line 11			765,284	13	636,912
	14	Intangible assets			1,171,474	14	1,171,474
	15	Other assets See Part IV, line 11			5,575,399	15	13,490,917
	16	Total assets. Add lines 1 through 15 (must equal line 34) .			638,068,406	16	676,052,791
	17	Accounts payable and accrued expenses .			34,064,199	17	39,971,562
	18	Grants payable	0	18	0		
	19	Deferred revenue	14,027	19	17,765		
	20	Tax-exempt bond liabilities	138,791,700	20	135,263,364		
	21	Escrow or custodial account liability Complete Part IV of Schedu	0	21	0		
abilities	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified					
죭		persons Complete Part II of Schedule L			0	22	О
Ï	23	Secured mortgages and notes payable to unrelated third parties	s .	_	1,780,830	23	1,593,583
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to relat and other liabilities not included on lines 17-24) Complete Pai	ed thi	rd parties,			
		D			45,287,247		51,855,026
	26	Total liabilities. Add lines 17 through 25			219,938,003	26	228,701,300
Balances		Organizations that follow SFAS 117, check here ► 🔽 and complete through 29, and lines 33 and 34.	plete l	ines 27			
<u>lan</u>	27	Unrestricted net assets			414,391,549	27	442,868,269
<u>е</u>	28	Temporarily restricted net assets			3,738,854	28	4,483,222
돧	29	Permanently restricted net assets			0	29	0
r Fund		Organizations that do not follow SFAS 117, check here ► allines 30 through 34.	nd con	nplete			
S 0.	30	Capital stock or trust principal, or current funds				30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund		31			
ر ان	32	Retained earnings, endowment, accumulated income, or other fi		32			
Net /	33	Total net assets or fund balances	418,130,403		447,351,491		
ž	34	Total liabilities and net assets/fund balances			638,068,406		676,052,791
	L-'				1 225,000,400	J-T	1 0,002,701

Pai	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		438.9	921,18
2	Total expenses (must equal Part IX, column (A), line 25)	2			14,40
3	Revenue less expenses Subtract line 2 from line 1	3		65,9	906,77
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		418,1	130,40
5	Other changes in net assets or fund balances (explain in Schedule O)	5		-36,6	585,68
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		447,3	351,49
Par	TEXII Financial Statements and Reporting  Check if Schedule O contains a response to any question in this Part XII		-	৮	
1				Yes	No
-	Accounting method used to prepare the Form 990  Cash Accrual Other				
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 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		<b>2</b> c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were on a separate basis, consolidated basis, or both	ssued		, 55	
	☐ 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 th Single Audit Act and OMB Circular A-133?	e	За	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	required	3b	Yes	

**Employer identification number** 

#### OMB No 1545-0047

### **SCHEDULE A**

(Form 990 or 990EZ)

Department of the Treasury Internal Revenue Service

Name of the organization

#### **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.

Inspection

MEMORIAL HOSPITAL OF SOUTH BEND INC 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) 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). 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 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) A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v). 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 ) A community trust described in section 170(b)(1)(A)(vi) (Complete Part II) An organization that normally receives (1) more than 331/3% 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 331/3% 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 Seesection 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 c Type III - Functionally integrated Type III - Other Type I **b** Type II 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) 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 Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) Yes No and (III) below, the governing body of the the supported organization? 11g(i) (ii) a family member of a person described in (i) above? 11g(ii) (iii) a 35% controlled entity of a person described in (i) or (ii) above? 11g(iii) h Provide the following information about the supported organization(s) /:::\

(i) Name of supported organization	<b>(ii)</b> EIN	Type of organization (described on lines 1- 9 above or IRC section (see	(iv) Is the organizat col (i) list your gove docume	ion in ted in rning	(v) Did you not organizati col (i) of suppor	ion in your	(vi) Is the organizati col (I) organition the U	on in anized	(vii) A mount of support?
		instructions))	Yes	No	Yes	No	Yes	No	
=									
Total									

instructions

Sch	edule A (Form 990 or 99	90-EZ)2011						Page <b>2</b>
	(Complet	e only if you	checked the	box on line 5,	7, or 8 of Part	<b>(b)(1)(A)(iv)</b> I or if the orgar	nızatıon faıle	d to qualify
			<u>organızatıon f</u>	fails to qualify ι	<u>under the tests</u>	listed below, pl	<u>lease comple</u>	ete Part III.)
	ection A. Public Su					Т	1	
Cal	endar year (or fiscal ye in)	ar beginning	<b>(a)</b> 2007	<b>(b)</b> 2008	<b>(c)</b> 2009	(d) 2010	(e) 2011	( <b>f</b> ) Total
1	Gifts, grants, contribut	ions, and						
	membership fees recei							
	ınclude any "unusual							
_	grants ") Tax revenues levied fo	rtho						
2	organization's benefit a							
	paid to or expended on							
	behalf							
3	The value of services of							
	furnished by a governme the organization withou							
4	Total. Add lines 1 thro	_						
5	The portion of total cor	-						
-	by each person (other	than a						
	governmental unit or p	•						
	supported organization line 1 that exceeds 2%							
	amount shown on line 1							
	(f)	21,0014						
6	Public Support. Subtractine 4	ct line 5 from						
S	ection B. Total Sup	port						
Cal	<b>endar year</b> (or fiscal yea	r beginning	<b>(a)</b> 2007	<b>(b)</b> 2008	<b>(c)</b> 2009	(d) 2010	<b>(e)</b> 2011	(f) Total
_	ın)	_	(4) 2007	(2) 2000	(4) 2005	(4) 2020	(0) 2022	(1) 1 3 4 4
7 8	A mounts from line 4 Gross income from inte	rost –						
0	dividends, payments re							
	securities loans, rents							
	and income from simila	ır						
_	sources							
9	Net income from unrela business activities, wh							
	not the business is reg							
	carried on							
10	Other income (Explain							
	IV ) Do not include gai from the sale of capital							
11	Total support (Add line							
	through 10)							
12	Gross receipts from re	lated activities	s, etc (See inst	ructions )			12	
13	First Five Years If the		r the organizati	on's first, second	l, thırd, fourth, or	fıfth tax year as a	501(c)(3) or	
	check this box and <b>sto</b>	p here						<b>▶</b> □
S	ection C. Computat	ion of Publ	ic Support F	Percentage				
14	Public Support Percen	tage for 2011	(line 6 column	(f) dıvıded by lıne	11 column (f))		14	
15	Public Support Percen	tage for 2010	Schedule A , Pa	rt II, line 14			15	
16a	33 1/3% support test-					line 14 is 33 1/3%	% or more, che	
h	and <b>stop here.</b> The org  33 1/3% support test					6a and line 15 is	33 1/20% or m	ore check this
D	box and <b>stop here.</b> The					oa, and inte 15 IS	1/3%0 UI M	ore, check this
17a	10%-facts-and-circum	-	•		-	ne 13, 16a, or 16	b and line 14	٠,
	ıs 10% or more, and ıf							
	in Part IV how the orga	anızatıon meet	s the "facts and	d circumstances"	test The organiz	zatıon qualıfıes as	a publicly su	
b	organization 10%-facts-and-circum	stances test—	<b>2010.</b> If the ora	anization did not	check a hov on li	ne 13, 16a 16b	or 17a and lin	<b>▶</b>
,	15 is 10% or more, an							-
	Explain in Part IV how	the organizati						
10	supported organization  Private Foundation If t		n did not chools	a hov on line 12	16a 16h 17a a	or 17h chack this	hov and coc	<b>►</b> □

**▶**□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 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 (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

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

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

17

18

**▶**[

Part IV	<b>Supplemental Information.</b> 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								

Schedule A (Form 990 or 990-EZ) 2011

DLN: 93493319061612

OMB No 1545-0047

#### 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.

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

- ◆ 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

Provide a description of the organization's direct and indirect political campaign activities on behalf of or

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 or the	e organiz	ation		
MEMORIAL HO	SPITAL OF	SOUTH	BEND	INC

Employer identification number

35-0868132

<u>Part I-A</u>	Complete if the	he organization i	<u>s exempt undei</u>	r section 501(c)	or is a section	527 organization.

- in opposition to candidates for public office in Part IV Political expenditures
- 3
  - Volunteer hours

art I-B	Complete if	the organizat	<u>tion is exempt</u>	under section	501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
- 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?
- Was a correction made?
- 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).

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- 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
- Did the filing organization file Form 1120-POL for this year? Yes 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	<b>(c)</b> EIN	(d) A mount paid from filing organization's funds If none, enter -0-	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none, enter - 0-

**f** Grassroots lobbying expenditures

(The term "expenditures" means amounts paid or incurred.)  Lia Total lobbying expenditures to influence public opinion (grass roots lobbying)  b Total lobbying expenditures to influence a legislative body (direct lobbying)  c Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  e Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not over \$500,000 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 \$1,000,000 but not over \$1,000,000 \$1,000,000  g Grassroots nontaxable amount (enter 25% of line 1f)  Subtract line 1g from line 1a If zero or less, enter -0-  i Subtract line 1f from line 1c If zero or less, enter -0-  j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.)	ווטפ	edule C (F	01111 9 9 0 01 9 9 0 - EZ ) 2 0 1 1					Page <b>∠</b>
A Check   If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member expenses, and share of excess lobbying expenditures)    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.)   Organization Total Incurred (The term "expenditures" means amounts paid or incurred.)   Organization Total Incurred (The term "expenditures to influence a legislative body (direct lobbying)	Pa	rt II-A		n is exempt under	section 501(	c)(3) and fi	iled Form 5768	(election
expenses, and share of excess lobbying expenditures)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures to influence public opinion (grass roots lobbying)  Lobbying expenditures to influence a legislative body (direct lobbying)  Total lobbying expenditures (add lines 1a and 1b)  Other exempt purpose expenditures  Total obtaining purpose expenditures (add lines 1c and 1d)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000 but not over \$1,500,000  S1,000 but not over \$1,500,000  Over \$1,0	١	Check		an affiliated group (and	lıst ın Part IV ea	ch affiliated gr	oup member's nam	e, address, EIN,
Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Total lobbying expenditures to influence public opinion (grass roots lobbying)  Total lobbying expenditures (add lines 1 aand 1b)  Other exempt purpose expenditures (add lines 1 aand 1b)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line Le, column (a) or (b) is:  If the amount on line Le, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S10,000,000  Over \$1,000,000 but not over \$1,000,000  S10,000,000  Fig. So of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Fig. So of the excess over \$1,000,000  Fig. So			expenses, and share of excess lob	bying expenditures)		_	•	
Total lobbying expenditures to influence public opinion (grass roots lobbying)  b Total lobbying expenditures to influence a legislative body (direct lobbying)  c Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  e Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Diver \$500,000  Diver \$500,000  Diver \$500,000 but not over \$1,000,000  Diver \$1,000,000 but not over \$1,000,0	3	Check	ıf the filing organization checked bo	ox A and "limited contro	ol" provisions app	ly	1	1
(The term "expenditures" means amounts paid or incurred.)  Ital Total lobbying expenditures to influence public opinion (grass roots lobbying)  b Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  e Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1225,000 plus 10% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1225,000 plus 10% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but			Limits on Lobbying	Expenditures			(a) Filing	(b) Affiliated
Total lobbying expenditures to influence public opinion (grass roots lobbying)  b Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is: Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S175,000 plus 15% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S100,000 plus 15% of the excess over \$1,000,000  Over \$1,000,000  Over \$1,000,000  Over \$1,000,000  The lobbying nontaxable amount is:  Not over \$500,000  Over \$1,000,000  Over \$1,000,00					l.)		Organization's Totals	Group Totals
b Total lobbying expenditures to influence a legislative body (direct lobbying)  c Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  e Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is: Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,7000,000  Over \$1,000,000 but not over \$1,7000,000  S225,000 plus 15% of the excess over \$1,000,000  Over \$1,7000,000  Over \$1,7000,000  F17,000,000  S225,000 plus 5% of the excess over \$1,500,000  Over \$1,7000,000  F17,000,000  S1,000,000  F17,000,000  F17,000,		<b>-</b>			1 \		100013	1 ocars
c Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  e Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  In the excess over \$1,000,000  F1,000,000  F1,000,0				· -				
d O ther exempt purpose expenditures  Total exempt purpose expenditures (add lines 1c and 1d)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000					ying)			
Total exempt purpose expenditures (add lines 1c and 1d)    Lobbying nontaxable amount Enter the amount from the following table in both columns   If the amount on line 1e, column (a) or (b) is:			,	b)				
f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$17,000,000 but not over \$1,7000,000  Over \$17,000,000 but not over \$17,000,000  S225,000 plus 10% of the excess over \$1,000,000  Over \$17,000,000  Over \$17,000,000  Over \$17,000,000  S225,000 plus 5% of the excess over \$1,000,000  Over \$17,000,000  Over \$17,000,000  S1,000,000  S1,000,0	d	Otherexe	empt purpose expenditures					
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Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,7000,000  Over \$1,500,000 but not over \$1,7000,000  Over \$1,500,000 but not over \$1,000,000  Over \$1,500,000 but not over \$1,000,000  S225,000 plus 5% of the excess over \$1,500,000  Over \$17,000,000  S1,000,000  Grassroots nontaxable amount (enter 25% of line 1f)  Subtract line 1g from line 1a If zero or less, enter -0-  Subtract line 1f from line 1c If zero or less, enter -0-  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?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying celling amount	f		nontaxable amount Enter the amount	from the following table	in both			
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 \$1,000,000 \$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 \$1,000,00		If the an	ount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Section \$225,000 plus 5% of the excess over \$1,500,000  Over \$17,000,000  g Grassroots nontaxable amount (enter 25% of line 1f)  h Subtract line 1g from line 1a If zero or less, enter -0-  i Subtract line 1ffrom line 1c If zero or less, enter -0-  j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all 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) 20  2a Lobbying ceiling amount		Not over \$5	500,000	20% of the amount on lii	ne 1e			
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 \$1,00		Over \$500,	000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	000		
g Grassroots nontaxable amount (enter 25% of line 1f) h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying celling amount		Over \$1,00	0,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000	,000		
g Grassroots nontaxable amount (enter 25% of line 1f) h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1ffrom line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount		Over \$1,50	0,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,	000		
h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20 2a Lobbying ceiling amount		Over \$17,0	00,000	\$1,000,000				
h Subtract line 1g from line 1a If zero or less, enter -0- i Subtract line 1f from line 1c If zero or less, enter -0- j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20 2a Lobbying ceiling amount								
i Subtract line 1f from line 1c If zero or less, enter -0-  j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount		Grassroo	ts nontaxable amount (enter 25% of li	ne 1f)				
i Subtract line 1f from line 1c If zero or less, enter -0-  j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount	h	Subtract	line 1a from line 1a If zero or less. en	ter -0 -				
Jection 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying ceiling amount								
4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete al 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) 20  Lobbying non-taxable amount					organization file	Form 4720 re	portina	
(Some organizations that made a section 501(h) election do not have to complete al 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) 20  Lobbying non-taxable amount							F - 1 - 1 - 1 - 1	┌ Yes ┌ No
Calendar year (or fiscal year beginning in)  (a) 2008 (b) 2009 (c) 2010 (d) 2009  Lobbying non-taxable amount		(Sor	ne organizations that made a	section 501(h) el	ection do not	have to co		ne five
beginning in)  (a) 2008 (b) 2009 (c) 2010 (d) 20  2a Lobbying non-taxable amount  b Lobbying ceiling amount			Lobbying Exp	enditures During	4-Year Avera	ging Period	d	
<b>b</b> Lobbying ceiling amount				(a) 2008	<b>(b)</b> 2009	(c) 2010	(d) 2011	<b>(e)</b> Total
	2a	Lobbyin	g non-taxable amount					
	b							
c Total lobbying expenditures	c	Total loi	obying expenditures					
d Grassroots non-taxable amount	d	Grassro	ots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))	e							

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)		(b)	
		Yes	No	Amount	
L	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				
а	Volunteers?		No		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No		
c	Media advertisements?		No		
d	Mailings to members, legislators, or the public?		No		
e	Publications, or published or broadcast statements?		Νo		
f	Grants to other organizations for lobbying purposes?		No		
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		Νo		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
i	Other activities? If "Yes," describe in Part IV	Yes		14,954	
j	Total lines 1c through 1i			14,954	
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		İ		
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No		

#### 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		

#### Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section Part III-B 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".	· <b>·</b> ,	IIIIC 3 13	
1	Dues, assessments and similar amounts from members	1		

- 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
- **b** Carryover from last year
- Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues 3
- 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?
- Taxable amount of lobbying and political expenditures (see instructions)

#### 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
Lobbying Detail	Schedule C, Part IV	MEMORIAL HOSPITAL PAID DUES TO THE FOLLOWING
		ORGANIZATIONS FOR WHICH THE PERCENTAGE LISTED
		WAS ATTRIBUTED TO LOBBYING AAFP (AMERICAN
		ACADEMY OF FAMILY PHYSICIANS) - 20% AASM
		(AMERICAN ACADEMY OF SLEEP MEDICINE) - 1%
		ACADEMY OF NUTRITION AND DIETETICS - 15% AMA
		(AMERICAN MEDICAL ASSOCIATION) - %60 AORN
		(ASSOCIATION OF PERIOPERATIVE REGISTERED NURSES)
		- FLAT AMOUNT \$19 90 AOTA (AMERICAN OCCUPATION
		THERAPY ASSOCIATION) - 13% APTA (AMERICAN
		PHYSICAL THERAPY ASSOCIATION) - 22% ASA
		(AMERICAN SOCIETY OF ANESTHESIOLOGISTS) - 20%
		CHAMBER OF COMMERCE OF SAINT JOSEPH COUNTY - 5%
		DIETARY MANAGERS ASSOCIATION - 5% INDIANA
		HOSPITAL ASSOCIATION - 5 29% INDIANA
		PSYCHOLOGICAL ASSOCIATION - 40% INFUSION NURSES
		SOCIETY - 1% IONE (INDIANA HOSPITAL AND HEALTH
		ASSOCIATION) - 5 29% ISMA (INDIANA STATE MEDICAL
		ASSOCIATION) - 24% SOCIETY OF TEACHERS OF FAMILY
		MEDICINE - 10% SOCIETY OF NUCLEAR MEDICINE - 2%
		TRAUMA CENTER ASSOCIATION OF AMERICA - 29%

2a

2b 2c 3

4

5

DLN: 93493319061612

OMB No 1545-0047

**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.

Open to Public Inspection

	me of the organization  AORIAL HOSPITAL OF SOUTH BEND INC		Emp	loyer ident if icat	ion numbe	er
			35-0	0868132		
Pa	organizations Maintaining Donor Acorganization answered "Yes" to Form 99				Comple	te if the
		(a) Donor advised funds	(	( <b>b)</b> Funds and ot	her accou	nts
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 adv funds are the organization's property, subject to the		ıor advı	sed	┌ Yes	┌ No
6	Did the organization inform all grantees, donors, and used only for charitable purposes and not for the ber conferring impermissible private benefit				┌ Yes	┌ No
Pai	rt III Conservation Easements. Complete	if the organization answered "Yes" t	o Forn	n 990, Part IV	, line 7.	
1 2	Purpose(s) of conservation easements held by the o  Preservation of land for public use (e g , recreat  Protection of natural habitat  Preservation of open space  Complete lines 2a-2d if the organization held a qual easement on the last day of the tax year	on or pleasure) Preservation of an Preservation of a	certifie	d historic struct	•	a
	easement on the last day of the tax year			Held at the	End of the	Voar
а	Total number of conservation easements		2a	neiu at the	end or the	Teal
a b	Total acreage restricted by conservation easements		2b			
c	Number of conservation easements on a certified his		2c			
d	Number of conservation easements included in (c) a	, ,	2d			
3	Number of conservation easements modified, transfer the taxable year -	errea, reieasea, extinguisnea, or terminate	ed by tr	ie organization c	iuring	
4	Number of states where property subject to conserv	ation easement is located ►				
5	Does the organization have a written policy regarding enforcement of the conservation easements it holds		dling of	violations, and	┌ Yes	┌ No
6	Staff and volunteer hours devoted to monitoring, insp	pecting and enforcing conservation easem	nents d	uring the year 🕨		
7	Amount of expenses incurred in monitoring, inspecti	ng, and enforcing conservation easement	s during	g the year		
В	Does each conservation easement reported on line 2 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2 (d) above satisfy the requirements of sec	tion		┌ Yes	┌ No
9	In Part XIV, describe how the organization reports c balance sheet, and include, if applicable, the text of the organization's accounting for conservation easer	the footnote to the organization's financial				
ar	Organizations Maintaining Collection Complete if the organization answered	ons of Art, Historical Treasures,	or Otl	her Similar <i>F</i>	Assets.	
1a	If the organization elected, as permitted under SFAS art, historical treasures, or other similar assets held provide, in Part XIV, the text of the footnote to its fir	116, not to report in its revenue stateme for public exhibition, education or resear	ch ın fu			е,
b	If the organization elected, as permitted under SFAS historical treasures, or other similar assets held for provide the following amounts relating to these items	public exhibition, education, or research i				
	(i) Revenues included in Form 990, Part VIII, line 1			<b>►</b> \$		
	(ii) Assets included in Form 990, Part X			<b>►</b> \$		
2	If the organization received or held works of art, hist following amounts required to be reported under SFA		or finan	cıal gaın, provid	e the	
а	Revenues included in Form 990, Part VIII, line 1			<b>►</b> \$		

**b** Assets included in Form 990, Part X

Part	•••• Organizations Maintaining Co	llections of Art	t, His	tori	<u>cal Tre</u>	asu	res, or O	<u>the</u>	<u>r Similar Ass</u>	ets (c	ontinued)
3	Using the organization's accession and othe items (check all that apply)	r records, check an	y of th	he fol	lowing th	nat are	e a significa	nt u	se of its collection	on	
а	Public exhibition		d	Γ	Loan or	r excl	nange progr	ams			
b	Scholarly research		e	Γ	Other						
c	Preservation for future generations										
4	Provide a description of the organization's co	ollections and expla	in hov	w the	y further	the o	rganızatıon	's ex	empt purpose in		
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t									Yes	┌ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an an						n answered	d "Y	es" to Form 99	90,	
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	ian or other interme	edıary	for c	ontributi	ions d	or other ass	ets i		Yes	┌ No
b	If "Yes," explain the arrangement in Part XIV	/ and complete the	follow	ving t	able		Г		Amo	unt	
c	Paginning balance						-	1c	Allk	June	
c d	Additions during the year						-	1c 1d			
e	Additions during the year  Distributions during the year						<b>-</b>	1e			
f	• •						-	16 1f			
	Ending balance	000 B- : X :	- 24-				L	TI		- <sub>V</sub> -	
2a	Did the organization include an amount on Fo		e 21 /	,					ı	Yes	│ No
	If "Yes," explain the arrangement in Part XIV				1111/ 1		000	<u> </u>	1.TV   40		
Pai	rt V Endowment Funds. Complete	f the organization (a)Current Year		)Prior			- <b>orm 990,</b> o Years Back			<b>A)</b> Four V	ears Back
1a	Beginning of year balance	(a)current rear	(,,	<i>)</i> , 1101	i cui	(c) w	O TCGTS DGCK	(4)	Tillee Tears back	C) Out 1	cars back
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	r end balance held	as								
а	Board designated or quasi-endowment 🕨										
b	Permanent endowment 🕨										
С	Term endowment ►										
3a	Are there endowment funds not in the posses	ssion of the organiz	ation	that	are held a	and a	dmınıstered	d for	the		
	organization by								[ n ( n	Yes	No
	(i) unrelated organizations							•	3a(i)		<del>                                     </del>
b	(ii) related organizations							•	3a(ii   3b	<u>' </u>	<u> </u>
4	Describe in Part XIV the intended uses of th	•						•	30		<u> </u>
	t VI Land, Buildings, and Equipme					<u> </u>					
ГЧІ	cond, bandings, and Equipme	int. See Form 53	,0,10				(b)Cost or otl	har	(a) Assumulated		
	Description of property				Cost or oth		basis (other		(c) Accumulated depreciation	( <b>d)</b> Bo	ok value
<b>1a</b> l	and						20,604,	861		2	20,604,861
b E	Buildings						333,197,	772	107,453,920	22	25,743,852
<b>c</b> l	_easehold improvements						722,	092	704,719		17,373
d E	Equipment						216,374,	540	171,550,424	4	4,824,116
<b>e</b> (	Other	<u></u> .					11,784,	125	2,827,966		8,956,159
Tota	I. Add lines 1a-1e <i>(Column (d) should equal Fo</i>	orm 990, Part X, colui	mn (B,	), line	10(c).)				►	30	0,146,361
									Schedule D	(Form 9	90) 2011

Part VIII Investments—Other Securities. See	Form 990, Part X, line 12		
(a) Description of security or category	(b)Book value		od of valuation
(including name of security)		Cost of end-o	f-year market value
(1)Financial derivatives			
(2)Closely-held equity interests Other			
o their			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	-	12	
Part VIII Investments—Program Related. See	e Form 990, Part X, line		od of valuation
(a) Description of investment type	(b) Book value		od of valuation f-year market value
			,
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)			
Part IX Other Assets. See Form 990, Part X, lin			
(a) Descrip	tion		(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1	5.)		
Part X Other Liabilities. See Form 990, Part X			
1 (a) Description of Liability	(b) A mount		
Federal Income Taxes	0		
ASSET RETIREMENT OBLIGATION	4,321,024		
INTEREST RATE SWAP			
	42,184,088		
CAPITAL LEASE PAYABLE	805,644		
DUE TO AFFILIATES	527,627		
IBNR	4,016,643		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25 ) ▶	E1 0EE 034		
Focal (Column (b) Should Equal Follif 220, Falt A, COI (b) IIIIE 23 )	51,855,026		

Par	t XI Reconciliation of Change in Net Assets from Form 990 to Financial Stateme	nts	
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	438,921,181
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	373,014,407
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	65,906,774
4	Net unrealized gains (losses) on investments	4	-5,293,966
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV )	8	-31,391,720
9	Total adjustments (net) Add lines 4 - 8	9	-36,685,686
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	29,221,088
Par	Reconciliation of Revenue per Audited Financial Statements With Revenue	er R	
1	Total revenue, gains, and other support per audited financial statements	1	427,882,700
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
c	Recoveries of prior year grants		
d	Other (Describe in Part XIV)		
e	Add lines <b>2a</b> through <b>2d</b>	2e	-11,038,481
3	Subtract line <b>2e</b> from line <b>1</b>	3	438,921,181
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIV) 4b		
C	Add lines <b>4a</b> and <b>4b</b>	<b>4</b> c	
5	Total Revenue Add lines <b>3</b> and <b>4c.</b> (This should equal Form 990, Part I, line 12)	5	438,921,181
Part	Reconciliation of Expenses per Audited Financial Statements With Expenses	s per	
1	Total expenses and losses per audited financial statements	1	373,014,407
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
а	Donated services and use of facilities		
ь	Prior year adjustments		
c	Other losses		
d	Other (Describe in Part XIV)		
e	Add lines <b>2a</b> through <b>2d</b>	2e	
3	Subtract line <b>2e</b> from line <b>1</b>	3	373,014,407
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV)		
С	Add lines <b>4a</b> and <b>4b</b>	<b>4</b> c	
5	Total expenses Add lines <b>3</b> and <b>4c.</b> (This should equal Form 990, Part I, line 18)	5	373,014,407
Par	t 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 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
Change in Net Assets	Part XI Reconciliaton of Change in Net Assets from 990 to Audited Fin Stmt	Unrealized Loss on Swap Transactions (5,744,515) Cash Transfers to Memorial Health System (28,513,083) Write off of Intercompany to Memorial Health System 2,919,990 Write off of Intercompany to Memorial Health Foundation 43,495 Accrued Health Insurance True up between Memorial Health System and Memorial Hospital (841,936) Change in Interest in Recipient Org 744,329 Total (31,391,720)
Reconciliation of Revenue	Part XII Reconciliation of Revenue per Audited Fin Stmt w Revenue per 990	Unrealized Loss on Swap Transactions (5,744,515)

DLN: 93493319061612

OMB No 1545-0047

2011

#### SCHEDULE F (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

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

Statement of Activities Outside the United States

Open to Public **Inspection** 

**Employer identification number** 

MEM	10RIAL HOSPITAL OF SOUTH B	ENDINC			35-0868132	
Pa	"Yes" to Form 990, Pa			ne United States. C		ation answered
1	<b>For grantmakers.</b> Does the cassistance, the grantees' eligible the grants or assistance?	gibility for the	grants or assis	stance, and the selecti	on criteria used to awa	ard
2	<b>For grantmakers.</b> Describe in Pa United States	rt V the organız	atıon's procedur	es for monitoring the use	e of grant funds outside th	ne
3	Activites per Region (Use Part '	V ıf addıtıonal s	pace is needed ]	)		
	(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
	Central America and the Caribbean	0	0	Investments		85,499,722
	Canada	0	0	Program Services	Training Facilitator	872

c Totals (add lines 3a and 3b)

85,500,594

85,500,594

Pa	Part IV, I	ine 15, for any	sistance to Orgar recipient who recesspace is needed.	<b>nizations or Entiti</b> erved more than \$5,	<b>es Outside the Un</b> 000. Check this box	nited States. Composite of the composite	olete if the organiza received more that	tion answered "Yes' n \$5,000	' to Form 990, ► 厂
1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) A mount of cash grant	<b>(f)</b> Manner of cash disbursement	(g) A mount of of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
2	Enter total nur tax-exempt by	mber of recipie the IRS, or fo	ent organizations lis or which the granted	ted above that are e or counsel has pro	recognized as chari ovided a section 50:	ties by the foreign o 1(c)(3) equivalency	country, recognized letter	as . 🕨	
3	Enter total nur	mber of other	organizations or en	tities					: (Form 990) 2011

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

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	( <b>d)</b> A mount of cash grant	(e) Manner of cash disbursement	( <b>f</b> ) A mount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
					1		
		+			†		
		+			+		
		+ +	·	<u> </u>	+		
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						1	dula E (Earre 000) 2011

### Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)	굣	Yes	Γ	Νo
2	Did the organization have an interest in a foreign trust during the tax year? If "Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)	Γ	Yes	[~	Νo
3	Did the organization have an ownership interest in a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)	굣	Yes	Γ	Νo
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)	Г	Yes	r	Νo
5	Did the organization have an ownership interest in a foreign partnership during the tax year? If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)	Г	Yes	굣	Νo
6	Did the organization have any operations in or related to any boycotting countries during the tax year? If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).	Г	Yes	্ব	Νo

Schedule F (Form 990) 2011

Part V Supplemental Information

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

iniormation.	_	_
Identifier	ReturnReference	Explanation
Program Services	Sch F Part 1 3e	BrainWorks collaborated with a woman in Calgary to host two back to back Sage-ing Circle Facilitators training programs All expenses in Canada were paid by the customer other than Handout related material purchased onsite for distribution during
		the program
	L	Schedule F (Form 990) 2011

Employer identification number

### OMB No 1545-0047

Open to Public **Inspection** 

#### **SCHEDULE H** (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization

1EM	ORIAL HOSPITAL OF SOUTH BEND INC				2.5	0060133			
Pá	art I Charity Care and	Certain (	Other Comi	munity Benefits at		0868132			
	•			•				Yes	No
1a	Did the organization have a c	harity care p	oolicy? If "No,	" skip to question 6a			1a	Yes	
b	If "Yes," is it a written policy	?					1b	Yes	
2	If the organization had multip care policy to the various hos		, indicate whic	h of the following best	describes application (	of the charity			
	Applied uniformly to all ho Generally tailored to indiv	-	als	Applied uniformly	to most hospitals				
3	Answer the following based o organization's patients during			cy criteria that applies t	to the largest number o	of the			
а	Did the organization use Fede If "Yes," indicate which of the					care?	3a	Yes	
	Γ 100% Γ 150%	<b>▽</b> 2	.00% <b>Г</b>	Other	%				
b	Did the organization use FPG	to determin	e eligibility fo	r providing <i>discounted</i> c	are? If				
	"Yes," indicate which of the fo	ollowing is th	ne family incoi	me limit for eligibility fo	r discounted care .		3b	Yes	<u> </u>
	<b>—</b> 200% <b>—</b> 250%	<b></b> 3	800% <b>~</b>	350% <b>Г</b> 40	0% <b>「</b> Other_	%			
c	If the organization did not use determining eligibility for free test or other threshold, regar	ordiscount	ed care Inclu	de in the description w	hether the organizatior				
4	Did the organization's policy	provide free	or discounted	I care to the "medically	ındıgent"?		4	Yes	
5a	Did the organization budget a the tax year?	mounts for f		nted care provided unde	er its financial assistar	nce policy during	5a	Yes	
b	If "Yes," did the organization	's charity ca	re expenses e	exceed the budgeted ar	mount?		5b	Yes	
c	If "Yes" to line 5b, as a resul care to a patient who was elig				unable to provide free		5c		No
6a	Did the organization prepare	a community	/ benefit repor	tduring the tax year?			6a	Yes	
6b	If "Yes," did the organization	make it ava	ılable to the p	ublic?			6b	Yes	
	Complete the following table worksheets with the Schedule		rksheets prov	rided in the Schedule H	instructions Do not s	ubmıt these			
7	Charity Care and Certain C	ther Comm	unity Benefits	at Cost					
	Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)		(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community be expense	enefit	(f) Per total ex	
а	Charity care at cost (from Worksheet 1)			5,317,511		5.31	.7,511	1	600 %
b	Medicaid (from Worksheet 3, column a)			42,635,672	16,817,806		7,866		790 %
С	Costs of other means-tested government programs (from Worksheet 3, column b)								
d	<b>Total</b> Charity Care and Means-Tested Government Programs			47,953,183	16,817,806	31,13	35,377	9	390 %
e	Other Benefits Community health improvement services and community benefit operations (from			11,879,033	5,784,781	6.00	94,252	1	840 %
f	(Worksheet 4)		1				·		
g	(from Worksheet 5) Subsidized health services			5,861,821	1,622,417	4,23	39,404	1	280 %
h	(from Worksheet 6) Research (from Worksheet 7)		1	891,108	553,077	33	88,031	0	100 %
i	Cash and in-kind contributions for community benefit (from Worksheet 8)			1,275,877	332,689	94	3,188	0	280 %
	Total Other Benefits			19,907,839	8,292,964		.4,875		500 %
k	Total. Add lines 7d and 7j			67,861,022	25,110,770	42,75	0,252	12	890 %

	activities.	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	1 ' '	rect offs revenue	_	(e) Net communit building expense		<b>(f)</b> Perc total ex	
1	Physical improvements and housing	(0 p)									
2	Economic development										
3	Community support										
4											
	Environmental improvements  Leadership development and training										
	for community members										
	Community health improvement										
<u></u>	Community health improvement advocacy										
8	Workforce development										
9	Other										
	Total  t IIII Bad Debt, Medicar	e & Collec	tion Practic								
<u> </u>	Dad Debt, Ficultur	c, a conce	tion i ractic	<u> </u>							
ect	ion A. Bad Debt Expense							r		Yes	No
1	Did the organization report bac Statement No 15?						ment A	ssociation	1	Yes	
2	Enter the amount of the organi					2	-	12,440,567			
3	Enter the estimated amount of	the organizat	on's bad debt e	expense attrıbutab	le to	3					
_	patients eligible under the org		•	•				6,220,284			
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portio	ng methodolog	gy used in dete	rmining the amoun							
ect	ion B. Medicare										
5	Enter total revenue received fi	rom Medicare	(including DSH	and IME)		5		77,132,686			
6	Enter Medicare allowable cost	s of care relat	ing to payment	s on line 5		6		90,435,892			
7 8	Subtract line 6 from line 5 The Describe in Part VI the extent Also describe in Part VI the conflower that describes	to which any osting method the method us	shortfall report ology or source ed	ed in line 7 should e used to determine _	be treated the amo						
	Cost accounting system	<b>▽</b> co	st to charge ra	tio 「	Other						
ect	ion C. Collection Practices										
9a	Did the organization have a wr			= -					9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part V	ection practice	s to be followe	d for patients who a					9b	Yes	
Pai	rt IV Management Com	panies and	Joint Ventu	ires (see instruc	tions)						
	(a) Name of entity	(t	<ul> <li>Description of pi activity of entit</li> </ul>		(c) Organiz profit % o ownersh	r stock		1) Officers, directors, trustees, or key employees' profit % or stock ownership%	pro	e) Physic fit % or wnershi	stock
L											
2											
3							+		+		
-									_		
4											
5											
5											
							+		+		
,  В							+		+		
9							_		+		
10							+				
11							+		+		
12							+				
13							+		+		
		1					- 1		1		

Part	V Facility Information									
Section A. Hospital Facilities		Licene	Gener	Children's	Teach	Ortica	Resea	ER-24 hours	ER-other	
(list in order of size from largest to smallest)		Licensed hospital	General medical &	en's hos	Teaching hospital	d acces	Research facility	hours	Ter 	
How many hospital facilities did the organization operate during the tax year?1		ortal	cal & surgical	hospital	ptal	Ortical access hospital	lity			
Name	and address									
Nume	and dadress									Other (Describe)
1	Memorial Hospital of South Bend 615 N Michigan Street South Bend, IN 46601	×	x	x	х		х	х		
		_			-			-		
		_								
					-					
		+								
		+								

# 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)

Memorial Hospital of South Bend

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

			Yes	No
Со	mmunity 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>b</b> Demographics of the community			
	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			
	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			
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	3		
4	account input from persons who represent the community, and identify the persons the hospital facility consulted  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>b</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>b</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		
Fir	nancial Assistance Policy			
_	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	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 200 % If "No," explain in Part VI the criteria the hospital facility used			
	Schedule	U /Eas	m 000	2011

P	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	<u> </u>
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 350_% 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>b</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	1
	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>b</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 T Other (describe in Part VI)			
Bil	ling and Collections			
	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financia	ı I		
	assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	<u> </u>
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			Ì
	making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	igsquare	No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	<b>b</b> Lawsuits			
	c Liens on residences			
	d F 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>b</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 Cother (describe in Part VI)	ı	1 /	1

If "Yes," explain in Part VI

provided to that patient?

. . . . . . . . . . . . . . . . . . . .

20

21

Νo

Νo

#### Part V Facility Information (continued) Policy Relating to Emergency Medical Care Yes 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 **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 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 FAPeligible individuals for emergency or other medically necessary care 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? . . . . . . . . . . . .

21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services

If "Yes," explain in Part VI Schedule H (Form 990) 2011

chedule H (Fo	rm 990) 2011
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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)

<u>Nar</u>	ne and address	Type of Facility (Describe)
1	MEMORIAL SLEEP DISORDER CENTER	OUTPATIENT CLINIC PROVIDING SLEEP RELATED
	53990 CARMICHAEL DRIVE	DIAGNOSIS AND TREATMENT
	SOUTH BEND, IN 46601	
2	MEMORIAL HEALTH PLEX	OUTPATIENT REHABILITATION FACILITY AND FITNESS
	111 W JEFFERSON ST	FACILITY
	SOUTH BEND, IN 46601	
3	MEMORIAL BREAST CARE CENTER	OUTPATIENT DIAGNOSIS AND TREATMENT
	100 NAVARRE PLACE	
	SOUTH BEND, IN 46601	
4	MEMORIAL CHILDREN'S THERAPY CENTER	OUTPATIENT DIAGNOSIS AND TREATMENT
	100 NAVARRE PLACE	
	SOUTH BEND, IN 46601	
5	MEMORIAL RADIOLOGY	OUTPATIENT DIAGNOSIS AND TREATMENT
	100 NAVARRE PLACE	
	SOUTH BEND, IN 46601	
6	MEMORIAL LIGHTHOUSE PHYSICAL THERAPY	OUTPATIENT DIAGNOSIS AND TREATMENT
	6913 N MAIN STREET	
	GRANGER,IN 46530	
7		
8		
9		
10		

#### Part VI Supplemental Information

Complete this part to provide the following information

- Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part III, 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
- 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
- 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.)
- 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		Not applicable

Identifier	ReturnReference	Explanation
Part I, Line 6a		Community Collaboration Introduction Creating community
		health is at the core of Memorial Hospital of South Bend, Inc 's mission Promotion of community health is our social
		responsiblity and a key to long-term cost effectiveness. In
		addition, improving the health status of a community is as much a social, economic and environmental issue, as it is a medical
		one Consequently, the organization takes a broad approach to
		creating community health. This approach has included
		ongoing education of board members, staff and local leaders through Community Plunges (experiential activities to involve
		the community residents with a neighborhood-based agency),
		Community Foundation support, strategic allocation of tithing
		resources, a clear statement of vision and goals, a commitment to continuous quality improvement and promotion of volunteer
		involvement and community partnerships Memorial Hospital
		tithes 10% of the previous year's bottom line and transfers it to the Community Benefit Fund for investment in the community
		This investment is in addition to the Hospital's charity care and
		prevention, and education activities supported through its
		operating budget The Community Health Enhancement Committee of the Board makes ongoing policy and oversees the
		administration of the fund and determines specific investment
		allocations based upon the assets and needs of the community Volunteers and staff are committed to prudently investing these
		resources in an accountable manner As a community not-for-
		profit organization, we take seriously our responsibility to invest
		our resources and energies into understanding and meeting the divergent health care needs of all, and ensure that everyone,
		regardless of their ability to pay, receives the care they need
		Memorial has long been recognized for the collaboration efforts
		which engage individuals and organization with diverse socio- economic religious, ethnic, race, age, and gender identity
		characteristics Our team of passionate and dedicated health
		care professionals, along with many partners throughout the Northern Indiana and Southern Michigan (Michiana) region,
		helped us contribute significantly to the health and well-being of
		our community Further, Memorial plays a key role in serving
		the community as a whole In 2011, public health system partners of St Joseph County convened meetings to complete
		an assessment process to evaluate how well they are serving
		the public health and healthcare needs of the county's residents. The Indiana State Department of Health, in
		collaboration with Purdue University's Healthcare Technical
		Assistance Program - Population Health Initiatives Program, worked together to create this opportunity for all local public
		health system partners to identify existing strengths, as well as
		opportunities to establish and formalize public health system
		Infrastructure Improvements In Indiana counties Hosted by the St Joseph County Health Department, St Joseph County
		partners met to complete the CDC National Public Health
		Performance Standards, Local Public Health System Assessment - a nationally recognized public health system
		assessment tool Approximately 163 healthcare and social
		service agencies exist to support the residents of 9 cities and
		towns and 13 townships Public health system partners across the county are committed to enhancing systemic performance
		by engaging partnerships, support, and input, so that together
		we can better serve the residents of St Joseph County The assessment process and results enable a greater
		understanding of how the county's healthcare and public health
		organizations relate to one another and how they provide
		essential public health and healthcare services to the public they serve. The assessment specifically focused on areas such
		as communication, partnerships, linking people to needed
		services, and sharing of resources. The process will serve as the foundation to formalize processes that strengthen local
		public health system infrastructure with the capacity and
		resources to improve quality and effectiveness of healthcare
		services in St Joseph County A primary component of such a process may include a focus on partnerships and collaboration
		to ensure sustainability What follows is a narrative of how we
		touch and improve the health and the quality of lives throughout Michiana It is a testimony to the commitment and leadership of
		our medical staff, volunteer board of trustees, employees,
		auxiliary volunteers, and community partners, whose dedication
		to serve, touch many lives and make our community a better place to live, work, and play
1	I	Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
Part I, Line 7, Column F		Bad Debt Expense removed from Total Expenses \$41,703,970

Identifier	ReturnReference	Explanation
Part I, Line 7g		Not applicable

Identifier	ReturnReference	Explanation
Costing Methodology	Part I, Line 7	Donations - the actual cost of the donation or departmental net contribution, whichever is appropriate, from General Ledger records and reports are included In-Kind/Volunteer Services - When a specific person is listed as the event volunteer, the YTD hourly wage is pulled from the labor distribution report for 12/31, multiplied by the number of hours at the event or events. When a specific job class is listed (i.e. "peds rehab"), the average hourly wage is computed for all employees in that job class and department and used in the same manner. Benefits are added to each at a ratio of benefit dollars to total salaries, multiplied by total salaries calculated for the event.

Identifier	ReturnReference	Explanation
Part III, Line 4		The Corporation evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectible amounts based on historical experience Accounts receivable are charged to the allowance for doubtful accounts when they are deemed uncollectible Costing methodology is the same as tax form 990, schedule H, worksheet 2 methodology Patient care cost adjusted by nonpatient activity, expenses, and patient care charges

Identifier	ReturnReference	Explanation
Rationale for inclusion of the Medicare shortfall as a Community Benefit	Part III, Line 8	Participation in the governmental Medicare program does not provide the opportunity for a hospital to negotiate a reimbursement rate or structure that would allow the hospital to cover the cost of the medical service rendered to the program participant, as would be the case in contractual negotiations with commercial insurance companies. Nor is the hospital allowed to provide only the services for which reimbursement covers the direct cost of care. This produces the same shortfall outcome as does the participation in the Medicaid program. The Medicaid program is recognized as a community benefit on Schedule H and on community benefit reports for most states. The quality and cost of the patient care is the same regardless of payor source. Hence the acceptance of Medicare reimbursement represents a reduction or relief of the government burden to pay the full cost of care provided.

		P age <b>6</b>
Identifier	ReturnReference	Explanation
Financial Assistance Policy		The collection policy and procedures are as follows related to
	Part III, Line 9b	patients who are known to q ualify for charity care or financial
		assistance To ensure the Hospital fulfills its missi on and
		commitment to the poor, the Hospital shall annually plan for and
		provide free healt h care and health-related services to the poor
		and qualified uninsured/underinsured A pat ient is considered
		for Financial Assistance if all other State and Federal
		assistance oppo rtunities have been exhausted The Federal
		Income and Poverty Guidelines will serve as a g uide in
		determining those patients that may qualify for Financial
		Assistance All patients shall be treated consistently in the
		approval process including Medicare and non Medicare patients
		PURPOSE To provide financial assistance to those patients
		who cannot afford to pay and to provide discounted care to
		uninsured patients receiving healthcare services from Memorial
		Hospital of South Bend PROCEDURE 1 Memorial Hospital will
		assist patients in making a determination regarding whether or
		not the patient may be able to qualify for so me form of
		entitlement through a Federal or State Government program and
		complete the appr opriate applications for assistance. It is
		required that the patient will assist in the de termination and
		application process If the patient does not qualify for any
		Federal or St ate Assistance, we will start the Financial
		Assistance Approval process 2 Identify patien ts potentially eligible for Financial Assistance through the pre-registration,
		admission, eligibility process, or through self pay account
		review and collection activities 3 Provi de to the patient a
		Financial Evaluation form 4 Obtain or receive a signed,
		completed Fin ancial Evaluation Form from the patient
		5 Determine eligibility by obtaining the followin g information
		from the patient a)Gross income and most recent W-2 b)Prior
		years tax retur n (including all schedules) c)Last 3 pay stubs (if
		unemployed, Work One statement of earnings) d)Employment
		status and future earnings capacity e)Family size f)Medical
		expenses inc luding drugs and medical supplies g)Last three
		bank statements If the patient does not hav e a prior year tax
		return, we will make our determination based on current income
		A credit report may be run to substantiate documentation
		There may be circumstances where a pati ent may not be able
		to provide all the above documentation needed to approve
		financial ass istance. It will be up to the discretion of the
		Department Director and/or the CFO to gran t approval in this
		circumstance 6 Determine the amount of Financial Assistance
		by utilizi ng the Federal Poverty guidelines as a basis for qualification levels Gross Annual income plus cash assets are
		used as the basis for income calculations. Financial Assistance
		will be granted for those patients who are homeless. If a patient
		is deceased and has no estat e, we will grant charity on any
		outstanding self pay account balances Documentation that an
		estate has not been filed will be attached to the Financial
		Assistance approval form N ote Approval may be made based
		on Medical indigence le Patients who have excessive phar
		macy, oxygen, or ongoing medical expense This amount would
		be deducted from their gross i ncome Financial Assistance will
		not be granted for non-medically necessary services 7 Co
		mplete the Financial Assistance Approval form and forward to
		the Collection Coordinator 8 The Collection Coordinator will
		review the Financial Assistance application to ensure that it is
		complete The Coordinator will approve or deny the application
		before sending it to the Patient Account Manager for approval
		Depending on the dollar amount of the financia I assistance
		write off, approval signatures are required. The approval
		guidelines are as follows \$1 00 to \$2,500 00 Collection
		Coordinator \$2,501 00 to \$10,000 00 Patient Account Service
		Manager \$10,001 00 to \$25,000 00 Director, Patient Account
		Services \$25,001 00 and above Vice President, CFO 9 After
		all the appropriate signatures have been obtained, the Financial Assistance write off along with the corresponding
		documentation will be forward ed to Cash Application for write
		off 10 Send determination letter to notify patient of the
		approval for Financial Assistance 11 Financial Assistance
		approval for infancial Assistance 11 infancial Assistance approvals will apply retroact ively to all open accounts with
		existing balances (including accounts in collections) and will be
		active for 6 months following the date of approval 12 The
		document will be placed in the Financial Assistance file drawer
		under the date the write off was posted UNINSURE D SELF PAY
		DISCOUNTS For those patients who have no insurance and do
		not meet the above fi nancial assistance guidelines, Memorial
		Hospital will provide an uninsured discount based on the
		following tiered structure 30% discount if account is paid
		within 30 days from dat e of service 20% discount if account is
		paid within 90 days from date of service 10% disco unt if
1		patient chooses to participate in the CareP

Identifier	ReturnReference	Explanation
Financial Assistance Policy	raitii, Liie 30	ayment financing Any exceptions must be approved by the Department Manager or Director

Identifier	ReturnReference	Explanation
Facility Information	Part V, Line 19d	TO DETERMINE THE MAXIMUM AMOUNTS THAT CAN BE CHARGED TO FAP-ELIGIBLE INDIVIDUALS FOR EMERGENCY AND OTHER MEDICALLY NECESSARY CARE, MEMORIAL HOSPITAL USED THE AVERAGED DISCOUNT FOR THE THREE CONTRACTS THAT HAD THE HIGHEST PERCENT DISCOUNT TO CHARGES (EXCLUDING ALL PER DIEM AND CASE RATE CONTRACTS)

Identifier	ReturnReference	Explanation
Identifier Needs Assessment	ReturnReference Part VI, Line 2	Explanation  At Memorial Hospital and Health System, our goal is to strengthen the health and well-being of our individual patients and neighbors, as well as the broader community. Community Health Enhancement grant dollars totaling \$2,286,369 were received and blended with Memorial tithing dollars to deliver services and programs that impacted the physical health, mental health and quality of life of tens of thousands of individuals and families. Memorial invested \$2,153,154 of tithing funds in community benefit, which in a time of economic upheaval is more important to building the vitality of our community than ever before. Assessment of unmet community health needs is gathered through participation in community collations, partnerships, boards, committees and task forces. Local needs assessments and reports, such as the most recent St. Joseph County Department of Health's report, United Way of St. Joseph County, as well as the County Health Rankings (a product of Robert Wood Johnson Foundation and the University of Wisconsin's Population Health Institute), provide valuable information and data used to collaboratively determine our short- and long-term priorities as well as strategies for improving the overall population health. Our community is becoming increasingly diverse. The health risks associated with chronic diseases like diabetes, hypertension, and obesity, are particularly high among our growing, and often medically underserved, Hispanic and African American populations. We reach out to these groups through churches, local community organizations, and grassroots efforts. Our goal is to help all residents access the care they need, to help them learn to manage their health responsibly and live healthier lives In the past year, we collaborated with a number of organizations to gather information about the needs and strengths of our community Plunges provide opportunities for community and hospital leadership to spend time in the neighborhoods meeting with grassroots leaders and neighbors, getting acq
		serve on the System-wide Boards of Directors. In addition, the division of Community Health Enhancement staff and employees of the Hospital and Health System are seated on most of the social service and health agencies boards and task forces in the community. This involvement provides a vehicle for ongoing communication, which flows continuously between the hospital and the community. The St. Joseph County Health Department Board is chaired by Memorial's Executive Director of Safety, in addition, serving in a leadership role in emergency
		participated with the Health Department to develop the St Joseph County Local Public Health System Performance Assessment This process allowed for the development of infrastructure built through the identification and partnership of key stakeholders The collaborative helped to design the Community Health Needs Assessment which was executed between March 1 and June 15, 2012 The projected timeline continues into the spring of 2013 through the strategic identification and planning stage to the implementation of activities to support the objectives based upon the priorities
<u></u>	<u> </u>	evidenced by the data  Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
Patient Education and Eligibility for assistance	Fait VI, Lille 3	When uninsured patients present to our hospital, they are offered the opportunity to meet with our eligibility specialists Our eligibility specialists discuss the potential eligibility of the patient for multiple assistance programs, including our own internal financial assistance program. Our statements also include a notice that financial assistance is available to patients, and they can contact our customer service group for guidelines.

T J k. £	D = \$1	Fueles-to-s
I dentifier	ReturnReference	Explanation
Community Information	Part VI, Line 4	Community Information (geography and demographics) Established in 1830, St Joseph County, Indiana has become
		the fourth largest county in the state of Indiana The county
		spans 46 7 square miles, which includes a comfortable mix of
		rural cultural heritage and urban amen ities St Joseph County is also the regional center for higher education. The county is h
		ome to more than eight colleges and universities including but
		not limited to Notre Dame U niversity, Indiana University,
		Purdue University, Holy Cross College, Bethel University and St Mary's College The heart of the Hospital is located within a
		mile of the University of Notre Dame, 10 miles south of the
		Michigan state line, and 40 miles east of Lake Michi gan Through the years, the environment of South Bend, the largest
		city in St Joseph County, has changed from a focus on
		manufacturing (Studebaker, Bosch, and Uniroyal) to one of
		service industry In fact, among the ten largest employers in the county, just two represe nt manufacturing. The University of
		Notre Dame is the largest employer, followed by Memori al
		Health System, the South Bend Community School Corporation, AM General, and St Joseph Regional Medical Center St Joseph
		County, the five contiguous counties comprising its se condary
		service area and 12 counties in its tertiary service area are
		characterized by a m ix of small to mid-size metropolitan areas and rural communities. Population mix is divers e and includes
		large numbers of first-generation European, African, Middle
		Eastern immigra nts, African Americans, Asians, Hispanics, and
		Amish The population for St Joseph County in 2011 was 274,372 individuals. The racial statistics in the County are
		82% Caucasians, 13% African America, and Hispanics
		represent 7 5, with 2 5 listed as Other As expected, with an area well-saturated with post-secondary educational
		institutions, the county has hi gher than would be projected
		educational level Eighty-six percent of the population are high
		school graduates, and 25 6% have a bachelor's degree or higher The average household income was \$44,644, persons
		below poverty level acoounted for 14 6% of the population Of
		the primary and secondary Memorial service area, St Joseph County is the largest, followe d by Elkhart County with just over
		197,098 Elkhart County continues to have an industrial focus
		as a major center of the automotive, recreational vehicle,
		manufactured housing and musical instrument industries Additional secondary service area counties and their popul
		ations include Berrien (MI) 174,642, LaPorte (IN) 109,124,
		Cass (MI) 43,701 and Marshall (IN) 50,099 Our service area includes patients from St Joseph and surrounding counties in
		Indiana and Michigan, a pediatric emergency transport program
		serving 18 counties and our MedFlight helicopter that covers communities within a 150-mile radius. We have the region 's
		only Level 3 Newborn Intensive Care Unit, the only Pediatric
		Intensive Care Unit and the only Pediatric
		Hematology/Oncology program in the area Memorial is also the only hospit al in the region with Pediatric Hospitalist and Child
		Life programs Memorial is not only recognized nationally as a
		leader in providing high quality care, but also as a leader in innovation, offering new approaches to patient satisfaction and
		customer service that set us apart from other health care
		providers As the region's only designated children's hosp ital,
		Memorial Children's Hospital welcomes and treats children with a wide variety of med ical and surgical diagnoses from more
		than 20 referral hospitals throughout Southwestern M ichigan
		and Northern Indiana Our world-class team includes pediatric hospitalists and int ensivists, registered nurses, child life
		specialists, pediatric diabetic educators, pediat ric dietitians,
		social workers, neonatologists, pediatric oncologists,
		respiratory therapi sts, clinical nurse specialists, pastoral care, and pediatric specialists in physical ther apy, pulmonary
		medicine and infectious disease Memorial Hospital and Health
		System also s erves the community with Memorial Neighborhood Health Center - Southeast Clinic, and the C
		entral Neighborhood Clinic at the Center for the Homeless
		These two clinics offer primary health care services including all
		basic services as well as family planning and reproduc tive health, low-risk obstetrics, and colonoscopy services. Services
		are available to anyo ne, and our fees are within the customary
		range for the community We accept Medicaid, Medicare and
		private insurance, and offer a sliding fee scale based on income guidelines for uninsured We also participate in Hoosier
		Healthwise, the CHIP program that provides healt hcare for
		Indiana children, pregnant women and low-income families Other hospitals in our region include St Joseph Regional
		Medical Center, Elkhart General Hospital, Goshen Hospital and
		Lakeland Health Care An affiliation with Elkhart General
		Hospital was announced in 2011 Education and Research for a Healthy Futu
<u> </u>	•	Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation			
Community Information	rativi, Line 4	re We consider education and research to be part of our mission. Each is vital to preparin githe next generation of health care professionals to meet future health care demands. As our country ages, we will need more caregivers than ever before, at the same time, there is a shortage of new graduates in key clinical and technical positions. To ensure that we have the quality workforce we need to care for our patients in the future, we are committed to the education of current and future caregivers, and have partnered with local high schools, colleges, universities and Indiana University Medical School at Notre Dame. Preparin g for tomorrow's health care needs also requires a commitment to researching new and innov ative treatments that battle tomorrow's health care challenges. Clinical research is a part of programming across the Health System Memorial Medical Group participates in a significant number of pharmaceutical trials annually, physicians in the Hospital participate in various research projects that are national in scope and are evaluated by FDA guidelines by Memorial's Institutional Review Board. Memorial is also a member of an Oncology Consorti um which does cancer-related research costing in excess of \$409,347. Our medical and health care staff are working to find tomorrow's treatments and cures today. Research also evol ves from the nursing, pre-medical and social service disciplines at the local post-secondary education institutions. The University of Notre Dame is a close partner in community-ba sed research, which includes evaluating education curricular, intervention modalities, and quantitative analysis as well as qualitative research methods. Together, we offer a compre hensive learning experience for medical students, enabling interns, residents, and fellows to utilize our state-of-the-art training facilities and integrate advanced technology lear ned in the classroom directly with patient care. We further the evidence of community-bas ed research in addition to clinical research, particularl			

Identifier	ReturnReference	Explanation
Community Building Activities	Part VI, Line 5	All information included in Part I, see 'Other Information Required'

Identifier	ReturnReference	Explanation
Part VI, Line 6		Community Building Activities Community Plunges were
		developed at Memorial 23 years ago T he first was the Aging
		Plunge, which looked at the plight of an aging society, living inde pendently as long as possible, often isolated, suffering from
		depression, had little oppor tunities for socialization, and was
		mismanaging their health with polypharmacy resulting in contra-indications, and dangerous interactions, from seeing
		different physicians to trea t many different diseases and
		ailments Board members, staff, and community leaders spend a
		few hours together delving into the problems confronting our society, personally interac ting with an Alzheimer's victim, a
		gang member, a cocaine addict, a child in the midst of family
		and neighborhood violence, a mother whose two-year-old had suffered a Sickle Cell s troke, homeless children with
		developmental delays, bright children of immigrants without
		legal residence in dead-in jobs, rural communities without
		sufficient access to medical ca re, pregnant teens, high school drop-outs and this year's Nanotechnology Plunge In 2011,
		CHE enabled community members to "plunge" into the exciting
		world of nanotechnology though "Nanotechnology The Power of Small" This plunge was presented in conjunction with the U
		niversity of Notre Dame and sponsored by First Source Bank
		and Project Future Over 60 bus iness leaders, educators, and
		community members visited the University of Notre Dame, where they were introduced to local nanotechnology 'Rock Stars' -
		people who are leading the field through research and
		discoveries taking place at the university Participants were given a glimpse into the world of those who spend their days
		looking at things very, very sm all and a vision of the endless
		possibilities enabled by this technology. The day ended with an
		Interactive discussion on how to welcome and prepare South Bend for the new opportun ities created by nanotechnology. As
		a result of the plunge, CHE is creating nanotechnology activity
		kits and teacher trainings that will be provided to local schools These kits we re presented at the National Science Teachers
		Association conference to rave reviews Quality of Life
		Programs Memorial's Community Health Enhancement team
		innovatively served Mich iana with a wide range of effective, evidence-based and fiscally-responsible programs and
		initiatives in 2011 Community Health Enhancement's
		programs reached across the life span, ensuring healthy pregnancies, productive senior years, and proactive disease
		management n ow and wise investment in our community's
		future Pre-Natal Programs Community Health Enha ncement's team provided a variety of programs for expectant mothers with
		two common goals helping the women stay healthy and helping
		their babies be born healthy - and one common denominator
		caring staff skillful at building trusting relationships - Foundations for Al cohol Cessation, Education, and Support is
		keeping pregnant women alcohol free throughout pregnancy
		Educators teach expectant women about alcohol's harmful effects on fetal brain development and screen for alcohol use
		during pregnancy 22% of women were screened and pa
		rticipated in an alcohol intervention, and 98% of the women who were followed remained alc ohol-free throughout their
		pregnancy Numbers Served 1056 -The establishment of Black
		Ame rican Mothers Breastfeeding Awareness Initiative is a
		local initiative to increase awarene ss of the benefits of breastfeeding throughout the African American Community
		This group is also studying reasons African American women
		are less inclined to breastfeed than their white and Latina peers -Pre-natal Care Coordination educators work with clients to
		reduc e barriers to receiving prenatal care and connect them
		with resources such as breastfeeding classes, medical and
		mental health care providers and insurance programs, programs teach ing parenting and childcare skills, immunization
		resources, and the BABE store 275 Pregna nt women were
		served -As the county's Women-Infant-Children nutritional program sponsor, Memorial serves an average of 8,565 woman
		and children every month Memorial collaborates with the
		Elkhart County WIC, the most-recent activity was to produce a
		training video for WIC clients in both English and Spanish about healthy nutrition for infants and children. All nutritional services
		are provided in English and Spanish -In collaboration with the S
		t Joseph County Health Department, WIC hosts Super Shot Immunization programs, Memorial a Iso collaborates on a Lead
		poisoning program with the Health Department and the South
		Bend Housing Authority -BABE coupon store developed an
		educational component, where clients c an come in and learn something new to earn BABE coupons Project Impact
		volunteers (former prisoners) received job skills training
		through the Department of Family and Children to work at the BABE store Neuroscience and Brain Development Programs
		Science has shown that many of the issues faced by our
		community can be
		Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
Part VI, Line 6		addressed and improved through a focus on the brain Now in its
		fourth year, BrainWorks is leading the call to action for our
		community to understand and adopt important and cuttin g-
		edge insights from neuroscience that have a direct bearing on
		quality of life BrainWork s is one of the only programs in the nation who has redefined brain health from an "old pe ople"
		issue into a lifespan based issue, and teaches people how their
		brain (or their chil d's brain) works at its best and what it needs
		for optimum development and maintenance at all ages In 2011,
		the BrainWorks team brought more brain health information and
		practice into the lives of community members through a variety of individually hosted events and in novative collaborative
		relationships Highlights included -Bringing national brain
		health speakers to the community BrainWorks collaborated
		with the Public Education Foundation t o present New York
		Times bestselling author and developmental molecular biologist
		Dr John Medina (Brain Rules, Brain Rules for Baby) to three
		different South Bend audiences, inclu ding a training and educational event for early childhood development providers in
		the com munity BrainWorks' annual Mary Morris Leighton
		Lecture featured Dr. Norman Doidge, intern ationally known
		expert on neuroplasticity, and author of The Brain That Changes
		Itself In addition to speaking to a large and diverse audience of
		community members, Dr Doidge pre sented a continuing education program to the physician community -Presenting the
		televise d special Brain Games Messages about brain health
		were brought to up to 3 1 million viewe rs through the
		production of Brain Games, an original, BrainWorks' hosted 4-
		part game show on PBS station WNIT Each episode focused on
		a different period of the lifespan and chall enged
		participants' (who were members of the local business community) knowledge of brain health Brain Games also
		featured interviews with several national experts, including Dr
		Norman Doidge, Dr John Medina, Dr Jessica Payne, Dr Paul
		Nussbaum, Dr Cynthia Green, Dr Kevin Ladd and Dawn
		Matthews Episodes of Brain Games are available at
		www wnit org/bra ingames -Partnering with Junior League of South Bend In 2011, BrainWorks was awarded The Junior
		League of South Bend's Presidents Award and partnered with
		Junior League volunteer s on two 'Done in a Day' projects Each
		project converted an existing child's play space i nto a play
		space that promoted brain-based play Locations included the
		YWCA and the main branch of the St Joseph County Public Library Expanding Wisdom School and Sage-ing Facil itator's
		Training to an international audience. In its tenth year of Sage-
		ing Circles Faci litators Training, BrainWorks was contracted to
		bring sage-ing philosophy, integrative lea rning theory, and
		group facilitation skills training to two events in Calgary,
		Alberta, Ca nada  -Hosting the BrainGames Challenge BrainWorks partnered with the Northern Indiana Al zheimer's
		and Dementia Services to teach participants how to support and
		extend a healthy mind and memory through games and lectures
		-Supporting research projects In 2011, BrainW orks launched
		Chemo Brain', a research collaboration with the Northern
		Indiana Cancer Res earch Consortium and Dr Tom Merluzzi of the University of Notre Dame Chemo Brain explore s the
		impact of brain health intervention on those experiencing
		cognitive side effects fro m chemotherapy treatment
		BrainWorks also continued researching the varying impacts of
		sle ep on cognitive variability in a partnership with Dr. Matthew
		Costello of Indiana University and Dr. Gary Fromm of Memorial
		Hospital -Educating the general public BrainWorks continued to provide workshops, classes, lectures, lunch and learn
		sessions, and corporate pro grams both locally and nationally,
		including presentations for The Gerontological Society of
		A merica and The ManKind Project Disease Management
		Initiatives Memorial team members c ontinuously teach
<u> </u>	l	individuals living wit
		Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
Affiliated Health Care System Roles		See 'Other Information Required'

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Schedule I (Form 990)

Department of the Treasury

# 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

DLN: 93493319061612

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Name of the organization	25.110					Employer identification	on number
MEMORIAL HOSPITAL OF SOUTH E						35-0868132	
Part I General Information							
<ol> <li>Does the organization maintain the selection criteria used to av</li> <li>Describe in Part IV the organization</li> </ol>	vard the grants or as	sıstance? <b></b> .					₹ Yes ☐
Part II Grants and Other A Form 990, Part IV, lin Part IV and Schedule	e 21 for any recip	ient that received r	nore than \$5,000. Ch	eck this box if no one	recipient receive	ed more than \$5,000.	. Use
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of gra or assistance
See Additional Data Table							
<ul><li>Enter total number of section 5</li><li>Enter total number of other organization</li></ul>						· · · · · <b>*</b> -	24

(a)Type of grant or assistance	(b)Number of recipients	(c)A mount 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
GRANT MONITORING PROCEDURES	,	Donations and grants given to organizations that improve the health and well being of our community are monitored through Outcome Measurement Reports, provided to Memorial by the various organizations. These reports inform us of how the donations and grants were used

Software ID: Software Version:

**EIN:** 35-0868132

Name: MEMORIAL HOSPITAL OF SOUTH BEND INC

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
100 BLACK MEN OF GREATER SOUTH BEND INC 2043 South Bend Ave PMB345 SOUTH BEND, IN 46637	27- 0295842	501(c)(3)	5,587				Contribution
COMMUNITY COORDINATED CHILD CARE OF ST JOSEPH CNTY401 E COLFAX AVE SUITE 210 SOUTH BEND,IN 46624	35- 1389028	501(C)(3)	92,000				SPONSORSHIP

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GRACE COMMUNITY CENTER INCPO BOX 1671 SOUTH BEND, IN 46634	35- 1900380	501(C)(3)	25,000				CONTRIBUTION
HABITAT FOR HUMANITY OF ST JOSEPH COUNTY 402 E SOUTH ST SOUTH BEND, IN 46601	31- 1196894	501(C)(3)	10,000				WOMEN BUILD 2011

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	` '	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
INNOVATION PARK AT NOTRE DAME INC 1400 E ANGELA BLVD SOUTH BEND, IN 46634	94- 3445005	501(C)(3)	10,000				Contribution
NEAR NORTHWEST NEIGHBORHOODPO BOX 1132 SOUTH BEND,IN 46624	23- 7414729	501(C)(3)	35,000				CONTRIBUTION

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	 (f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION803 LINCOLNWAY WEST SOUTH BEND,IN 46616	35- 2118149	501(C)(3)	50,000			CONTRIBUTION
O'HANA HERITAGE FOUNDATION INCPO BOX 186 SOUTH BEND,IN 46624	37- 1523448	1 5017637	36,000			CONTRIBUTION

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	valuation (book, FMV, appraisal,	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
PENN-HARRIS- MADISON EDUC FOUNDATION INC 55900 BITTERSWEET RD MISHAWAKA, IN 46545	35- 1996785	501(C)(3)	10,000		other)		CONTRIBUTION
SJC BRIDGES OUT OF POVERTY INC 117 N LAFAYETTE BLVD SOUTH BEND,IN 46601	26- 3195466	1 501((*)(3)	25,000				CONTRIBUTION

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
BOYS & GIRLS CLUB OF ST JOSEPH COUNTY 1411 LINCOLNWAY WEST SOUTH BEND,IN 46544	35- 1329625	1 5017631	41,000				EDUCATIONAL ENRICHMENT PROG
SOUTH BEND SYMPHONY127 N MICHIGAN ST SOUTH BEND,IN 46601	35- 6042189	1 5017731	5,500				SPONSERSHIP

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	 (f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
THE NATIONAL FOOTBALL FOUNDATION & COLLEGE HALL OF 1105 CLERMONTH DR SOUTH BEND, IN 46617	35- 1436531	501(C)(3)	9,000			2011 ENSHRINEMENT
MICHIANA PUBLIC BROADCASTING CORPORATION300 W JEFFERSON SOUTH BEND, IN 46601	35- 1155594	501(C)(3)	40,000			SPONSORSHIP TOWN HALL SERIES 2011

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
COMMUNITY HEALTH PARTNERS OF SOUTH BEND 1010 N Bendix Drive SOUTH BEND,IN 46628	26- 3051440	501(C)(3)	242,689				Bendıx Famıly Physicians salaries
THE CENTER FOR THE HOMELESS 813 South Michigan SOUTH BEND,IN 46601	35- 1768544	501(C)(3)	97,500				PEDS PRO GRA M

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HOPE RESCURE MISSIONPO Box 4488 SOUTH BEND,IN 46634	35- 1038532	501(C)(3)	25,000				HOPE 4 KIDS
INDIANA UNIVERSITY SCHOOL OF MEDICINE1234 Notre Dame Ave Raclin-Carmichael HalL SOUTH BEND, IN 46617	35- 6001673	501(C)(3)	15,000				2011 MEDICINE BALL SPONSOR

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
MARCH OF DIMES 6045 Eddy St Suite A SOUTH BEND,IN 46615	13- 1846366	501(C)(3)	5,250				SILVER BABY 2011, GOLD SPONSOR CHEFS 2011
ROBINSON COMMUNITY LEARNING CENTER921 North Eddy St SOUTH BEND,IN 46617	35- 0868188	501(c)(3)	10,000				CONTRIBUTION

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SOUTH BEND HERITAGE FOUNDATION INC 803 Lincolnway West SOUTH BEND, IN 46616	23- 7394320	1 501(6)(3)	77,015		53.161)		CONTRIBUTION
THE GEORGINA JOSHI FOUNDATION INC 4201 Linden Ave SOUTH BEND,IN 46619	20- 8791238	501(c)(3)	6,000				BIKE THE BEND SPONSORSHIP

(a) Name and address of organization or government	<b>(b)</b> EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF ST JOSEPH3517 E Jefferson SOUTH BEND,IN 46660	35- 1063368	501(c)(3)	55,000				CONTRIBUTION
UNITY GARDEN PO Box 10022 South Bend, IN 46628	27- 0901122	501(c)(3)	10,000				CONTRIBUTION

DLN: 93493319061612

OMB No 1545-0047

Open to Public

Inspection

#### **Schedule J** (Form 990)

Department of the Treasury Internal Revenue Service

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

**Compensation Information** 

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

► Attach to Form 990. ► See separate instructions.

Name of the organization

MEMORIAL HOSPITAL OF SOUTH BEND INC

**Employer identification number** 

	35-0868132							
Pa	rt I Questions Regarding Compensation							
			Yes	Νo				
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							
	▼ 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								
	officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?							
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							
а	Receive a severance payment or change-of-control payment?							
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?							
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		Νo				
	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							
а	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							
а	The organization?	6a	Yes					
b	Any related organization?	6b	Yes					
	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							
	ın Part III	8		Νo				
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>(B)</b> Breakdown of	W-2 and/or 1099-MI	SC compensation	(C) Retirement and	( <b>D)</b> Nontaxable	(E) Total of columns	(F) Compensation
		(i) Base compensation	(ii) Bonus & (iii) Other reportable compensation compensation		other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
(1) Philip Newbold	(I) (II)	0 559,219	0 891,563	0 224,855	0 22,046	0 20,312	0 1,717,995	0 448,804
(2) George Soper	(I) (II)	0 104,537	0	0 38,523	0 4,854	0 11,126	0 159,040	0
(3) Jeffrey Costello	(I) (II)	0 282,072	0 303,186	0 22,791	0 17,402	0 15,534	0 640,985	0 203,250
(4) Robert Yount MD	(I) (II)	0 991,776	0 25,000	0 3,657	0 9,800	0 14,701	0 1,044,934	0
(5) Keith Sherry MD	(I) (II)	156,551 0	0	50 0	6,748 0	17,146 0	180,495 0	0
(6) Kreg Gruber	(I) (II)	300,628 0	131,954 0	170,563 0	9,800 0	26,165 0	639,110 0	0
(7) Cheryl Wibbens- Lesh MD	(I) (II)	297,416 0	0 0	1,430 0	11,722 0	19,615 0	330,183 0	0
(8) Robert Riley MD	(I) (II)	211,607 0	0 0	4,809 0	13,851 0	12,237 0	242,504 0	0
(9) Scott Thomas MD	(I) (II)	247,020 0	0	293 0	9,977 0	0	257,290 0	0
(10) Thomas Sutula MD	(ı) (ıı)	218,528 0	0	1,980 0	13,365 0	19,538 0	253,411 0	0
(11) Mark Lavallee	(I) (II)	203,699 0	0	4,405 0	10,264 0	17,761 0	236,129 0	0
(12) Dale Patterson	(I) (II)	223,274 0	0	540 0	9,125 0	13,852 0	246,791 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
	Part I, Line 1A	MEMORIAL HEALTH SYSTEM, INC (MHS) REIMBURSES TRUSTEES FOR THE TAX EFFECT OF THE 1099 REPORTABLE BENEFITS FOR HEALTH CLUB MEMBERSHIP, WITH MHS'S HEALTH AND LIFESTYLE CENTER, AND SPOUSAL TRAVEL THIS REPORTING IMPACTS 14 CURRENT BOARD MEMBERS MHS ALSO REIMBURSES FOR DIRECT EXPENSES RELATED TO ANY TRAVEL ON THE ORGANIZATION'S BEHALF SPOUSAL TRAVEL WAS INCLUDED IN TAXABLE COMPENSATION FOR 1 EMPLOYEE (PHILIP NEWBOLD) CHARTER TRAVEL WAS PROVIDED FOR INVESTMENT COMMITTEE MEMBERS TO TRAVEL TO THE INVESTMENT ADVISOR, LOCATED IN MINNEAPOLIS, MN THE CHARTER TRAVEL ALLOWED THE ORGINIZATION TO REDUCE THE OVERALL COST OF TRAVEL, BY ELIMINATING THE NEED FOR OVERNIGHT ACCOMIDATIONS THE CHARTER TRAVEL ALSO REDUCED THE TIME UNPAID BOARD MEMBERS HAD TO COMMIT CHARTER TRAVEL WAS PROVIDED FOR 5 INDIVIDUALS LISTED ON PART VII, SECTION LINE 1A (JEFFREY COSTELLO, JAMES KEENAN, JOHN KERR, LEIGH MORRIS, AND KELLIE PORTER)
	Part I, Line 4B	RELATED ORGANIZATION (MEMORIAL HEALTH SYSTEM, INC.) EMPLOYEE 2011 EARNED VESTED 457(f) Phillip Newbold \$191,729 Kreg Gruber \$153,308 MEMORIAL HEALTH SYSTEM PROVIDED A NON-QUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM (SERP) TO CERTAIN EXECUTIVES. THE PURPOSE OF THE PLAN WAS TO PROVIDE AN ADDED RETIREMENT BENEFIT OVER THE QUALIFIED RETIREMENT PROGRAM QUALIFIED INDIVIDUALS WERE ELIGIBLE TO RECEIVE A BENEFIT, IN THE FORM OF AN AFTER TAX LUMP SUM WHICH WAS THE ACTUARIAL EQUIVALENT OF AN ANNUITY, EQUAL TO 65% OF THE AVERAGE OF THEIR LAST FIVE YEARS OF PRERETIREMENT EARNINGS, OR 70% WITH MORE THAN 25 YEARS OF SERVICE, WITH OFFSETS FOR THE VALUE OF SOCIAL SECURITY AND QUALIFIED RETIREMENT PLAN BENEFITS PARTICIPANTS WERE VESTED INTO THE SERP AFTER FIVE YEARS OF SERVICE THE INCREASE IN VALUE OF THE BENEFIT EACH YEAR WAS INCLUDED IN THE TAXABLE COMPENSATION OF VESTED SERP PARTICIPANTS SUCH AMOUNTS WERE INCLUDED IN PART II COLUMN(b)(III) IF A VESTED EMPLOYEE LEAVES EMPLOYMENT, THE ANNUAL VALUE OF THE BENEFIT IS CONVERTED TO A LUMP SUM AND PAID TO THE PARTICIPANT AFTER FULFILLING THE TERMS OF THEIR NON-COMPETE AGREEMENT THE PLAN WAS TERMINATED ON 12/31/2011
Contingent on Net	& 6B	The related organization has 2 incentive plans (employee and management) which have a net operating income to budget measurement for the payout threshold. The employee plan shares the excess over budgeted net operating income with the non-management employees for Memorial Health System, Inc. and the affiliated entities which includes Memorial Hospital of South Bend, Inc. The employee incentive pool has a maximum cap of \$2,500,000. The management incentive plan pays a sliding percentage of base compensation if the net operating income is equal to or greater than 80% of the budgeted net operating income. The sliding scale caps when operating income reaches 120% of the budgeted operating income. The CEO is covered under a deferred compensation plan. The Plan sets aside half of the CEO's annual bonus award as deferred compensation to be paid in future years at a rate of 20% per year plus accrued interest. In order to receive the future benefits under the Plan, the CEO must continue to remain employed by the organization. The Plan was terminated and benefits under the Plan were paid in full on 12/31/11.

Schedule K (Form 990)

**Supplemental Information on Tax Exempt Bonds** 

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

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

DLN: 93493319061612

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Department of the Treasury
Internal Revenue Service
Name of the organization

MEMORIAL HOSPITAL OF SOUTH BEND INC

Employer identification number

35-0868132

	Deut T. David Taguag															
Part I Bond Issues																
	(a) Issuer Name	(b) Issuer EIN	(b) Issuer EIN (c) CUSIP #		(e) Issue Price		(f) Description of Purpose			(g) Defeased		<b>(h)</b> On Behalf of Issuer		(i) Pool financing		
										Yes	No	Yes	No	Yes	No	
A	HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	79061BCQ6	05-01-2007	80,00		Health Care Capital Improvments			X		X		x		
В	HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	79061BCP8	03-16-2006	38,58	0,000	Refunding Series 2000 Bonds			Х		Х		Х		
С	HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	79061BCX1	08-28-2008	39,91	5,000	Refunding Series 2003 Bonds			X		Х		Х		
D	HOSPITAL AUTHORITY OF SAINT JOSEPH COUNTY	35-6311914	00000000	07-01-2008	2,14		Health Care Equipment Financing			X		Х		Х		
Pa	art III Proceeds					•						•				
						Α		В		С			D			
1	A mount of bonds retired					0		0 0		0			0			
2	A mount of bonds defeased					0		0 0		0			0			
3	Total proceeds of issue					84,814,783		38,580,000		39,915,049			2,147,750			
4	Gross proceeds in reserve funds					0		0 0		0				0		
5	Capitalized interest from proceeds					(		0 0		0				0		
6	Proceeds in refunding escrow							0 0		0				0		
7	Issuance costs from proceeds					762,31		312 467,934		577,204					0	
8	Credit enhancement from proceeds					С		0 775,830		0				0		
9	Working capital expenditures from proceeds					0		0 0		0			0			
10	Capital expenditures from proceeds					79,201,60		00 0		0			2,147,750			
11	O ther spent proceeds					4,850,87		371 0		0			0			
12	O ther unspent proceeds							0 0		0			,		0	
13	Year of substantial completion					2009		2000		2003			2008			
					Yes	No	,	Yes	No	Yes		No	Yes		No	
14	Were the bonds issued as part of a current refunding issue?					Х			Х	Х					Х	
15	Were the bonds issued as part of an advance refunding issue?					Х		Х				Х			X	
16	Has the final allocation of proceeds been made?							Х		Х			Х			
17	Does the organization maintal allocation of proceeds?	Х			Х		Х			х						
Pa	rt IIII Private Business U	Jse	-	_	_								_	•		
						A		В		С		<u> </u>	D			

property financed by tax-exempt bonds?

financed property?

Was the organization a partner in a partnership, or a member of an LLC, which owned

Are there any lease arrangements that may result in private business use of bond-

No

Χ

Χ

Yes

No

Yes

Yes

Yes

No

Χ

Χ

No

Χ

Χ

Sche	edule K (Form 990) 2011									Page 2
Par	Private Business Use (Continued)									
			A No.		<u>B</u>		C		D	
3a	Are there any management or service contracts that may result in private use?	business	Yes	No	Yes	No	Yes X	No	Yes	No
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or counsel to review any management or service contracts relating to the fir property?		Х				×		х	
С	Are there any research agreements that may result in private business use of bond-financed property?			х				×		х
d	d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?						Х		х	
Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government				0 %	<b>.</b>	0 %		0 %	/0	0 %
5	Enter the percentage of financed property used in a private business use unrelated trade or business activity carried on by your organization, anoth 501(c)(3) organization, or a state or local government					0 %				
6	Total of lines 4 and 5					0 %				
7	Has the organization adopted management practices and procedures to e post-issuance compliance of its tax-exempt bond liabilities?	nsure the	Х				Х		Х	
Pai	t IV Arbitrage									
		Α				С			D	
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	Yes	No X	Yes	X X	Yes		No	Yes	No X
2	Is the bond issue a variable rate issue?	X		X		X				X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		х	x		x				x
<u> </u>	Name of provider	0		WELLS FAR	.GO BANK	WELLS F	FARGO B	ANK		
С	Term of hedge				217			236		
d	Was the hedge superintegrated?		×		×			Х		X
e	Was a hedge terminated?		X		X			x		X

## Part V Procedures To Undertake Corrective Action

Did the bond issue qualify for an exception to rebate?

Was the regulatory safe harbor for establishing the fair market

Were any gross proceeds invested beyond an available temporary

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary 

Χ

Χ

Χ

3 9 1

Χ

Χ

Χ

Χ

Χ

## Part VI Supplemental Information

Were gross proceeds invested in a GIC?

Name of provider

value of the GIC satisfied?

Term of GIC

4a

b

C

d

5

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

Identifier	Return Reference	Explanation
Procedures to undertake corrective	Part V	Management is in the process of developing written procedures for formalizing the post issuance compliance
action		

Χ

FINANCE

Χ

HYPO PUBLIC

Χ

Χ

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As Filed Data -

DLN: 93493319061612

Schedule L

Department of the Treasury

Internal Revenue Service

(Form 990 or 990-EZ)

**Transactions with Interested Persons** 

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

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

OMB No 1545-0047

2011

Open to Public Inspection

	of the organization AL HOSPITAL OF SOUTH BEND INC							E	mployer i	dent if ica	tion numb	er	
TILITORE	ALTIOSITIAL OF SOOTH BEND INC	•						3	5-08681	32			
Part I													
	Complete if the organizat	ion ans	wered "	Yes" on For	m 990, F T	Part IV, line 25a	or 25b, o	or Form	990-EZ,	Part V , I	ine 40b	( )	
1	(a) Name of disq	ualıfıed	person			<b>(b)</b> Desc	rintion	of trans	action		Cou	(c) Corrected?	
-	<b>(-)</b>					( <b>b)</b> Desc	cription	or crams	action		Yes		
	L												
	ter the amount of tax impos		ne orgai			alsqualified pers		_	_	r ► \$			
	ter the amount of tax, if any									• \$			
Part I						) Doub IV lance 2.6		000		/ L 20	_		
	Complete if the organiz			d Yes on F	orm 990	, Part IV, line 26	, or Fori	n 990-1	(f)		<u>a</u>		
(-) N		1 ' '	b) Loan to r from the (c)Orio		.	<b>(e)</b> In		Approved		(g)Written			
(a) Nan	ne of interested person and purpose	1	zation?	(-/			default?		by board or committee?		agreement?		
		To	From	┨			Yes	No	Yes	No	Yes	No	
		1 10	1110111				163	140	163	140	163	140	
			1					1					
Total .	<u> </u>				<b>▶</b> \$								
Part II	Grants or Assistar						/ line 1	7					
	Complete If the orga	mzauc						27.					
	(a) Name of interested pers	on	'				5011	<b>(c)</b> A n	nount of g	rant or ty	ype of assı	stance	
						_							
	(a) Name of interested pers	on	(			een interested pei ganization	rson	<b>(c)</b> An	nount of g	rant or ty	ype of assı	stance	

## Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the	(c) A mount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
	organization			Yes	No
(1) Jesse Hseih MD	Trustee/Director	349,163	See Part V		No
(2) Keith sherry MD	Trustee	6,827,829	See Part V		No
(3) Candace Hurwich	SPOUSE OF TRUSTEE	30,317	See Part V		No
·					

## Part V Supplemental Information

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

Identifier	Return Reference	Explanation
Business Transactions Involving Interested Persons		Jesse Hseih, MD, is an officer with South Bend Clinic, LLP Memorial Hospital of South Bend makes contractual payments to the South Bend Clinic for trauma call services provided Keith sherry, MD, is a director and employed by South Bend Emergency Physicians, Inc. which provides emergency physician services to the hospital Payments noted are paid to South Bend Emergency Physicians, Inc. Candace Hurwich, wife of Maurice Hurwich, MD (Trustee and Medical Director) was compensated for services as a Staff RN on the Emergency Response Team

Schedule L (Form 990 or 990-EZ) 2011

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493319061612

35-0868132

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OMB No 1545-0047

**SCHEDULE 0** (Form 990 or 990-EZ)

Name of the organization

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.

**Employer identification number** MEMORIAL HOSPITAL OF SOUTH BEND INC

ldentifier	Return Reference	Explanation
VOLUNTEERS	Form 990, Part I, Line 6	Memorial Hospital of South Bend has a department called Ambassador and Customer Services It is the responsibility of this department to recruit, orient, process and place new ambassadors in approximately 30 service areas of the hospital. It is also the responsibility of the department to follow up, schedule and recognize ambassadors. Some of the areas of service include Major Surgery Waiting Room, Escort Service, Flower Delivery, Mail Delivery, Living History Program, Emergency Department Volunteers and Cookie Bakers. In 2011, Memorial had 625 volunteers in this program who served 48,189 hours.

Identifier	Return Reference	Explanation
Other Program Services	Form 990, Part III, Line 4d	Memorial Health System, Inc. (the "Corporation") was established as the parent corporation of Memorial Hospital of South Bend, Inc. (the "Hospital") in 1981 to develop a full spect rum of health-related services for North Central Indiana and Southwestern Michigan. The Corporation is community-owned and not-for-profit Along with its subsidiaries, the Corporation serves the greater community throughout the continuum of care from health promotion and sickness prevention to diagnosis, inpatient, outpetient and home health services. It con trols the Hospital Memorial Health Foundation, the Hospital's philanthropic arm, and Memorial Health Foundation, the Hospital William of 31 lice nsed adult beds and 80 bassinets, a staff of approx 3,338, a medical staff of more than 6.20, and a volunteer Auxiliary of 594, is the largest hospital in the primary and secondary service areas. The Corporation owns and operates the acute care Hospital facility and Family Practice Residency Program The Hospital Board has responsibility for the operation of the Hospital as defined in its byla ws Memorial Hospital of South Bend is the largest and most comprehensive tertiary care me dical center Northminidana Services are delivered through service divisions and professional ancillary services. Adult Patient Services, Cardiovascular & Ortical Care Servi ces, Women's and Children's Services, Surgical Services, Oncology Services and Professional Services Key utilization Statistics for the Hospital for 2011 include Admissions 19,821 Total Patient Days 98,338 Births 2,916 inpatient Surgical Procedures 4,947 Outpatient Surgical Procedures 8,650 Emergency Department visits 66,315 Creating community health is at the core of Memorial Hospital of South Bend, inc's mission Promotion of community health is the right thing to do and a key to long term set eff

Identifier	Return Reference	Explanation
Other Program Services	Form 990, Part III, Line 4d	we community outreach has received national recognition for models of involvement as well as state and federal grants to assist in the support of some of these programs. Programs include. African American Women in Touchbreast care education and screening programs, it he PEDS developmental delay screening program for infants 0 to 3 years of age which is off ered at the St. Joseph County WIC clinics, the YHUCA, and the Center for the Homeless, and health education and outreach into the Latino community, including an innovative diabetes education and case management program that has had significant results. More than 320 Type II diabetics have participated in the program and reported no hospitalizations in 2011. The most popular addition continues to be the Zumba exercise classes, which have approximately 60 individuals of all ages participating in each session. More than 45 women were refered to the gestational diabetes program, of the deliveries, there were a few minor complications, however the overall birth outcomes were positive, and 100% of the mothers returned to normal glucose readings six-week post-partum. Two programs, which received continued grant funding were the Fetal Alcohol screening, intervention, and education programming for pregnant women, 1056 women participated, and the HUD affiliated program working with Healthy Homes. More than 6,000 youth enrolled in South Bend Community Schools during the 2011-2012 school year participated in the evidenced-based program, "Draw the Line, Respect the Line" targeting middle school aged students in making and practicing good choices. The "Healthy Babies Program" focused on proper prenatal care and reducing infant mortality. A program for African American men was held at three local barbershops during one weekend, to increase awareness and encourage men to make behavioral changes to monitor their blood pre ssure and take steps to control high blood pressure received additional support. This was a partnership with the Minority Health Coalition of St. Joseph Cou

ldentifier	Return Reference	Explanation
Changes to Governing Documents	FORM 990, PART VI, SECTION A, LINE4	IN MARCH 2011, MEMORIAL HEALTH SYSTEM, INC, THE PARENT COMPANY OF MEMORIAL HOSPITAL OF SOUTH BEND, INC, AND ELKHART GENERAL HOSPITAL, INC COMPLETED A MEMORANDUM OF UNDERSTANDING TO FORM AN AFFILIATION EFFECTIVE DECEMBER 1, 2011, A NEWLY FORMED CORPORATION, BEACON HEALTH SYSTEM, INC BECAME THE SOLE CORPORATE MEMBER FOR BOTH MEMORIAL HEALTH SYSTEM AND ELKHART GENERAL HOSPITAL

ldentifier	Return Reference	Explanation
Members of the Organization	, ,	BEACON HEALTH SYSTEM, INC IS THE SOLE CORPORATE MEMBER OF MEMORIAL HOSPITAL OF SOUTH BEND, INC

ldentifier	Return Reference	Explanation
Election of Board Members	Form 990, Part VI, Section A Line 7A	The Corporate Member shall appoint the Board of Directors of Memorial Hospital of South Bend and shall have such powers of advance approval regarding corporate actions as are delineated in the By-Laws of Memorial Hospital of South Bend

ldentifier	Return Reference	Explanation
Decisions of The Board of Directors	Form 990, Part VI, Section A, Line 7B	Decisions of the Board of Directors must be approved by the Corporate Member

Identifier	Return Reference	Explanation
Review Process	Form 990, Part VI, Section B, Line 11B	The organization incorporates numerous parties in the production and review of the Form 990 and associated schedules. Senior accounting staff and management complete the Form 990 and schedules. The forms and schedules are reviewed by the Controller and CFO. Subsequent to those steps, the organization engaged Ernst & Young to review the completed Form 990 and appropriate schedules. Prior to filing the return, the compensation committee of the organization and the CEO conduct a general overview of the form 990, including applicable compensation schedules. In addition, the Board of Directors and the Audit Committee will receive a copy of the 990 prior to filing.

Identifier	Return Reference	Explanation
Conflict of Interest Policy	Form 990, Part VI, Section B, Line 12	There are three separate forms that are sent out through the Internal Audit Department to Key Employees or Board Members regarding Conflict of Interest They are as follows 1. The first is a Conflict of Interest Statement that is sent to Senior level Administration, Management, and select staff such as Purchasing Department employees. The purpose of the Statement is to require these Employees to disclose any potential conflict of interests they may have. The Statements are sent in January of each year and we pursue the replies to get a 100% response rate. In the current year we sent out over 250 Statements and achieved a 98% response rate. Each response is reviewed by the Director of Internal Audit and the results are reported to the CEO of Memorial as well as the Audit Committee of the Board of Directors. The second Statement is the Board Duality of Interest Statement that is sent to current Board Members, former Board Members from the last five years, the five highest compensated employees from the previous year, employees that are on the Grant and Scholarship Committees, and Other key Employees. The Duality of Interest Statements were sent out in May, 2011. The replies are reviewed by the Director of Internal Audit who summarizes the results which are reviewed by an independent party. The results are reported to the CEO of Memorial and the Audit Committee of the Board of Directors. The third Statement is entitled "Code of Ethics for Senior Financial Officers". The Statement requires an acknowledgment form to be signed by Memorial's Key Financial Employees that Memorial's financial information is to the best of their knowledge true and accurate. This Statement was sent out in January, 2011 and the signed acknowledgements are kept by the Director of Internal Audit. In 2011, twelve designated employees were requested to sign the form and we had a 100% compliance rate. Any potential Conflicts of Interest are reviewed by independent parties both internal and external to the organization, and if necessary, correcti

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ldentifier	Return Reference	Explanation
Process for Determining Compensation	Form 990, Part VI, Section B, Line 15	An extensive examination is conducted using comparable market data and is then reviewed by an independent consultant hired by, and reporting to, the Board of Directors Recommendations are presented to the Compensation Committee of the Memorial Health System, Inc. Board for deliberation and final decision. Deliberation and final decision are performed by the independent members of the Board.

ldentifier	Return Reference	Explanation
Public Availability for Documents		The governing documents and conflict of interest policy are not made available to the public. The financial statements are distributed quarterly to the Electronic Municipal Market Access (EMMA) wiebsite as part of the continuing disclosures for the Memorial Health System, Inc. bonds

ldentifier	Return Reference	Explanation
Other Changes in Net Assets of Fund Balances	Part XI, Line 5	Unrealized Loss on Swap Transactions (5,744,515) Unrealized Gain on Investments (5,293,966) Cash Transfers to Memorial Health System (28,513,083) Write off of Intercompany to Memorial Health System 2,919,990 Write off of Intercompany to Memorial Health Foundation 43,495 Accrued Health Insurance True up between Memorial Health System and Memorial Hospital (841,936) Change in Interest in Recipient Org 744,329 Total (36,685,686)

ldentifier	Return Reference	Explanation
Private Business Use for Schedule K	Schedule K, Part III, Line 5	In August 2008, the Hospital Authority of St. Joseph County, on behalf of the Corporation, issued revenue refunding bonds in the principal amount of \$39,915,000 to refund Series 2003 Bonds. The Series 2003 Bonds were used to finance various capital projects including the Heart and Vascular Center. As part of the planning for the Series 2003 Bonds, the Memorial Hospital management team planned for private use of the first floor of the Heart and Vascular Center. After planning for the private use of the first floor the Memorial management team consulted bond counsel at that time. Bond counsel advised that the first floor should be funded through equity. Memorial Hospital followed bond counsels recommendations and the Heart and Vascular Center first floor was entirely funded by equity. Memorial Hospital had used approximately \$22,100,000 in equity in relation to the projects funded with Series 2003 bond draws.

Identifier	Return Reference	Explanation
Arbitrage for Schedule K	Schedule K, Part IV	Part IV is not completed for the Series 2008A Bonds because such bonds indirectly refunded new money bonds issued in 2000

ldentifier	Return Reference	Explanation
Voluntary Closing Agreement	Schedule K, Part V	Memorial Hospital of South Bend anticipates implementing written procedures to ensure that violations of Federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self remediation is not available under applicable regulations

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Charles Miller TITLE Secretary HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Etta Nevel MD TITLE Trustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMERobert Yount MD TITLE Trustee, Employed Physician HOURS 40

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEKeith Sherry MD TITLE Trustee and medical director HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Faye Magneson MD TITLE Trustee thru APR 11 HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEJames Schwartz Sr TITLETrustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Gerard Duprat MD TITLE Trustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEThomas Cassady Jr TITLE Chair HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEJesse Hseih MD TITLE Trustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Maurice Hurw ich MD TITLE Trustee and medical director HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEM Rose Meissner TITLE Vice Chair HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Margaret King TITLE Trustee thru Mar 11 HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEThomas Burish PhD TITLE Trustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEThomas Hauch MD TITLE Trustee thru Mar 11 HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEMaria Slager TITLETrustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEPerry Watson III TITLE Treasurer HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMESteven Cramer PhD TITLE Trustee HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Melvin Hall TITLE Trustee Thru MAR 11 HOURS 1

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Delores Wilmoski TITLE Trustee HOURS 2

ldentifier	Return Reference	Explanation					
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Peter Baranay TITLE Trustee HOURS 1					

ldentifier	Return Reference	Explanation					
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Carlton Lyons MD TITLE Trustee HOURS 1					

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Philip New bold TITLE CEO/President HOURS 42

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEGeorge Soper TITLE Asst Secretary thru Mar 11 HOURS 40

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEJeffrey Costello TITLE Asst Treasurer/CFO HOURS 42

ldentifier	Return Reference	Explanation				
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEKreg Gruber TITLECOO HOURS 1				

ldentifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMECheryl Wibbens-Lesh MD TITLE Asst Secr /VP HOURS 1

DLN: 93493319061612

OMB No 1545-0047

Open to Public Inspection

# **SCHEDULE R** (Form 990)

**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.

Department of the Treasury Internal Revenue Service

**Employer identification number** Name of the organization MEMORIAL HOSPITAL OF SOUTH BEND INC 35-0868132

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 End-of-year assets Direct controlling entity										
Part II Identification of Related Tax-Exempt Organiza	tions (Complete If	the organization a	nswered "Yes	" on Form 990, F	Part IV, line 34 because it had one					

or more related tax-exempt organizations during the tax year.)

<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	<b>(f)</b> Direct controlling entity	Section 5 conti organ	<b>g)</b> 12(b)(13) rolled ızatıon
						Yes	No
(1) Memorial Health System Inc							
615 N Michigan Street	Corp Svc/Clin	IN	501C(3)	9	BEACON	Yes	
South Bend, IN 46601 35-1536132							
(2) Memorial Health Foundation Inc							
615 N Michigan Street	Financial Sup	IN	501C(3)	9	мнѕ	Yes	
South Bend, IN 46601 _35-1536129							
(3) Elkhart General Hospital Inc							
600 East Boulevard	Hospital	IN	501C(3)	3	BEACON	Yes	
Elkhart, IN 46514 35-0877574							
(4) MEMORIAL ENDOWMENT FUND FOR MEMORIAL HOS							
PO BOX 1602	ENDOWMENT	IN	501C(3)	11d III-O	мнѕв	Yes	
SOUTH BEND, IN 46634 _35-6068581							
(5) BEACON HEALTH SYSTEM Inc							
600 East Boulevard	Parent Org	IN	501C(3)	11C III-FI	NA		No
Elkhart, IN 46514 _45-3864076							
					61.11.5/5		

Part III	Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, li	ine 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>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	<b>(d)</b> Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	<b>(f)</b> Share of total income	(g) Share of end-of- year assets	(h Disprop allocat	rtionate	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	<b>(j</b> Gener mana partr	ral or iging	<b>(k)</b> Percentage ownership
							Yes	No		Yes	No	į
											i	
											i	
											i	
							·	·				

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>(b)</b> Primary activity	<b>(c)</b> Legal domicile (state or foreign country)	<b>(d)</b> Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	<b>(f)</b> Share of total income	<b>(g)</b> Share of end-of-year assets	<b>(h)</b> Percentage ownership
(1) Memorial Home Care Inc 615 N Michigan Street South Bend, IN 46601 35-1901068	Home Medical	IN	NA	С			

ched	lule R (Form 990) 2011		Р	age <b>3</b>
Par	Transactions With Related Organizations (Complete of the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)			
	Note. Complete line 1 if any entity is listed in Parts II, III or IV		Yes	No
<b>1</b> Du	iring the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
а	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)	<b>1</b> g		No
h	Exchange of assets with related organization(s)	1h		No
i l	Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j l	Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	i
I F	Performance of services or membership or fundraising solicitations by related organization(s)	11	Yes	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	1 Yes	
n	Sharing of paid employees with related organization(s)	1n	Yes	i
0	Reimbursement paid to related organization(s) for expenses	10	Yes	:
р	Reimbursement paid by related organization(s) for expenses	<b>1</b> p	Yes	
q	Other transfer of cash or property to related organization(s)	1q	_	
r	Other transfer of cash or property from related organization(s)	1r	Yes	<i>i</i> [

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

( <b>b)</b> Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
L	647,887	CASH TRANSFERS
Q	62,479	CASH TRANSFERS
L	699,554	REVIEW INVOICES
R	1,513,814	ACCT ACTIVITY
Q	168,599	ACCT ACTIVITY
	85,730	REVIEW INVOICES
	Transaction type(a-r)  L  Q  L	Transaction type(a-r)  L 647,887  Q 62,479  L 699,554  R 1,513,814  Q 168,599

### 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

<b>(a)</b> Name, address, and EIN of entity	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	org	(e) Are all partners section 501(c)(3) janizations?	<b>(f)</b> Share of total income	<b>(g)</b> Share of end-of-year assets	(h) Disproprtionate alloc		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	<b>j)</b> eral or aging ener?	<b>(k)</b> 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

Schedule R (Form 990) 2011

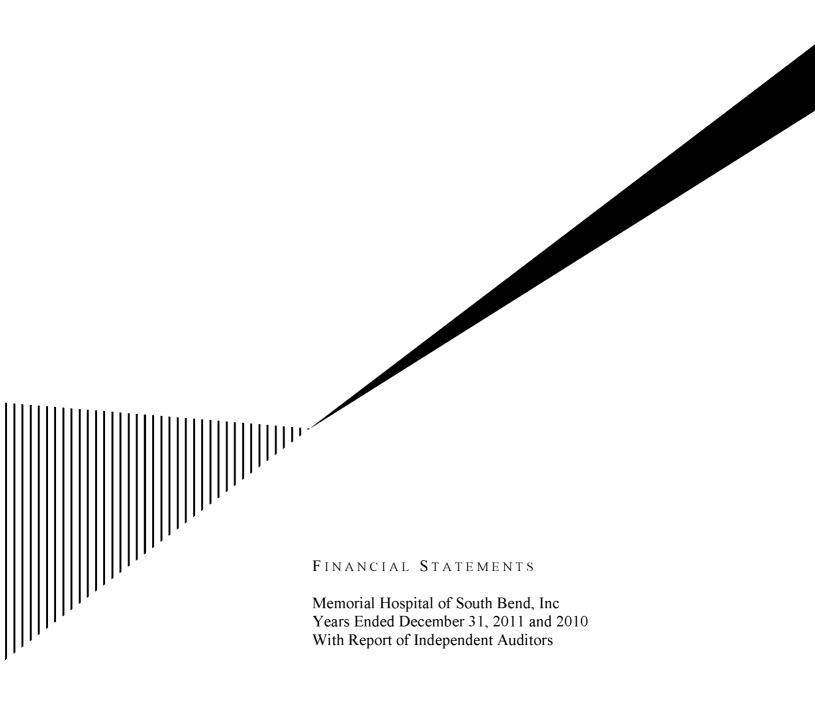
Software ID: Software Version:

**EIN:** 35-0868132

Name: MEMORIAL HOSPITAL OF SOUTH BEND INC

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

	(a) Name of other organization	<b>(b)</b> Transaction type(a-r)	(c) A mount Involved (\$)	(d) Method of determining amount involved
(1)	Memorial Health Foundation Inc	L	647,887	CASH TRANSFERS
(2)	Memorial Health Foundation Inc	Q	62,479	CASH TRANSFERS
(3)	Memorial Home Care Inc	L	699,554	REVIEWINVOICES
(4)	Memorial Home Care Inc	R	1,513,814	ACCT ACTIVITY
(5)	Memorial Home Care Inc	Q	168,599	ACCT ACTIVITY
(6)	Elkhart General Hospital Inc		85,730	REVIEWINVOICES



Ernst & Young LLP



# **Financial Statements**

Years Ended December 31, 2011 and 2010

# **Contents**

Report of Independent Auditors	1
Financial Statements	
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Statements of Operations and Changes in Net Assets	4
Statements of Cash Flows	6
Notes to Financial Statements	7



Ernst & Young LLP 155 North Wacker Drive Chicago, IL 60606-1787

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### Report of Independent Auditors

The Board of Trustees Memorial Hospital of South Bend, Inc

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

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Hospital's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Memorial Hospital of South Bend, Inc at December 31, 2011 and 2010, and the results of its operations and changes in its net assets and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

As discussed in Note 2 to the financial statements, in 2011, the Corporation adopted authoritative guidance issued by the Financial Accounting Standards Board related to presentation and disclosure of patient service revenue, provisions for bad debts, and the allowance for doubtful accounts

March 8, 2012

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Ernst + Young LLP

# Balance Sheets

		Decem	ıber 3	31
		2011		2010
		(In Tho	แรตกัง	ds)
Assets				
Cash and cash equivalents	\$	47,200	\$	44,358
Short-term investments		6,095		5,862
Accounts receivable less allowances for doubtful				
accounts (2011 – \$15,460, 2010 – \$14,724)		63,302		61,958
Due from third-party payors		4,825		850
Other receivables		1,200		827
Due from affiliates		_		13
Inventories		12,855		13,706
Prepaid expenses		972		1,083
Total current assets		136,449		128,657
Assets limited as to use				
Internally designated investments		227,116		220,666
Externally designated investments under debt				
agreements		_		53
Externally designated investments – insurance trust		2,533		2,484
		229,649		223,203
Property and equipment				
Land		20,605		18,965
Buildings and improvements		338,103		309,219
Equipment		216,375		202,153
Construction in progress		7,601		10,870
		582,684		541,207
Less allowances for depreciation and amortization		282,537		261,294
		300,147		279,913
Unamortized hand issuance costs, not		1 204		1 470
Unamortized bond issuance costs, net		1,394		1,470
Other assets Interest in not assets of reginient organization		3,808		1,937
Interest in net assets of recipient organization		4,483		3,739
Interest rate and basis swaps	<u> </u>	123	Φ.	629.010
		676,053	\$	638,919

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		Decem	ber 3	31
		2011		2010
	(In Thousands)			
Liabilities and net assets				
Accounts payable	\$	17,089	\$	15,405
Accrued expenses		20,655		16,107
Due to affiliates		529		_
Due to third-party payors		2,245		946
Current portion of long-term debt		4,621		4,546
Total current liabilities		45,139		37,004
Noncurrent liabilities				
Long-term debt, less current portion		133,041		137,734
Asset retirement obligation and other liabilities		8,338		9,734
Interest rate and basis swaps		42,184		36,316
		183,563		183,784
Total liabilities		228,702		220,788
Net assets				
Unrestricted		442,868		414,392
Temporarily restricted		4,483		3,739
Total net assets		447,351		418,131

\$ 676,053	\$ 638,919

See accompanying notes.

# Statements of Operations and Changes in Net Assets

	Year Ended I 2011	December 31 2010
	(In Thou	
Unrestricted revenue, gains, and other support	(	
Net patient service revenue	\$ 401,863	\$ 370,806
Provision for bad debts	(41,704)	(37,434)
Net patient service revenue less provision for bad debt	360,159	333,372
Other revenue	13,633	10,587
Net assets released from restrictions used for operations	470	1,496
•	374,262	345,455
Expenses	•	
Salaries and wages	117,969	115,011
Employee benefits	31,553	33,382
Supplies and other	110,622	106,617
Professional fees and purchased services	44,195	40,500
Depreciation and amortization	22,963	24,491
Interest	4,009	2,676
	331,311	322,677
Income from operations	42,951	22,778
Nonoperating		
Investment income, net	1,075	18,327
Unrealized losses on swap transactions	(5,745)	(27,672)
Gain on asset acquisition	16,410	
Realized gain on swap termination	, <u> </u>	5,271
	11,740	(4,074)
Revenues and gains in excess of expenses	54,691	18,704

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

	Year Ended December 2011 2010		
	(In Thousands)		
Unrestricted net assets			
Revenues and gains in excess of expenses	\$	54,691	\$ 18,704
Net assets released from restrictions used			
for capital purposes		177	1,955
Transfers to affiliates		(26,392)	(20,902)
Increase (decrease) in unrestricted net assets		28,476	(243)
Temporarily restricted net assets			
Change in interest in recipient organization		744	(2,760)
Increase (decrease) in temporarily restricted net assets		744	(2,760)
Increase (decrease) in net assets		29,220	(3,003)
Net assets at beginning of year		418,131	421,134
Net assets at end of year	\$	447,351	\$ 418,131

See accompanying notes.

# Statements of Cash Flows

	Year Ended December 31		
		2011	2010
		(In Thousands	•)
Operating activities			
Change in net assets	\$	29,220 \$	(3,003)
Adjustments to reconcile change in net assets to net			
cash provided by operating activities			
Depreciation and amortization		22,963	24,491
Provision for bad debts		41,704	37,434
Unrealized losses on swap transactions		5,745	27,672
Net unrealized losses (gains) on investments		5,294	(1.519)
Gain on asset disposal		(68)	_
Gain on asset acquisition		(16,410)	_
Transfers to affiliates		26,392	21,017
Changes in operating assets and liabilities			
Patient accounts receivable		(43,048)	(29.113)
Other receivables, inventories, due from affiliated			
corporations, and prepaid expenses		1,131	(1.987)
Interest rate and basis swaps		_	(5.394)
Interest in net assets of recipient organization		(744)	2,760
Other assets		(1,871)	24
Investments		(11,973)	(47.253)
Accounts payable, accrued expenses, and other			
current liabilities		6,232	(3,181)
Other long-term liabilities		(1,579)	1.097
Due to third-party payors		(2,676)	(1,966)
Net eash provided by operating activities		60,312	21,079
Investing activities			
Net gain on termination of interest rate swaps		_	5,394
Acquisition of net assets		(19,418)	(4,303)
Net additions to property and equipment		(6,906)	(26.814)
Cash used in investing activities		(26,324)	(25.723)
Financing activities			
Principal payments on long-term debt		(5,152)	(4.795)
Proceeds from issuance of debt		398	2.818
Transfers to affiliates		(26,392)	(21,017)
Net cash used in financing activities		(31,146)	(22,994)
Increase (decrease) in cash and cash equivalents		2,842	(27,638)
Cash and cash equivalents at beginning of vear		44,358	71,996
Cash and cash equivalents at end of vear	\$	47,200 \$	44,358
Supplemental disclosure of cash flow information			
Interest paid	<u>\$</u>	4,124 \$	3,099

See accompanying notes

#### Notes to Financial Statements

December 31, 2011

### 1. Organization

Memorial Hospital of South Bend, Inc (the Hospital) is a tax-exempt Indiana corporation under Internal Revenue Code (the Code) Section 501(a) as an organization described in Section 501(c)(3) and an affiliate of Memorial Health System, Inc (the Corporation) The Hospital provides inpatient, outpatient, and emergency care services to residents of South Bend, Indiana, and surrounding communities Through the Corporation, the Hospital is also affiliated with Memorial Home Care, Inc (Home Care), and Memorial Health Foundation, Inc (MHF) The Hospital owns a 25% interest in MRI of Northern Indiana LLC, an outpatient diagnostic imaging center

In March 2011, MHS and Elkhart General Hospital Inc (EGH) completed a memorandum of understanding to form an affiliation Effective December 1, 2011, a newly for need corporation, Elkhart Memorial Topco Inc (Topco), became the sole corporate member for both MHS and EGH

### 2. Summary of Significant Accounting Policies

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenue and expenses during the reporting period Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates

#### Cash Equivalents

All investments that are not limited as to use with a maturity of three months or less at the time of acquisition are reflected as cash equivalents. Cash equivalents include checking accounts, money market accounts, corporate credit card accounts, petty cash, and prepaid vendor accounts. The carrying value of cash equivalents approximates fair value.

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# Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### **Short-Term Investments**

Short-term investments include cash reinvested on a daily basis, accrued interest on investments, and money expected to be used in less than a year as part of the Hospital's community benefit Also included in short-term investments are restricted and unrestricted investment donations that are in the process of being liquidated

#### **Accounts Receivable**

The Hospital evaluates the collectibility of its accounts receivable based on the length of time the receivable is outstanding, payor class, and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for doubtful accounts when they are deemed uncollectible

#### Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Trustees (the Board) for future capital improvements and community health enhancement initiatives, which the Board, at its discretion, may subsequently use for other purposes. In addition, assets limited as to use also include assets held by trustees under debt and self-funded insurance agreements

#### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices for those or similar investments. Dividend and interest income, realized gains and losses, and changes to fair values of investments are reported as nonoperating investment income in the statements of operations and changes in net assets

# Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

Investments in alternative investments, primarily hedge fund of funds that invest in marketable securities and derivative products, are reported using the equity method. The estimated fair values are provided by the respective fund managers and are based on historical costs, appraisals, and other estimates that require varying degrees of judgment. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and may differ from the value that would have been used had a ready market for such investments existed. Resulting differences could be material. The financial statements of the hedge funds are audited annually Equity earnings related to these alternative investments are included in nonoperating investment income. The Hospital's holding reflects net contributions to the hedge fund and an allocated share of realized and unrealized investment income and expense

#### **Inventories**

Inventories, consisting of pharmaceuticals and other supplies, are stated at the lower of cost (average cost method) or market

#### **Unamortized Bond Issuance Costs**

Costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related financing, which approximates the effective interest method

#### **Investment in Nonconsolidated Affiliates**

The Hospital accounts for its investments in less than majority-owned and controlled affiliates using either the cost basis or the equity method of accounting These investments are included in other long-term assets Income from these investments is reflected in other income in the statement of operations and changes in net assets

#### **Property and Equipment**

Property and equipment are carried at cost, except donated assets, which are recorded at fair value at date of donation Allowances for depreciation and amortization are computed primarily utilizing the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years

# Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### **Asset Impairment**

The Hospital considers whether indicators of impairment are present and performs the necessary tests to determine if the carrying value of an asset is appropriate Impairment write-downs are recognized in operating expenses at the time the impairment is identified. There was no impairment of long-lived assets in 2011 and 2010

### Contributions and Interest in Net Assets of Recipient Organization

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received to the extent estimated to be collectible by the Hospital Pledges received that have been limited by donors to a specific time period or purpose are reported as temporarily restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions

MHF solicits contributions on behalf of the Hospital Contributions received by MHF (\$2,155,000 in 2011 and \$1,296,000 in 2010) that will ultimately benefit the Hospital are recorded as contribution revenue by MHF The Hospital records an interest in net assets of MHF (recipient organization) The change in net assets of the recipient organization is included in temporarily restricted net assets in the statements of operations and changes in net assets

### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the Hospital Temporarily restricted gifts and bequests are recorded as an addition to temporarily restricted net assets in the period received Assets released from restrictions that are used for the purchase of property and equipment or capital purposes are reported in the statements of operations and changes in net assets as additions to unrestricted net assets Resources restricted by donors for specific operating purposes are reported in unrestricted revenue, gains, and other support to the extent expended within the period

# Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### **Net Patient Service Revenue**

The Hospital has agreements with various third-party payors that provide for payments to the Hospital at amounts different from its 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 received or due from patients, third-party payors, and others for services rendered. These amounts include estimated adjustments under certain reimbursement agreements with third-party payors, which are subject to audit by the applicable administering agency. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined (see Note 3).

### **Community Commitment**

The Hospital provides care to all patients regardless of their ability to pay Charity care provided by the Hospital is excluded from net patient service revenue (see Note 4)

#### **Revenue and Gains in Excess of Expenses**

The statements of operations and changes in net assets include revenue and gains in excess of expenses. Changes in unrestricted net assets, which are excluded from revenue and gains in excess of expenses, consistent with industry practice, include contributions of long-lived assets, including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets, and transfers to affiliates

#### **Allocation of Costs**

The Corporation's to exercise control over consolidated entities could result in the entities having a financial ability position or operating results that are significantly different from those that would have been obtained if the entities were autonomous. The manner of allocating certain shared and centralized costs, such as accounts payable processing, information technology support, and other Corporation-managed administration costs, is determined by the Corporation utilizing Internal Revenue Service transfer pricing guidance. Alternate methods of accounting for these cost allocations may produce significantly different operating results for each of the consolidated entities.

# Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### **Interest Rate and Basis Swaps**

All interest rate and basis swaps are measured at fair value based on quoted market interest rates None of the swaps are designated as hedging instruments, therefore, the unrealized gains or losses on the fair value of the swaps are included in revenue and gains in excess of expenses in the statements of operations and changes in net assets

#### **Asset Retirement Obligations**

The Hospital accounts for the fair value of legal obligations associated with long-lived asset retirements by recognizing an expense and accreting a liability over the life of the asset to cover potential legal obligations at the end of the asset's useful life. The asset retirement obligation primarily relates to future asbestos remediation related to buildings on the Hospital's campus, as well as ground/soil remediation associated with the removal of underground fuel tanks. The carrying value of the obligation amounted to approximately \$4,321,000 and \$4,138,000 at December 31, 2011 and 2010, respectively

#### **Recent Accounting Pronouncements**

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-23, *Measuring Charity Care for Disclosure* The provisions of ASU 2010-23 are intended to reduce the diversity in how charity care is calculated for disclosures across health care entities that provide it Charity care is required to be measured at cost, defined as the direct and indirect costs of providing the charity care This new guidance is effective for fiscal years beginning after December 15, 2010, with early application permitted The Hospital adopted the required components of this guidance in 2011

In July 2011, the FASB issued ASU 2011-07, Presentation and Disclosure for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The guidance requires certain health care entities to reclassify in the statement of operations the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenues (net of contractual allowances and discounts) In addition, the guidance requires enhanced disclosures about policies for recognizing revenue, assessing bad debts and qualitative and quantitative information about the changes in the allowance for uncollectible accounts The guidance is effective for the Hospital for the reporting period beginning January 1, 2012, with early adoption permitted The Hospital adopted this guidance in 2011

# Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, addresses the diversity in the accounting for medical malpractice and similar liabilities and their related anticipated insurance recoveries by health care entities that mostly have netted insurance recoveries against the accrued liability, although some have presented the anticipated insurance recovery and the liability on a gross basis. The amendments to Accounting Standards Codification (ASC) Topic 954 clarify that a health care entity should not net insurance recoveries against a related claim liability, the amount of the claim liability should be determined without consideration of insurance recoveries. The Hospital adopted ASU 2010-24 for the year ended December 31, 2011. The adoption of ASU 2010-24 impacts the balance sheet and footnote presentation for the Hospital to reflect the gross estimated receivable and gross noncurrent liabilities compared to the netted accrued liability presentation (see Note 12)

#### Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation. These reclassifications did not impact revenues and gains in excess of expenses or net assets previously reported.

#### 3. Contractual Arrangements With Third-Party Payors and Uncollectible Accounts

The Medicare and Medicaid programs reimburse the Hospital for inpatient and outpatient services at predetermined rates based on treatment diagnosis Changes in the Medicare and Medicaid programs or reduction of funding levels for the programs could have an adverse effect on future amounts recognized as net patient service revenue

The laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Managed care reimbursement agreements provide for payment of patient services at a fixed percentage of covered charges. The Hospital has also entered into contractual arrangements with various health maintenance and preferred provider organizations, the terms of which call for the Hospital to be paid for covered services at predetermined rates, including percent of charges, per diem, and case rate

# Notes to Financial Statements (continued)

### 3. Contractual Arrangements with Third-Party Payors (continued)

Net patient service revenue is recorded in the period in which services are rendered, based upon estimated amounts due from patients and third-party payors. Third parties include Medicare, Medicaid, managed health care plans, and other commercial plans. Estimated amounts due are calculated from contractually obligated terms of payment for each payor, as well as uninsured discounts applied for patients with no insurance coverage. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows (in thousands).

	Net Revenue		
Payor		2011	2010
Anthem	\$	96,395 \$	89,707
Commercial		134,973	125,090
Medicare		114,474	98,220
Medicaid		14,644	18,836
Self-pay		41,377	38,953
Revenues before provision for bad debts		401,863	370,806
Provision for bad debts		(41,704)	(37,434)
Net patient service revenue	\$	360,159 \$	333,372

Revenues received under the Medicare program account for 28% and 26% of net patient service revenue for the years ended December 31, 2011 and 2010, respectively Revenues received under the Anthem Payor Contract account for 24% of net patient service revenue for the years ended December 31, 2011 and 2010

Credit is granted without collateral to patients, most of whom are local residents and are insured under third-party arrangements Major components of net patient accounts receivable include 26% from Medicare and 20% from Blue Cross at December 31, 2011, and 23% from Medicare and 23% from Blue Cross at December 31, 2010

# Notes to Financial Statements (continued)

### 3. Contractual Arrangements with Third-Party Payors (continued)

The provision for bad debts is based upon management's assessment of historical and expected net collections taking into consideration the trends in health care coverage, historical economic trends and other collection indicators. Management assesses the adequacy of the allowances periodically throughout the year based upon historical write-off experience by major payor category. The results of the review are then utilized to make modifications, as necessary, to the provision for bad debts to provide for an appropriate allowance for uncollectible accounts. A significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided. The allowance for uncollectible accounts recognized at December 31 by major payor source is as follows (in thousands)

		Allowance for Doubtful Accounts		
<u>Payor</u>	20	11	2010	
Third-party	\$	7,299 \$	3,362	
Self-pay		8,161	11,362	
Total allowance	\$	15,460 \$	14,724	

The Hospital's allowance for uncollectible accounts for self-pay patients decreased from 77% of self-pay accounts receivable at December 31, 2010, to 53% of self-pay accounts receivable at December 31, 2011 The decrease in allowance rates is attributable to the new federal guideline requiring that a discount be given to all uninsured patients at time of billing. Under this same guideline, that discount given to the Hospital's patients is determined to be 35% of gross charges. While the Hospital has not yet had a history under this new discount methodology, however, self-pay write-offs increased \$4,976,000 from \$32,239,000 in 2010 to \$37,215,000 in 2011. The Hospital also increased the allowance for uncollectible accounts for third-party payors from 23% of third-party accounts receivable at December 31, 2010, to 47% of third-party accounts receivable at December 31, 2011, to account for the increase of co-pay and deductible amounts not paid by patients. This increase was attributed to more patients enrolled in high deductible health plans, thereby increasing the population of the under insured which resulted in an increased risk of bad debt write-offs

# Notes to Financial Statements (continued)

### 3. Contractual Arrangements with Third-Party Payors (continued)

Estimates for cost report settlements and contractual allowances can differ from actual reimbursement based on the results of subsequent reviews and cost report audits. For the years ended December 31, 2011 and 2010, net patient service revenue has been decreased by approximately \$1,252,000 and increased by \$2,219,000, respectively, for third-party settlements

### 4. Community Commitment

The Hospital adopted ASU 2010-23 for the fiscal period beginning January 1, 2011 This change requires that charity care be reported at estimated direct and indirect costs. The Hospital utilized a cost-to-charge ratio methodology for the cost analysis.

Community commitment represents charity care and/or unreimbursed costs for services rendered at a reduced fee, or no fee, due to the inability of the patient to pay for services. The amount of the community commitment provided was approximately \$6,275,000 and \$9,079,000 for the years ended December 31, 2011 and 2010, respectively, at estimated cost. The decrease was partially caused by the uninsured discount to gross charges, as some of those discounts would previously have been captured as charity write-offs. Additionally, as noted above, the Hospital uses a cost to charge ratio methodology to estimate the cost of charity care, and this ratio has changed significantly over the prior year. The only reimbursement for charity care received by the Hospital is determined through a settlement process in the Hospital's annual Medicare cost report filing. Charity care reimbursement was approximately \$149,000 and \$372,000 for the years ended December 31, 2011 and 2010, respectively

In addition, the Hospital reinvests funds into the community to improve the health status of community members, in particular underserved populations Each year, the Hospital tithes based on the Hospital's income from operations plus certain investment earnings in a separate unrestricted current asset account The estimated amount of tithing funds expended was approximately \$1,768,000 and \$2,772,000 for the years ended December, 2011 and 2010, respectively

# Notes to Financial Statements (continued)

#### 5. Pension Plan

The Hospital maintains a defined-contribution employee retirement and savings plan All employees who have attained 21 years of age and have completed 12 months of continuous service are eligible to participate In 2010, the Hospital's contribution was based on 100% of the employee's contributions, up to 5% of an employee's salary if the employee had been employed less than 10 years, and up to 6% of the employee's salary if the employee had been employed 10 years or more In 2011, the Hospital's contribution was based on 100% of the employee's contributions, up to 4% of the employee's salary Contributions were approximately \$3,317,000 and \$4,261,000 for the years ended December 31, 2011 and 2010, respectively

The Hospital participates in a noncontributory, frozen defined-benefit pension plan (the Plan), sponsored by the Corporation, covering substantially all of the Hospital's employees The Hospital's pension expense allocated from the Corporation was approximately \$1,326,000 and \$1,375,000 in 2011 and 2010, respectively

The Corporation's Plan had estimated benefit obligations of \$131,413,000 and \$127,016,000 at December 31, 2011 and 2010, respectively The fair value of the Plan's assets was \$90,581,000 and \$97,396,000 at December 31, 2011 and 2010, respectively The funded status of the Plan is recorded as a long-term liability on the Corporation's consolidated financial statements

#### 6. Lease Obligations

The Hospital leases certain office space and equipment under noncancelable operating leases At December 31, 2011, the minimum future rental payments under these leases are as follows (in thousands)

2012	\$ 1,906
2013	211
2014	222
2015	230
2016	_
Thereafter	 
	\$ 2,569

Rental expense for the years ended December 31, 2011 and 2010, was approximately \$2,445,000 and \$2,290,000, respectively

# Notes to Financial Statements (continued)

# 7. Long-Term Debt

Long-term debt consists of the following at December 31 (in thousands)

		2011		2010
Tax-exempt bonds issued on behalf of the Hospital by the				
Hospital Authority of St Joseph County				
Health System Revenue Bonds, Series 2008A, bearing				
interest at variable rates retaining the hedge from the				
Series 2006 with a floating to fixed interest rate swap at				
3 5% at December 31, 2011 and 2010, due in varying				
annual installments on August 15 of each year through				
2033	\$	38,405	\$	38,580
Health System Revenue Bonds, Series 2008B, bearing				
interest at variable rates of 0 09% and 0 31% at				
December 31, 2011 and 2010, respectively, due in				
varying annual installments on August 15 of each year		25.045		20.105
through 2034		37,265		38,105
Health System Revenue Bonds, Series 2007, bearing interest at variable rates of 1 26% and 0 27% at				
December 31, 2011 and 2010, respectively, due in				
varying annual installments on August 15 of each year				
through 2046		1,000		1,000
Health System Revenue Bonds, Series 1998A, interest		1,000		1,000
ranging from 4 60% to 5 50%, due in varying annual				
installments on August 15 of each year through 2028		60,780		63,430
Mortgage for Memorial Lighthouse Imaging bearing interest		,		<b>,</b>
of 2 56% at December 31, 2011 and 2010, at variable rates				
of LIBOR plus 2 25%, due in varying annual installments on				
the last day of every month through 2015		1,593		1,781
Capital leases		806		1,707
		139,849		144,603
Less unamortized discount		2,187		2,323
		137,662		142,280
Less current portion		4,621	Φ.	4,546
	<u>\$</u>	133041	\$	137,734

# Notes to Financial Statements (continued)

#### 7. Long-Term Debt (continued)

The Hospital purchased \$27,000,000 par value of the Series 2007 Bonds for \$13,230,000 in March 2009 In October 2008, the Hospital purchased \$52,000,000 par value of the Series 2007 Bonds for \$29,640,000 The par value of the Series 2007 Bonds remains outstanding with the Hospital as owner of record The balance sheet reflects these purchases as a reduction of long-term debt for the Series 2007 Bonds of \$79,000,000 at par value These Bonds are available for reissuance

The Hospital has a \$2,000,000 revolving line of credit with 1st Source Bank. The line of credit was renewed and extended through May 31, 2012. Of the \$2,000,000 revolving line of credit, \$300,000 and \$200,000 for the years ended December 31, 2011 and 2010, respectively, were segregated for the beneficiary of a self-insured trust. Conversely, \$1,700,000 and \$1,800,000 were available to be drawn on at December 31, 2011 and 2010, respectively. No draws were taken by the Hospital in either 2011 or 2010. The interest rate on the line of credit is prime rate minus one half percent. No amounts were outstanding on the line of credit as of December 31, 2011 and 2010.

In August 2008, the Hospital Authority of St Joseph County, on behalf of the Hospital, issued revenue refunding bonds in the principal amount of \$78,495,000 to refund Series 2003 and Series 2006 Bonds The interest rate for the Series 2008A and 2008B Bonds is a weekly interest rate determined by the remarketing agent The 2008 bond issue was secured by two separate irrevocable direct-pay letters of credit issued by Fifth Third Bank In October 2009, there was a substitution on the letters of credit from Fifth Third Bank to JPMorgan Chase Bank In October 2010, the JPMorgan Chase letters of credit expiration date was extended to October 12, 2015 As long as no default has occurred, draws on the direct-pay letters of credit made for failed remarketing will be required to be repaid in 12 equal quarterly installments commencing 12 months after the date of draw

### Notes to Financial Statements (continued)

#### 7. Long-Term Debt (continued)

The Series 2008A Bonds are subject to mandatory redemption through the operation of a sinking fund on each August 15 commencing with the year 2011 to, and including the year, 2033 in amounts sufficient to redeem the principal amounts. The Series 2008B Bonds are subject to mandatory redemption through the operation of a sinking fund on each August 15 that commenced with the year 2009 to, and including the year, 2034 in amounts sufficient to redeem the principal amounts

As of the date of the issuance of the Series 2007 Bonds, under the terms of a Master Trust Indenture, the Corporation and the Hospital formed the Obligated Group MHF and Home Care constitute designated affiliates under the terms of the Master Trust Indenture

The Series 2008A, 2008B, 2007, 2000, and 1998A Bonds were issued pursuant to the Master Trust Indentures, which are secured by pledged revenues of the Obligated Group and contain various covenants, including achievement of specified financial rations and limitations on additional debt

Interest capitalized during the years ended December 31, 2011 and 2010, was approximately \$0 and \$23,000, respectively

Maturities of long-term debt and capital lease obligations for each of the next five years are as follows (in thousands)

2012	\$ 4,621
2013	4,604
2014	4,450
2015	4,387
2016	5,415

Notes to Financial Statements (continued)

#### 8. Interest Rate and Basis Swaps

The Hospital has various derivative instruments to manage the exposure on interest rates and the Hospital's interest expense Through the use of derivative financial instruments, the Hospital is exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of the derivative contract is positive, the counterparty owes the Hospital, which creates credit risk to the Hospital When the fair value of the derivative contract is negative, the Hospital owes the counterparty, and there is no credit risk to the Hospital at that point in time The Hospital minimizes the credit risk in derivative instruments by entering into transactions that require the counterparty to post collateral for the benefit of the fair value of the derivative contract Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates The management of market risk associated with interest rate changes is defined in the Hospital's Swap Management Policy The policy includes continuous monitoring of market conditions, emergent opportunities, and risks Swap management is meant to be long term in nature, and any modifications to the program are reviewed for the long-term costs and benefits Management also mitigates risk through periodic reviews of its derivative position in the context of its total blended cost of capital In October 2010, the Hospital terminated two yield curve swaps in order to maximize the benefit from these swaps. The termination of the yield curve swaps resulted in a realized gain of \$5,271,000, which is included in nonoperating in the statement of operations and changes in net assets for the year ended December 31, 2010

In December 2011, novations of the Citigroup Inc swaps were completed which formed new counterparty relationships with PNC Bank and Wells Fargo As of December 31, 2011, the mark to market valuation on the swap portfolio was below the required collateral posting threshold of \$30,000,000 with PNC Bank and \$25,000,000 with Morgan Stanley, \$25,000,000 with Wells Fargo and \$25,000,000 with Deutsche Bank Two swaps with the notional amounts of \$77,390,000 and \$9,050,000 as of December 31, 2011, have notional adjustments on specified dates as further described in their swap agreements

As of December 31, 2010, the mark to market valuation on the swap portfolio was below the required collateral posting threshold of \$30,000,000 with Citigroup, Inc , \$25,000,000 with Morgan Stanley, and \$25,000,000 with Deutsche Bank

# Notes to Financial Statements (continued)

# 8. Interest Rate and Basis Swaps (continued)

The following is a summary of the outstanding fixed payer rate swaps as of December 31, 2011

Origination Date	Notional Amounts	Hospital Receives	Hospital Pays	Maturity Date
March 2006	\$ 38,405,000	61 9% 1M LIBOR + 0 31%	3 516%	August 2033
March 2003	9,050,000	65 0% 1M LIBOR + 0 45%	3 800%	July 2034

The following is a summary of the outstanding basis rate swaps as of December 31, 2011

Origination Date	Notional Amounts	Hospital Receives	Hospital Pays	Maturity Date
January 2007	\$ 42,000,000	74 6% IM LIBOR	SIFMA + 0 0715%	January 2041
August 2007	54,000,000		SIFMA + 0 0715%	September 2041
March 2001	140,000,000	75 125% 3M LIBOR	SIFMA	March 2031
July 2002	56,000,000	75 125% 3M LIBOR	SIFMA	July 2022
February 2003	30,000,000	81 125% 1M LIBOR	SIFMA	February 2033
February 2003	30,000,000		SIFMA	February 2023
June 2004	77,390,000	62 6% 1M LIBOR + 0 785%	SIFMA	August 2033
July 2009	63,000,000	74 6% 1M LIBOR	SIFMA + 0 17%	January 2041
August 2009	81,000,000	61 7% 1M LIBOR + 0 76%	SIFMA + 0 17%	August 2041

# Notes to Financial Statements (continued)

## 8. Interest Rate and Basis Swaps (continued)

In October 2010, the Hospital terminated two yield curve swaps. The termination of the yield curve swaps resulted in a realized gain of \$5,271,000 and the receipt of accrued interest of \$245,000. The following is a summary of the terminated yield curve swaps as of October 29, 2010.

Origination Date	Notional Amounts	Hospital Receives	Hospital Pays	Maturity Date
August 2008	\$ 60,000,000	10-year USD- SIFMA – 0 65%	SIFMA	August 2027
September 2008	60,000,000	10-year USD- SIFMA – 0.65%	SIFMA	September 2027

The following is a summary of the outstanding swaps as of December 31, 2010

Origination Date		Notional Amounts	Hospital Receives	Hospital Pays	Maturity Date
	4	12 000 000		CIED (A	
January 2007	\$	42,000,000	71 (0/ 1M LIDOD	SIFMA +	January 2041
August 2007		51,000,000	74 6% 1M LIBOR 61 7% 1M LIBOR +	0 0715%	Contombor 2011
August 2007		54,000,000	0 76%	0 0715%	September 2041
March 2001		140,000,000	75 125% 3M	SIFMA	March 2031
Maron 2001		110,000,000	LIBOR		Million 2001
July 2002		56,000,000	75 125% 3M	SIFMA	July 2022
•			LIBOR		•
February 2003		30,000,000	81 125% 1M	SIFMA	February 2033
			LIBOR		
February 2003		30,000,000	80 625% 1M	SIFMA	February 2023
			LIBOR	2277	
June 2004		77,630,000	62 6% 1M LIBOR+	SIFMA	August 2033
L.J. 2000		62,000,000	0 785% 74 6% 1M LIBOR	SIFMA + 0 17%	January 2011
July 2009		63,000,000	· · · · · · · · · · · · · · · · · · ·		January 2041
August 2009		81,000,000	61 7% 1M LIBOR + 0 76%	SIFMA + 0 1/%	August 2041
March 2006		38,580,000	61 9% 1M LIBOR +	3 516%	August 2033
			0 31%		
March 2003		9,250,000	65 0% 1M LIBOR +	3 800%	July 2034
			0 45%		

#### Notes to Financial Statements (continued)

#### 8. Interest Rate and Basis Swaps (continued)

Net interest paid or received under the above swap agreements is included in interest expense The net differential for the Hospital as a result of the swap agreements amounted to receipts of \$8,000 and \$1,575,000 for the years ended December 31, 2011 and 2010, respectively, and is reflected as a decrease to interest expense. The swap agreements do not qualify for hedge accounting, therefore, the change in the fair value of the swap agreements is recorded as an unrealized nonoperating loss of \$5,745,000 and \$27,672,000 for the years ended December 31, 2011 and 2010, respectively

The fair value of derivative instruments at December 31 is as follows (in thousands)

Balance Sheet				
Dalance Sheet				
Location		2011		2010
Interest rate and				
basis swaps	\$	123	\$	_
•	\$	123	\$	_
	ility	Derivative	S	
Location		2011		2010
Interest rate and				
basis swaps	\$	42,184	\$	36,316
	\$	42,184	\$	36,316
	Interest rate and basis swaps  Liab Balance Sheet Location  Interest rate and	Interest rate and basis swaps \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Interest rate and basis swaps  Solution 123 Solution 123 Liability Derivative Balance Sheet Location 2011  Interest rate and	Interest rate and basis swaps  \$ 123 \$ \$ \$ 123 \$ \$ \$ \$ \$ 123 \$ \$ \$ \$ \$ \$ \$ 123 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$

## Notes to Financial Statements (continued)

#### 9. Transactions With Affiliates

The Corporation leased space in various office properties owned by the Hospital for approximately \$221,000 and \$225,000 in 2011 and 2010, respectively The Hospital leased space from Home Care for approximately \$83,000 and \$101,000 in 2011 and 2010, respectively The Hospital leased space from the Corporation for approximately \$645,000 in 2011 and \$739,000 in 2010

The Hospital purchased temporary services from Home Care for approximately \$120,000 in 2011 and \$89,000 in 2010

It is the Corporation's policy to allocate certain administrative expenses to the Hospital on an annual basis These expenses amounted to approximately \$21,307,000 and \$19,804,000 in 2011 and 2010, respectively, and are included in professional fees and purchased services in the accompanying statements of operations and changes in net assets

#### 10. Fair Value of Financial Instruments

The fair value of the Hospital's long-term debt, excluding capital leases and the mortgage on Memorial Lighthouse Imaging, is approximately \$137,057,000 and \$138,825,000 at December 31, 2011 and 2010, respectively

Total investment return for the years ended December 31 is summarized as follows (in thousands)

	 2011	2010
Investment return		
Net unrealized (losses) gains on investments, net	\$ (5,966) \$	8,232
Net realized gains on investments, net	6,369	4,910
Net equity earnings on alternative investments	672	5,185
	\$ 1,075 \$	18,327
Reported as		
Investment income, net	\$ 1,075 \$	18,327
	\$ 1,075 \$	18,327

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## Notes to Financial Statements (continued)

#### 10. Fair Value of Financial Instruments (continued)

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses are reasonable estimates of their fair value due to the short-term nature of these financial instruments

ASC Topic 820-10-50-2, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

## Notes to Financial Statements (continued)

#### 10. Fair Value of Financial Instruments (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables present the financial instruments carried as of December 31, 2011 and 2010, by caption on the balance sheets by the valuation hierarchy defined on the previous page for those instruments carried at fair value, as well as the alternative investments that are reported on the equity method (in thousands). Investments in the deferred compensation plan are included in other long-term assets.

								Fair		Equity	Carrying
<b>December 31, 2011</b>		Level 1		Level 2		Level 3		Value	]	Method	Value
Assets											
Short-term investments <sup>d</sup>	\$	6.095	\$	-	\$	_	\$	6,095	\$	_	\$ 6,095
Internally designated											
investments											
Mutual funds <sup>d</sup>											
Large cap equity		13,132		_		_		13,132		_	13,132
International equity		19,787		_		_		19,787		_	19,787
Small cap equity		3.913		_		-		3.913		-	3,913
Long short equity		4.964		_		-		4,964		-	4,964
Total return fund		57.886		-		_		57,886		_	57.886
Blended fund		18,126		_		_		18,126		_	18,126
Total mutual funds		117,808		-		_		117,808		-	117,808
Common stock <sup>a</sup>		5,403		-		_		5,403		-	5,403
Alternatives											
Fixed income		_		_		_		_		7.585	7,585
Fund of hedge funds		_		_		_		_		47,154	47,154
Long short credit		_		-		_		_		5,721	5.721
Long short equity		_		_		_		_		37,668	37,668
Real estate		_		_		-		-		5,777	5.777
Total alternatives		_		_		=		-		103,905	103,905
		123,211		_		_		123,211		103,905	227,116
Ext designated invest –											
insurance trust		2,533		_		_		2,533		_	2,533
Swaps <sup>c</sup>		_		_		123		123		-	123
Total	\$	131,839	\$	_	\$	123	\$	131,962	\$	103,905	\$ 235,867
v											
Liabilities	d)		d.		•	. 10 10 ::	•		45		. 10 10 1
Swaps <sup>c</sup>	_\$	_	\$	_	\$	(42,184)	\$	(42,184)	\$	_	\$ (42,184)
Total	\$	_	\$		\$	(42,184)	\$	(42,184)	\$	_	\$ (42,184)

<sup>(</sup>a) Pricing for mutual funds, short-term investments, equities, and government obligations are based on the open market and are valued on a daily basis

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## Notes to Financial Statements (continued)

#### 10. Fair Value of Financial Instruments (continued)

- (b) Pricing is based on the market value of the securities and is valued on a monthly basis. Information used to value this account is provided by International Data Corp. (IDC). In the event that a security is not actively traded in the open market, the characteristics are matched to a comparable issue from the IDC data to appropriately value the holding.
- (c) Pricing is based on discounted cash flows to reflect a credit spread adjustment to the LIBOR discount curve in order to reflect "non-performance" risk. The credit spread adjustment is derived from how other comparable entities' bonds price and trade in the market. As the credit spread adjustment is a significant component of the swap valuation and is an unobservable input, the swaps have been classified as Level 3.

In addition to understanding fair value methodologies, the alternative funds may have redemption and/or liquidity restrictions Restrictions of such funds by category are as follows as of December 31, 2011

Type of Fund	(	Carrying Value	Redemption Restrictions	Liquidity Time Frame
	(In	Thousands)	•	
Fixed income	\$	3,420	None	Illiquid
Fixed income		4,165	2 5-year lock	Illiquid
Fund of hedge funds		1,661	None	Illiquid
Fund of hedge funds		10,963	Semiannual redemptions	Illiquid
Fund of hedge funds		14,937	None	Under 95 days
Fund of hedge funds		11,801	15% redemption gate	Under 95 days
Fund of hedge funds		5,353	Quarterly redemptions	Under 95 days
Fund of hedge funds		2,439	3-year lock	Illiquid
Long/short credit		5,721	2-year soft lock (5% fee 1st	Under 95 days
			year and 3% fee 2nd year)	
Long/short equity		19,342	None	Annual
Long/short equity		18,326	None	Under 95 days
Real estate		5,777	None	Annual

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# Notes to Financial Statements (continued)

#### 10. Fair Value of Financial Instruments (continued)

<b>December 31, 2010</b>		Level 1	I	Level 2		Level 3		Fair Value		Equity Method	(	Carrying Value
Assets												
Short-term investments <sup>d</sup> Internally designated investments Mutual funds <sup>d</sup>	\$	5,861	\$	-	\$	_	\$	5,861	\$	-	\$	5.861
		12.863						12.863				12.863
Large cap equity International equity		22.919		_		_		22.919		_		22,919
Small cap equity		4.377		_		_		4.377		_		4.377
Total return fund		48,428						48.428				48.428
Blended fund		8,626		_		_		8,626		_		8,626
Total mutual funds	_	97.213						97.213				97.213
Common stock		5,534		_		_		5,534		_		5,534
Bonds <sup>b</sup>		2.584		15.686		184		18,454		_		18,454
Alternatives		2,504		13,000		104		10,434				10,454
Fixed income		_		_		_		_		3.571		3,571
Fund of hedge funds		_		_		_		_		45,650		45,650
Long short credit		_		_		_		_		5.549		5,549
Long short equity		_		_		_		_		38,515		38,515
Real estate		_		_		_		_		6,180		6,180
Total alternatives		_		_		_		_		99,465		99,465
10	_	105,331		15.686		184		121,201		99,465		220,666
Ext designated investments under debt agreements <sup>d</sup> Ext designated investments –		53		_		_		53		_		53
insurance trust <sup>d</sup>		2,485		_		_		2,485		_		2,485
Total	\$	113,730	\$	15,686	\$	184	\$	129,600	\$	99,465	\$	229,065
T + 1 19.0												
Liabilities	ď.		Œ		(D	(26.216)	e.	(26.216)	e.		Ф	(26.216)
Swaps <sup>c</sup>	\$		\$		\$	(36,316)	\$	(36.316)	\$		\$	(36,316)
Total			\$		\$	(36,316)	\$	(36,316)	\$		\$	(36,316)

<sup>(</sup>a) Pricing for mutual funds, short-term investments, equities, and government obligations are based on the open market and are valued on a daily basis

<sup>(</sup>b) Pricing is based on the market value of the securities and is valued on a monthly basis. Information used to value this account is provided by International Data Corp. (IDC). In the event that a security is not actively traded in the open market, the characteristics are matched to a comparable issue from the IDC data to appropriately value the holding.

## Notes to Financial Statements (continued)

#### 10. Fair Value of Financial Instruments (continued)

(c) Pricing is based on discounted cash flows to reflect a credit spread adjustment to the LIBOR discount curve in order to reflect "non-performance" risk. The credit spread adjustment is derived from how other comparable entities' bonds price and trade in the market. As the credit spread adjustment is a significant component of the swap valuation and is an unobservable input, the swaps have been classified as Level 3.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 swaps for the year ended December 31, 2011 (in thousands)

Balance, beginning of year	\$ (36,316)
Unrealized gains/loss, net	 (5,745)
Balance, end of year	\$ (42,061)

For the years ended December 31, 2011 and 2010, the Hospital recorded approximately \$5,745,000 and \$27,672,000, respectively, in nonoperating losses, which relates to losses of \$7,726,000 and \$30,077,000, respectively, due to the change in the swap's value, and credit of \$1,981,000 and \$2,405,000, respectively, to reflect the fair value of the uncollateralized portion of the swap balance

The Hospital's investments are exposed to various kinds and levels of risk Equity mutual funds expose the Hospital to market risk, performance risk, and liquidity risk Market risk is the risk associated with major movements of the equity markets Performance risk is that risk associated with a company's operating performance Fixed income securities expose the Hospital to interest rate risk, credit risk, and liquidity risk As interest rates change, the value of many fixed income securities is affected, including those with fixed interest rates Credit risk is the risk that the obligor of the security will not fulfill its obligations Liquidity risk is affected by the willingness of market participants to buy and sell given securities Liquidity risk tends to be higher for equities related to small capitalization companies Due to the volatility of the capital markets, there is a reasonable possibility of changes in fair value, resulting in additional gains and losses in the near term

## Notes to Financial Statements (continued)

#### 11. Functional Expenses

The Hospital provides general health care services to residents within its geographic location Expenses related to this and general and administrative functions for the years ended December 31 are as follows (in thousands)

	 2011	2010	
Health care services General and administrative	\$ 255,394 75,917	\$ 254,092 68,585	
	\$ 331,311	\$ 322,677	

#### 12. Commitments

At December 31, 2011, the Hospital was contractually obligated for approximately \$804,000, which primarily relates to wound care and vascular lab expenditures and the conversion to private rooms as approved by the Hospital's Board of Trustees

During 2009, the Hospital committed to investing up to \$4,000,000 in other privately held investment funds As of December 31, 2011 and 2010, the Hospital had made net contributions of \$4,000,000 and \$3,204,000, respectively As of December 31, 2011 and 2010, the Hospital had unfunded commitments of \$0 and \$796,000, respectively

During 2011, the Hospital committed to investing \$20,000,000 in certain hedge funds and a distressed asset fund. As of December 31, 2011, the Hospital had contributed \$6,648,000 to the funds. The Hospital has an unfunded commitment of \$13,352,000 at December 31, 2011.

Notes to Financial Statements (continued)

#### 13. Professional Liability Insurance

The Hospital is a defendant in certain litigation arising in the ordinary course of business Professional liability insurance coverage is provided under a claims-made policy. The Hospital terminated self-funding of its professional and general liability coverage on November 30, 2009, and obtained claims-made insurance policies for coverage. The Indiana Medical Malpractice Act has provided recovery up to \$1,250,000 per occurrence, with the first \$250,000 covered by the Hospital. The Hospital maintains a trust fund for its self-insurance program, which it will continue to maintain until all claims have been settled. The fair value of the trust funds at December 31, 2011 and 2010, was approximately \$2,533,000 and \$2,484,000, respectively. The amount of malpractice and general liability claims, including a component for incurred but not reported claims, was approximately \$4,017,000, gross of insurance recoverable, and \$2,470,000, net of insurance recoverable, at December 31, 2011 and 2010, respectively. The interest rate used to discount these claims was 4 5% at December 31, 2011 and 2010. In addition, at December 31, 2011, the Hospital recognized net recoverable insurance assets of approximately \$1,992,000, in accordance with ASU 2010-24.

#### 14. Income Taxes

The Hospital has been determined to be exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) of the Code Most of the income received by the Hospital is exempt from taxation under Section 501(a) of the Code, as income related to the mission of the organization Accordingly, there is no material provision for income tax for these entities Some of the income received by the Hospital is subject to taxation as unrelated business income The Hospital files income tax returns in the U S, both federal and in various states

## Notes to Financial Statements (continued)

#### 15. Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at December 31 (in thousands)

	 2011	2010
Net assets currently available for		_
General	\$ 1,339 \$	1,231
Capital	1,595	742
Programs	351	424
Education	<b>26</b> 7	357
Other	 931	985
	\$ 4,483 \$	3,739

#### 16. Acquisition

In April 2011 the Hospital purchased buildings, land and equipment for \$3,000,000 during the bankruptcy proceedings for a former mental health provider. The appraised value exceeded the purchase price which resulted in a gain of \$16,410,000 which is recognized as a non-operating gain in the statement of operations and changes in net assets. On April 7, 2011, the Hospital began inpatient mental health services within the properties obtained in the proceedings.

#### 17. Subsequent Events

The Hospital evaluated events and transactions occurring subsequent to December 31, 2011, through March 8, 2012, the date of issuance of the financial statements During this period, there were no subsequent events requiring recognition or disclosure in the financial statements, other than those previously disclosed

#### Emst & Young LLP

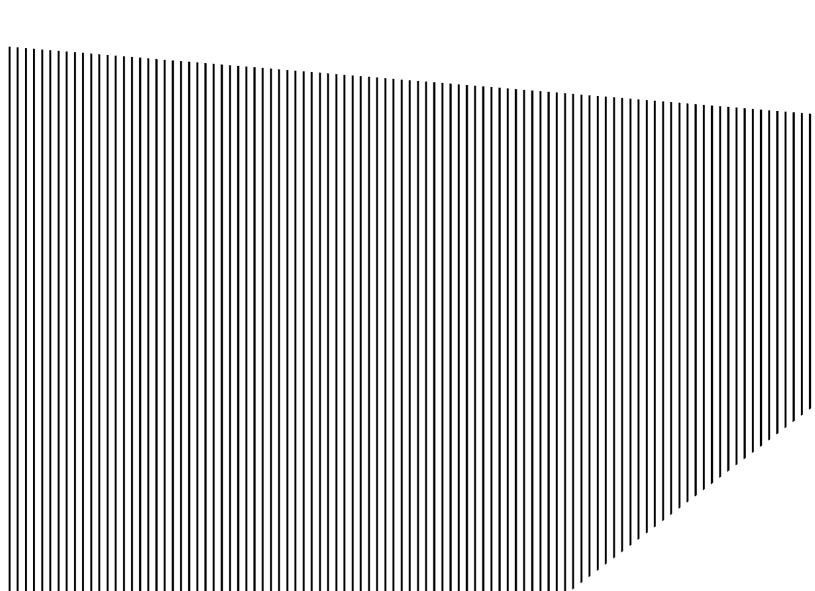
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# Software ID: Software Version:

**EIN:** 35-0868132

Name: MEMORIAL HOSPITAL OF SOUTH BEND INC

## 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

<b>(A)</b> Name and Title	(B) Average hours per		(tion that a		у)			(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
	week	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			
Charles Miller Secretary	2 0	х		х				2,073	0	0
Etta Nevel MD Trustee	2 0	Х						1,277	0	0
Robert Yount MD Trustee, Employed Physician	2 0	Х						0	1,020,433	24,501
Keith Sherry MD Trustee and medical director	20 0	Х						156,601	0	23,894
Faye Magneson MD Trustee thru APR 11	2 0	Х						2,073	0	0
James Schwartz Sr Trustee	2 0	х						0	0	0
Gerard Duprat MD Trustee	2 0	Х						3,990	0	0
Thomas Cassady Jr Chair	2 0	Х		х				5,595	0	0
Jesse Hseih MD Trustee	2 0	Х						4,460	0	0
Maurice Hurwich MD Trustee and medical director	4 0	Х						33,801	0	0
M Rose Meissner Vice Chair	2 0	Х		х				0	0	0
Margaret Kıng Trustee thru Mar 11	2 0	Х						0	0	0
Thomas Burish PhD Trustee	2 0	Х						0	0	0
Thomas Hauch MD Trustee thru Mar 11	2 0	Х						0	0	0
Marıa Slager Trustee	2 0	Х						0	0	0
Perry Watson III Treasurer	2 0	Х		х				0	0	0
Steven Cramer PhD Trustee	2 0	Х						0	0	0
Melvin Hall Trustee Thru MAR 11	2 0	Х						0	0	0
Delores Wilmoski Trustee	2 0	Х						0	0	0
Peter Baranay Trustee	2 0	Х						0	0	0
Carlton Lyons MD Trustee	2 0	Х						0	0	0
Philip Newbold CEO/President	2 0			х				0	1,675,637	42,358
George Soper Asst Secretary thru Mar 11	2 0			х				0	143,060	15,980
Jeffrey Costello Asst Treasurer/CFO	2 0			х				0	608,049	32,936
Kreg Gruber COO	40 0			х				603,145	0	35,965

# 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)						( <b>D)</b> Reportable compensation	<b>(E)</b> Reportable compensation	<b>(F)</b> Estimated amount of other
		Individual trustae or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	from the organization (W- 2/1099-MISC)	from related organizations (W- 2/1099- MISC)	compensation from the organization and related organizations
Cheryl Wibbens-Lesh MD Asst Secr/VP	40 0			х				298,846	0	31,337
Robert Riley MD Physician	40 0					х		216,416	0	26,088
Scott Thomas MD Medical Director	40 0					х		247,313	0	9,977
Thomas Sutula MD Physician	40 0					х		220,508	0	32,903
Mark Lavallee Physician	40 0					х		208,104	0	28,025
Dale Patterson Physician	40 0					х		223,814	0	22,977