



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

OMB No 1545-0047

2011

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

BRONSON LAKEVIEW HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

601 JOHN STREET BOX 26

Room/suite

City or town, state or country, and ZIP + 4

KALAMAZOO, MI 49007

F Name and address of principal officer

FRANK SARDONE

301 JOHN STREET

KALAMAZOO,MI 49007

D Employer identification number

38-1359218

E Telephone number

(269) 657-1582

G Gross receipts \$ 61,642,024

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.BRONSONHEALTH.COM/LAKEVIEW

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 2007

M State of legal domicile MI

Part I	Summary																																																								
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>OPERATION OF A GENERAL ACUTE CARE HOSPITAL</div></div>																																																								
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																																								
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>21</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>16</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</td><td>499</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>76</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	21	4	Number of independent voting members of the governing body (Part VI, line 1b)	16	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	499	6	Total number of volunteers (estimate if necessary)	76	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0																																						
3	Number of voting members of the governing body (Part VI, line 1a)	21																																																							
4	Number of independent voting members of the governing body (Part VI, line 1b)	16																																																							
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	499																																																							
6	Total number of volunteers (estimate if necessary)	76																																																							
7a	Total unrelated business revenue from Part VIII, column (C), line 12	0																																																							
7b	Net unrelated business taxable income from Form 990-T, line 34	0																																																							
Expenses	<table><tr><td>8</td><td>Contributions and grants (Part VIII, line 1h)</td><td>Prior Year</td><td>Current Year</td></tr><tr><td>9</td><td>Program service revenue (Part VIII, line 2g)</td><td>24,647</td><td>27,917</td></tr><tr><td>10</td><td>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td><td>57,043,654</td><td>61,302,816</td></tr><tr><td>11</td><td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td><td>11,985</td><td>12,094</td></tr><tr><td>12</td><td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td><td>200,569</td><td>270,261</td></tr><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>57,280,855</td><td>61,613,088</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>0</td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>0</td><td>0</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>24,665,667</td><td>27,197,562</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0</td><td>0</td><td>0</td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>0</td><td>0</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>32,802,955</td><td>31,756,954</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>57,468,622</td><td>58,954,516</td></tr><tr><td></td><td></td><td>-187,767</td><td>2,658,572</td></tr></table>	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year	9	Program service revenue (Part VIII, line 2g)	24,647	27,917	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	57,043,654	61,302,816	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,985	12,094	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	200,569	270,261	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	57,280,855	61,613,088	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0	16a	Professional fundraising fees (Part IX, column (A), line 11e)	24,665,667	27,197,562	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	32,802,955	31,756,954	19	Revenue less expenses Subtract line 18 from line 12	57,468,622	58,954,516			-187,767	2,658,572
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year																																																						
9	Program service revenue (Part VIII, line 2g)	24,647	27,917																																																						
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	57,043,654	61,302,816																																																						
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,985	12,094																																																						
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	200,569	270,261																																																						
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	57,280,855	61,613,088																																																						
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0																																																						
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0																																																						
16a	Professional fundraising fees (Part IX, column (A), line 11e)	24,665,667	27,197,562																																																						
b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0																																																						
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0																																																						
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	32,802,955	31,756,954																																																						
19	Revenue less expenses Subtract line 18 from line 12	57,468,622	58,954,516																																																						
		-187,767	2,658,572																																																						
Net Assets or Fund Balances	<table><tr><td></td><td></td><td>Beginning of Current Year</td><td>End of Year</td></tr><tr><td>20</td><td>Total assets (Part X, line 16)</td><td>20,477,280</td><td>25,599,407</td></tr><tr><td>21</td><td>Total liabilities (Part X, line 26)</td><td>4,040,432</td><td>6,503,987</td></tr><tr><td>22</td><td>Net assets or fund balances Subtract line 21 from line 20</td><td>16,436,848</td><td>19,095,420</td></tr></table>			Beginning of Current Year	End of Year	20	Total assets (Part X, line 16)	20,477,280	25,599,407	21	Total liabilities (Part X, line 26)	4,040,432	6,503,987	22	Net assets or fund balances Subtract line 21 from line 20	16,436,848	19,095,420																																								
		Beginning of Current Year	End of Year																																																						
20	Total assets (Part X, line 16)	20,477,280	25,599,407																																																						
21	Total liabilities (Part X, line 26)	4,040,432	6,503,987																																																						
22	Net assets or fund balances Subtract line 21 from line 20	16,436,848	19,095,420																																																						

Part II

Signature Block

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

Sign Here

Signature of officer

2012-11-08

Date

MARY MEITZ SR VP OF FINANCE/CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

LYNNE HUISMANN CPA

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00053811

Firm's name (or yours if self-employed), address, and ZIP + 4

PLANTE & MORAN PLLC
2601 CAMBRIDGE CT SUITE 500
AUBURN HILLS, MI 48326

EIN ☐ 38-1357951

Phone no ☐ (248) 375-7100

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

☐ Yes ☒ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

PROVIDE EXCELLENT HEALTHCARE SERVICES

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 38,133,746 including grants of \$) (Revenue \$ 55,219,937)

BRONSON LAKEVIEW HOSPITAL (BLH) IS A 25-BED CRITICAL ACCESS HOSPITAL, WITH AN ADDITIONAL 10-BED GERIATRIC PSYCHIATRIC UNIT. BLH OFFERS A FULL RANGE OF ACUTE CARE FOR INPATIENTS AND IS A WELL-ESTABLISHED DESTINATION FOR SURGERY, GERIATRIC PSYCHIATRY AND EMERGENCY CARE. BLH OPERATES A FULL-SERVICE, 24/7 EMERGENCY DEPARTMENT THAT TREATS ABOUT 18,000 PATIENTS VISITS ANNUALLY, REGARDLESS OF THEIR ABILITY TO PAY. OUTPATIENT SERVICES ARE PROVIDED AT THE HOSPITAL, AS WELL AS AT RURAL HEALTH CLINICS IN PAW PAW, DECATUR, LAWTON, MARCELLUS AND MATTAWAN IN 2011. IN FURTHERANCE OF ITS MISSION, BLH INCURRED 1,174,000 IN CHARITY CARE EXPENSE.

4b

(Code) (Expenses \$ 7,889,316 including grants of \$) (Revenue \$ 6,318,506)

IN 2011, BLH'S MEDICAID COST WAS \$7,889,316 AND MEDICAID NET REVENUE WAS \$6,318,506.

4c

(Code) (Expenses \$ 5,622,000 including grants of \$) (Revenue \$ 0)

IN 2011 IN FURTHERANCE OF ITS MISSION, BLH INCURRED \$5,622,000 IN BAD DEBT TO PROVIDE CARE TO ITS PATIENTS.

4d

Other program services (Describe in Schedule O)

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
















4e

Total program service expenses

\$ 51,645,062

Form 990 (2011)

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		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 		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, 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		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV		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		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	Yes	

Part IV

Checklist of Required Schedules (continued)

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

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div>			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a45	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a499	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the aggregate amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. MARY MEITZ 301 JOHN STREET KALAMAZOO, MI 49007 (269) 341-6000

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

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

Form **990** (2011)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,563,965	4,506,283	422,349

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 31

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
LAKEVIEW ANESTHESIA SERVICES INC 28484 62ND AVE LAWTON, MI 49065	ANESTHESIA SERVICES	845,189
SW MI EMERGENCY SERVICES PC 1850 WHITES ROAD 3 KALAMAZOO, MI 49008	MEDICAL SERVICES	509,158

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

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	300			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	27,617			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f			27,917		
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621110	61,302,816	61,302,816		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f			61,302,816		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		12,094			12,094
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	Gross rents	(i) Real 63,570 (ii) Personal				
	b	Less rental expenses	28,936				
	c	Rental income or (loss)	34,634				
	d	Net rental income or (loss)		34,634			34,634
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold . . .	b				
	c	Net income or (loss) from sales of inventory . .					
Miscellaneous Revenue		Business Code					
11a	OTHER INCOME	900099	235,627	235,627			
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d			235,627			
12	Total revenue. See Instructions			61,613,088	61,538,443	0	46,728

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	24,407,052	21,380,952	3,026,100	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	1,312,229	1,149,533	162,696	
10	Payroll taxes	1,478,281	1,294,997	183,284	
11	Fees for services (non-employees)				
a	Management				
b	Legal	114	100	14	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	6,140,888	5,379,512	761,376	
12	Advertising and promotion	8,834	7,739	1,095	
13	Office expenses	6,071,298	5,318,550	752,748	
14	Information technology				
15	Royalties				
16	Occupancy	3,019,845	2,645,431	374,414	
17	Travel	62,121	54,419	7,702	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	38,973	34,141	4,832	
20	Interest	9,009	7,892	1,117	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,167,504	1,898,767	268,737	
23	Insurance	256,944	225,087	31,857	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	5,622,154	4,925,093	697,061	
b	BHG SERVICE ALLOCATION	5,555,974	4,867,119	688,855	
c	EQUIPMENT RENTAL/MAINT	819,328	717,744	101,584	
d	PHARMACY EXPENSE	661,316	579,323	81,993	
e					
f	All other expenses	1,322,652	1,158,663	163,989	
25	Total functional expenses. Add lines 1 through 24f	58,954,516	51,645,062	7,309,454	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			376,730	2	4,421,381
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			6,621,175	4	8,344,262
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			621,542	8	551,798
	9	Prepaid expenses and deferred charges			89,260	9	84,531
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	44,178,579			
	b	Less: accumulated depreciation	10b	31,981,144	12,768,573	10c	12,197,435
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11				15	
16	Total assets. Add lines 1 through 15 (must equal line 34)			20,477,280	16	25,599,407	
Liabilities	17	Accounts payable and accrued expenses			3,363,383	17	4,010,557
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			189,813	23	111,005
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			487,236	25	2,382,425
	26	Total liabilities. Add lines 17 through 25			4,040,432	26	6,503,987
	Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
27		Unrestricted net assets			16,436,848	27	19,095,420
28		Temporarily restricted net assets				28	
29		Permanently restricted net assets				29	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
30		Capital stock or trust principal, or current funds				30	
31		Paid-in or capital surplus, or land, building or equipment fund				31	
32		Retained earnings, endowment, accumulated income, or other funds				32	
33		Total net assets or fund balances			16,436,848	33	19,095,420
34	Total liabilities and net assets/fund balances			20,477,280	34	25,599,407	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	61,613,088
2	Total expenses (must equal Part IX, column (A), line 25)	2	58,954,516
3	Revenue less expenses Subtract line 2 from line 1	3	2,658,572
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	16,436,848
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
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	19,095,420

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization BRONSON LAKEVIEW HOSPITAL	Employer identification number 38-1359218
---	--

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

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

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization			
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

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

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON LAKEVIEW HOSPITAL

Employer identification number
38-1359218

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		818,892		818,892
b Buildings		18,879,318	14,497,006	4,382,312
c Leasehold improvements		3,118,540	192,019	2,926,521
d Equipment		20,978,655	17,292,119	3,686,536
e Other		383,174		383,174
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				12,197,435

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE GROUP ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS. THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON LAKEVIEW HOSPITAL

Employer identification number
38-1359218

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____ %</div>	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input checked="" type="checkbox"/> Other 0.0 %</div>	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			592,302		592,302	1 110 %
b Medicaid (from Worksheet 3, column a)			7,889,316	6,318,506	1,570,810	2 950 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			8,481,618	6,318,506	2,163,112	4 060 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			30,762		30,762	0 060 %
f Health professions education (from Worksheet 5)			185,390		185,390	0 350 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			22,560		22,560	0 040 %
j Total Other Benefits			238,712		238,712	0 450 %
k Total. Add lines 7d and 7j			8,720,330	6,318,506	2,401,824	4 510 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			6,640		6,640	0.010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			7,310		7,310	0.010 %
7Community health improvement advocacy						
8Workforce development			1,200		1,200	0 %
9Other			5,100		5,100	0.010 %
10Total			20,250		20,250	0.030 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense	2	5,622,154	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	7,161	
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	14,430,800
6Enter Medicare allowable costs of care relating to payments on line 5	6	15,263,937
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-833,137
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b		No

Part IVManagement Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

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

Name and address

[illegible]

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)

BRONSON LAKEVIEW HOSPITAL

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS INSTRUCTIONS THE AMOUNT OF BAD DEBT EXCLUDED IS EQUAL TO THE AMOUNT LISTED ON PAGE 2, PART III, LINE 4 RELATING TO BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 5622154

Identifier	ReturnReference	Explanation
		PART I, LINE 3B THE ORGANIZATION USES THE FOLLOWING FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS 225% OF FPL IS ENTITLED TO AN 80% REDUCTION250% OF FPL IS ENTITLED TO A 60% REDUCTION275% OF FPL IS ENTITLED TO A 40% REDUCTION300% OF FPL IS ENTITLED TO A 20% REDUCTION

Identifier	ReturnReference	Explanation
		PART II BRONSON LAKEVIEW HOSPITAL (BLH) IS LOCATED IN THE COUNTY SEAT AND GENERATES EMPLOYMENT FOR OVER 600 EMPLOYEES THE EMPLOYEES ARE ENCOURAGED TO BE INVOLVED IN VOLUNTEERISM WITHIN THE COMMUNITIES AND MOST NON PROFIT AGENCIES HAVE A BLH REPRESENTATIVE WORKING WITH THEM IN SOME CAPACITY LOCATED ON MAPLE LAKE, THE ORGANIZATION MAKES ALL DECISIONS WITH THE ENVIRONMENT IN MIND AND UTILIZES GREEN TECHNOLOGY WHENEVER POSSIBLE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBT EXPENSE REPRESENTS SERVICES RENDERED TO UNINSURED AND UNDERINSURED PATIENTS LINE 2 & 3 ARE REPORTED AS EXPENSE, NOT COST FOR LINE 3 COMES FROM A REPORT FROM FINANCE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 WE UTILIZED THE ALLOWABLE COST AMOUNT FROM THE MEDICARE COST REPORT SCHEDULE D-1, PART II FOR INPATIENT AND SCHEDULE E, PART B FOR OUTPATIENT AND SCHEDULE M-SERIES ALLOWABLE COST REPORT COST IS DETERMINED BASED ON THE PROVIDER REIMBURSEMENT MANUAL (PUBLICATION 15-1) AS ESTABLISHED BY CENTER FOR MEDICARE AND MEDICAID SERVICES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 BRONSON LAKEVIEW HOSPITAL (BLH) WORKS WITH VAN BUREN COUNTY HEALTH DEPARTMENT, THE MICHIGAN OFFICE OF RURAL HEALTH, AND MANY LOCAL SOCIAL SERVICE AGENCIES IN RESPONDING TO THE HEALTHCARE NEEDS OF ITS RESIDENTS THE AREAS IDENTIFIED ARE INCORPORATED INTO STRATEGIC PLANNING AS A PART OF THE ANNUAL BUDGETING PROCESS, TRENDS IN SERVICE UTILIZATION ARE UTILIZED FOR RESOURCE PLANNING

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 SELF PAY PATIENTS ARE REFERRED TO AN AGENCY FOR SCREENING FOR MEDICAID, MEDICARE AND OTHER ELIGIBILITY A SOFTWARE PROGRAM ALSO HELPS DETERMINE ELIGIBILITY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 BRONSON LAKEVIEW HOSPITAL (BLH) SERVES THE EASTERN HALF OF VAN BUREN COUNTY WHICH IS APPROXIMATELY 45,000 RESIDENTS THE COUNTY IS AGRICULTURAL AND HAS HIGHER THAN STATE AVERAGE UNEMPLOYMENT SEVEN PROVIDER BASED RURAL HEALTH CLINICS ARE STRATEGICALLY PLACED THROUGHOUT THE COUNTY TO PROVIDE ACCESS TO CARE THE CLINICS ACCEPT PATIENTS REGARDLESS OF ABILITY TO PAY AND HAVE CHARITY CARE PROCESSES IN PLACE

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 BRONSON LAKEVIEW HOSPITAL (BLH) HAS AN OPEN MEDICAL STAFF AND HAS MANY SPECIALISTS FROM NEIGHBORING KALAMAZOO THAT HAVE HOSPITAL BASED CLINICS TO PROVIDE EASY ACCESS TO RESIDENTS AN ADVISORY COMMITTEE COMPOSED OF A CROSS SECTION OF COMMUNITY LEADERS PROVIDES FEEDBACK FOR PLANNING AND SERVICE PURPOSES TO BLH ADMINISTRATION AND THE SYSTEM BOARD THE EMPLOYEES HOLD FOOD DRIVES FOR THE LOCAL FOOD PANTRIES AND ADOPT SEVERAL IN NEED FAMILIES EACH HOLIDAY SEASON EMPLOYEES ARE ABLE TO PROVIDE MEDICAL SUPPORT TO MANY COMMUNITY ACTIVITIES AS PART OF THEIR SCHEDULED WORK TIME BRONSON LAKEVIEW HOSPITAL IS THE ONLY HOSPITAL IN THE SYSTEM THAT HAS A CRITICAL ACCESS HOSPITAL (CAH) DESIGNATION BLH PROMOTES THE HEALTH OF THE COMMUNITIES IT SERVES THROUGH A HOST OF EDUCATIONAL PROGRAMS AND ACTIVITIES, INCLUDING CLASSES IN CPR, TAI CHI, YOGA, MEDITATION, RELAXATION, AND ARTHRITIS SELF-HELP THE HOSPITAL ALSO SPONSORS BABY-SITTING CLASSES, BLOOD PRESSURE SCREENINGS, AND SUPPORT GROUPS FOR THOSE WITH ARTHRITIS, FIBROMYALGIA, AND WHO ARE ALZHEIMER'S CAREGIVERS BLH AND ITS EMPLOYEES ACTIVELY PARTICIPATE IN AND PROVIDE SUPPORT TO MANY COMMUNITY ORGANIZATIONS THESE INCLUDE PARTICIPATION IN THE LOCAL UNITED WAY, WINE AND HARVEST FESTIVAL, RELAY FOR LIFE AND THE SAFE KIDS PROGRAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 BRONSON LAKEVIEW HOSPITAL (BLH) IS PART OF AN AFFILIATED SYSTEM THAT INCLUDES TWO OTHER HOSPITALS, BRONSON METHODIST HOSPITAL AND BRONSON BATTLE CREEK HOSPITAL THE HOSPITALS ARE OWNED BY BRONSON HEALTHCARE GROUP, WHICH IS A COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOLDING COMPANY THE BRONSON HEALTHCARE GROUP (BHG) BOARD IS COMPRISED OF 21 MEMBERS OF THE COMMUNITY THE THREE HOSPITALS IN THE BHG SYSTEM ARE GOVERNED BY A COMMUNITY BOARD, COMPRISED OF AN OPEN MEDICAL STAFF, AND ADMITS PATIENTS REGARDLESS OF ABILITY TO PAY

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

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
BRONSON LAKEVIEW HOSPITAL

Employer identification number

38-1359218

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SARDONE FRANK J	(i)	0	0	0	0	0	0	0
	(ii)	658,699	306,911	180,456	10,731	20,359	1,177,156	0
(2) KENNETH TAFT	(i)	0	0	0	0	0	0	0
	(ii)	398,945	131,306	91,050	10,731	22,755	654,787	0
(3) JAMES FALAHEE	(i)	0	0	0	0	0	0	0
	(ii)	260,574	81,331	72,716	10,731	25,070	450,422	0
(4) SCOTT LARSON MD	(i)	0	0	0	0	0	0	0
	(ii)	326,146	100,547	63,192	3,381	17,138	510,404	0
(5) JOHN HAYDEN	(i)	0	0	0	0	0	0	0
	(ii)	229,044	70,775	45,796	10,544	14,265	370,424	0
(6) MARY MEITZ	(i)	0	0	0	0	0	0	0
	(ii)	258,867	62,939	13,750	10,731	21,006	367,293	0
(7) KATIE HARRELSON	(i)	0	0	0	0	0	0	0
	(ii)	248,731	60,067	17,647	10,731	14,149	351,325	0
(8) JOHN JONES	(i)	0	0	0	0	0	0	0
	(ii)	217,073	47,725	20,440	10,009	22,358	317,605	0
(9) SALLY BERGLIN	(i)	0	0	0	0	0	0	0
	(ii)	244,638	44,654	17,473	10,731	7,788	325,284	0
(10) MIKE WAY	(i)	0	0	0	0	0	0	0
	(ii)	180,078	34,931	19,782	8,789	13,323	256,903	0
(11) SHADI FAHS	(i)	330,711	0	425	3,381	18,648	353,165	0
	(ii)	0	0	0	0	0	0	0
(12) HUGH SANCHEZ	(i)	202,255	61,439	440	10,731	19,547	294,412	0
	(ii)	0	0	0	0	0	0	0
(13) NADEEM MIRZA	(i)	243,197	37,418	13,846	10,731	21,596	326,788	0
	(ii)	0	0	0	0	0	0	0
(14) REBECCA THORESON	(i)	254,680	3,000	1,087	7,986	2,552	269,305	0
	(ii)	0	0	0	0	0	0	0
(15) KWSAI AL-RAHHAL	(i)	195,887	33,142	6,776	6,674	20,078	262,557	0
	(ii)	0	0	0	0	0	0	0
(16) KIRK RICHARDSON	(i)	133,791	0	7,950	5,963	19,142	166,846	0
	(ii)	0	0	0	0	0	0	0

Part IIISupplemental 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	HEALTH CLUB DUES AND/OR SPOUSAL TRAVEL TO BOARD RETREAT ARE AVAILABLE FOR BOARD OF DIRECTORS (EBERTS, GIBSON, GREENE, GUNDERSON, JAMES, KLEIN, PARKS,RICHARDSON, ROEHR, WARDWELL, AND ZELLER) ALL TREATED AS TAXABLE FRINGE BENEFITS - 1099'S SENT
	PART I, LINE 4B	PARTICIPATED IN, OR RECEIVED PAYMENT FROM, A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN FROM RELATED ENTITY BRONSON HEALTHCARE GROUP. FRANK SARDONE - \$158,549 SERP CONTRIBUTION. FRANK SARDONE - \$545,493 SERP DISTRIBUTION. KEN TAFT - \$70,852 SERP CONTRIBUTION. KEN TAFT - \$143,012 SERP DISTRIBUTION. JOHN HAYDEN - \$30,096 SERP CONTRIBUTION. JOHN HAYDEN - \$19,057 SERP DISTRIBUTION. JAMES FALAHEE - \$51,291 SERP CONTRIBUTION. JAMES FALAHEE - \$123,717 SERP DISTRIBUTION. SCOTT LARSON - \$59,713 SERP CONTRIBUTION. SCOTT LARSON - \$50,997 SERP DISTRIBUTION.
SUPPLEMENTAL INFORMATION	PART III	INCLUDED IN PART II, COLUMNS (B)(III) AND (F) ARE AMOUNTS THAT WERE PAID TO THE EXECUTIVE UNDER THE BRONSON HEALTHCARE GROUP, INC. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP). THESE AMOUNTS WERE CREDITED TO AN ACCOUNT FOR THE EXECUTIVE IN PRIOR YEARS AND WERE PREVIOUSLY REPORTED IN COLUMN C IN A PRIOR YEAR, BUT THE EXECUTIVE WAS REQUIRED TO REMAIN EMPLOYED UNTIL THE YEAR FOR WHICH THIS FORM IS BEING FILED IN ORDER TO BECOME VESTED IN HIS OR HER ACCOUNT. AMOUNTS HAVE BEEN CREDITED TO THESE EXECUTIVES' ACCOUNTS EACH YEAR SINCE THE SERP WAS ADOPTED IN 1994, AND THE ACCOUNTS HAVE ALSO BEEN ADJUSTED FOR GAINS OR LOSSES SINCE THAT TIME. THEREFORE, THESE AMOUNTS SHOULD BE VIEWED AS HAVING BEEN EARNED OVER THE EXECUTIVE'S ENTIRE PERIOD OF EMPLOYMENT AS AN EXECUTIVE OF BRONSON. THE AMOUNT CREDITED TO EACH EXECUTIVE'S ACCOUNT IN THE SERP EACH YEAR AND EACH EXECUTIVE'S TOTAL COMPENSATION PACKAGE WAS APPROVED BY AN INDEPENDENT CONSULTANT TO ENSURE THAT THESE AMOUNTS ARE COMPARABLE TO OR LESS THAN THE AMOUNTS AWARDED TO EXECUTIVES OF COMPARABLE HEALTH CARE ORGANIZATIONS. FOR THE CURRENT REPORTING YEAR NO AMOUNTS THAT ARE REPORTED IN COLUMN B(III) WERE REPORTED IN A PREVIOUS YEAR RETURN, THEREFORE NO AMOUNTS ARE REPORTED IN COLUMN (F).
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J PART I, LINE 3. BRONSON HEALTHCARE GROUP, A RELATED ORGANIZATION, USES A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY AND/OR STUDY AND APPROVAL BY BOARD AND/OR COMPENSATION COMMITTEE TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR.

Software ID:
Software Version:
EIN: 38-1359218
Name: BRONSON LAKEVIEW HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SARDONE FRANK J	(i)	0	0	0	0	0	0	0
	(ii)	658,699	306,911	180,456	10,731	20,359	1,177,156	0
KENNETH TAFT	(i)	0	0	0	0	0	0	0
	(ii)	398,945	131,306	91,050	10,731	22,755	654,787	0
JAMES FALAHEE	(i)	0	0	0	0	0	0	0
	(ii)	260,574	81,331	72,716	10,731	25,070	450,422	0
SCOTT LARSON MD	(i)	0	0	0	0	0	0	0
	(ii)	326,146	100,547	63,192	3,381	17,138	510,404	0
JOHN HAYDEN	(i)	0	0	0	0	0	0	0
	(ii)	229,044	70,775	45,796	10,544	14,265	370,424	0
MARY MEITZ	(i)	0	0	0	0	0	0	0
	(ii)	258,867	62,939	13,750	10,731	21,006	367,293	0
KATIE HARRELSON	(i)	0	0	0	0	0	0	0
	(ii)	248,731	60,067	17,647	10,731	14,149	351,325	0
JOHN JONES	(i)	0	0	0	0	0	0	0
	(ii)	217,073	47,725	20,440	10,009	22,358	317,605	0
SALLY BERGLIN	(i)	0	0	0	0	0	0	0
	(ii)	244,638	44,654	17,473	10,731	7,788	325,284	0
MIKE WAY	(i)	0	0	0	0	0	0	0
	(ii)	180,078	34,931	19,782	8,789	13,323	256,903	0
SHADI FAHS	(i)	330,711	0	425	3,381	18,648	353,165	0
	(ii)	0	0	0	0	0	0	0
HUGH SANCHEZ	(i)	202,255	61,439	440	10,731	19,547	294,412	0
	(ii)	0	0	0	0	0	0	0
NADEEM MIRZA	(i)	243,197	37,418	13,846	10,731	21,596	326,788	0
	(ii)	0	0	0	0	0	0	0
REBECCA THORESON	(i)	254,680	3,000	1,087	7,986	2,552	269,305	0
	(ii)	0	0	0	0	0	0	0
KWSAI AL-RAHHAL	(i)	195,887	33,142	6,776	6,674	20,078	262,557	0
	(ii)	0	0	0	0	0	0	0
KIRK RICHARDSON	(i)	133,791	0	7,950	5,963	19,142	166,846	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization BRONSON LAKEVIEW HOSPITAL	Employer identification number 38-1359218
---	--

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	JAMES GUNDERSON, JOHN M DUNN, DANIEL R SMITH, KENNETH TAFT, FRANK SARDONE, STEVEN J LINS, M D , AND SCOTT C GIBSON, M D HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	BRONSON HEALTHCARE GROUP IS THE SOLE MEMBER OF BRONSON LAKEVIEW HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON LAKEVIEW HOSPITAL (BLH) AND AS SUCH MEMBER IT ELECTS 12 OF THE TOTAL 21 MEMBERS OF THE BLH BOARD COMMUNITY PARTNERS SHALL, AFTER CONSULTING WITH AND SEEKING INPUT FROM THE NOMINATING COMMITTEE OF BHG, APPOINT 6 MEMBERS TO THE BOARD THE REMAINING 3 MEMBERS OF THE BOARD SHALL BE EX OFFICIO, WITH VOTE, AND SHALL CONSIST OF THE PRESIDENT, THE CHIEF OF STAFF, AND IMMEDIATE PAST CHIEF OF THE MEDICAL STAFF OF THE HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON LAKEVIEW HOSPITAL (BLH) HAS CERTAIN RESERVED POWERS OVER THE ACTIONS OF BLH THE BOARD OF DIRECTORS HAS THE POWER TO - AMENDMENT, RESTATEMENT OR REPEAL THE HOSPITAL'S ARTICLES OF INCORPORATION OR BY LAWS - ADOPTION, EXECUTION, REVOCATION, OR ABANDONMENT OF A PLAN OF DISSOLUTION, MERGER, CONSOLIDATION, REORGANIZATION, OR OTHER MAJOR CHANGE IN CORPORATE STRUCTURE INVOLVING THE HOSPITAL -SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE HOSPITAL'S PROPERTY AND ASSETS -ACQUISITION OF ANY OTHER ENTITY OR THE ESTABLISHMENT OF ANY SUBSIDIARY OR AFFILIATE -ADOPTION OF ALL OPERATING AND CAPITAL EXPENDITURE BUDGETS -INCUR OPERATING OR CAPITAL EXPENDITURES WHICH CAUSE AGGREGATE OPERATING OR CAPITAL EXPENDITURES TO EXCEED BUDGETED AGGREGATES AND/OR THE DOLLAR AMOUNT SPECIFIED BY BHG -SECURE BORROWINGS, WITH THE EXCEPTION OF EQUIPMENT LEASES AND PURCHASE MONEY SECURITY INTERESTS APPROVED AS A PART OF A BUDGET -CHANGE THE MISSION STATEMENT, PURPOSES, OR STRATEGIC GOALS OF THE HOSPITAL -ANY SIGNIFICANT CHANGE IN THE SCOPE OF SERVICES OR PROGRAMS -APPOINTMENT, REMOVAL OR COMPENSATION OF THE PRESIDENT OR ANY DIRECTOR OR OFFICER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE SR VP OF FINANCE/CFO AND CONTROLLER REVIEWED THE 990'S MANAGEMENT REPRESENTATIVES (COO, CFO AND CONTROLLER) MET WITH THE CHAIR OF THE BOARD ON OCTOBER 2, 2012 TO REVIEW THE PREPARED FORM 990 AND SCHEDULES THE FINANCE COMMITTEE OF THE BOARD THOROUGHLY REVIEWED THE PREPARED FORM 990 AT ITS REGULARLY SCHEDULED MEETING ON OCTOBER 15, 2012 THE REVIEW WAS LED BY THE SR V P OF FINANCE/CFO, THE CONTROLLER AND PLANTE & MORAN THE MEMBERS OF THE ORGANIZATION'S GOVERNING BODY WERE PROVIDED THE PREPARED FORM 990 FOR REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. THE CONFLICT OF INTEREST POLICY AND ITS ACCOMPANYING QUESTIONNAIRE ARE REVIEWED, AND REVISED, IF NECESSARY, ON AN ANNUAL BASIS BY THE ORGANIZATION'S GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE BOARD'S EXECUTIVE COMMITTEE. ALL BOARD MEMBERS AND ALL EMPLOYEES HOLDING THE TITLE OF VICE PRESIDENT AND ABOVE ARE COVERED BY THE CONFLICT OF INTEREST POLICY AND ANNUALLY COMPLETE THE CONFLICT OF INTEREST QUESTIONNAIRE. ALL COMPLETED CONFLICT OF INTEREST QUESTIONNAIRES ARE REVIEWED BY THE ORGANIZATION'S GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. DETERMINATIONS AS TO WHETHER A CONFLICT EXISTS ARE MADE BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. ACTUAL CONFLICTS ARE REVIEWED BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. PERSONS WITH A CONFLICT ARE PROHIBITED FROM PARTICIPATING IN THE GOVERNING BODY'S DELIBERATIONS AND DECISIONS ON THE TRANSACTION IN QUESTION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	FOR THE CEO, OFFICERS AND OTHER KEY EMPLOYEES, THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS, WHICH FUNCTIONS AS THE COMPENSATION COMMITTEE, RETAINS THE SERVICES OF AN EXTERNAL EXECUTIVE COMPENSATION CONSULTANT (SULLIVAN, COTTER AND ASSOCIATES) WHO CONDUCTS A THOROUGH COMPENSATION AND BENEFIT SURVEY PROCESS THAT IS USED TO DETERMINE THE APPROPRIATE ADJUSTMENT IN CASH COMPENSATION AND BENEFITS PROVIDED THIS PROCESS WAS UNDER TAKEN IN 2011 THE CONSULTANT USES THREE TO FIVE NATIONAL HEALTHCARE-BASED SURVEYS FOR COMPARABILITY DATA, EACH ONE OF LIKE REVENUE SIZED HEALTHCARE SYSTEMS TO THE BRONSON HEALTHCARE GROUP THE CONSULTANT PREPARES A DETAILED REPORT WITH RECOMMENDATIONS FOR PAY AND/OR BENEFIT ADJUSTMENTS, AND PRESENTS THE INFORMATION TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS (WHEN THE CEO'S SURVEY DATA AND RECOMMENDATIONS ARE PRESENTED, THE CEO AND STAFF ARE EXCUSED FROM THE DELIBERATIONS) AFTER ALL QUESTIONS OF THE BOARD MEMBERS ARE ANSWERED, FORMAL MOTIONS ARE PROPOSED, SECONDED AND VOTED ON (FOR ANY PAY ADJUSTMENTS AND FOR RECEIPT OF THE CONSULTANT'S REPORT) AT THE SUBSEQUENT MEETING OF THE FULL BOARD OF DIRECTORS, THE CHAIR PRESENTS RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE, AND THE FULL BOARD ACTS ON A FORMAL MOTION THAT IS SECONDED AND VOTED ON

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC BY POSTING THEM ON THE ORGANIZATION'S WEBSITE AND PROVIDING COPIES ON REQUEST. THE ORGANIZATION'S FINANCIAL STATEMENTS, OTHER THAN THE FORM 990, ARE NOT AVAILABLE TO THE PUBLIC.

Identifier	Return Reference	Explanation
		<p>PART VII- THESE INDIVIDUALS WERE COMPENSATED BY BRONSON HEALTHCARE GROUP (BHG) AND WORKED THE FOLLOWING HOURS PER WEEK FOR BHG RANDALL EBERTS (BOARD MEMBER) 1 0 HOUR BARBARA JAMES (BOARD MEMBER) 1 0 HOUR GEOFFREY WARDWELL (BOARD MEMBER) 1 0 HOUR FLOYD PARKS (BOARD MEMBER) 1 0 HOUR FRANK SARDONE (BOARD MEMBER & OFFICER)16 00 HOURS SCOTT GIBSON (BOARD MEMBER) 1 0 HOUR JAMES GREENE (BOARD MEMBER) 1 0 HOUR JAMES GUNDERSON (BOARD MEMBER) 1 0 HOUR MARIAN KLEIN (BOARD MEMBER) 1 0 HOUR WILLIAM RICHARDSON (BOARD MEMBER) 1 0 HOUR BERNARD ROEHR (BOARD MEMBER) 1 0 HOUR CHARLES ZELLER (BOARD MEMBER) 1 0 HOUR KENNETH TAFT (OFFICER) 32 0 HOURS JAMES FALAHEE (OFFICER) 12 0 HOURS SCOTT LARSON (OFFICER) 6 0 HOURS JOHN HAYDEN (OFFICER) 10 0 HOURS MARY MEITZ (KEY EMPLOYEE) 4 0 HOURS KATIE HARRELSON (KEY EMPLOYEE) 4 0 HOURS JOHN JONES (KEY EMPLOYEE) 12 0 HOURS SALLY BERGLIN (KEY EMPLOYEE) 0 0 HOUR MIKE WAY (KEY EMPLOYEE) 8 0 HOURS PART VII- THESE INDIVIDUALS WERE COMPENSATED BY BRONSON METHODIST HOSPITAL (BMH) AND WORKED THE FOLLOWING HOURS PER WEEK FOR BMH BERNARD ROEHR, MD (BOARD MEMBER) 1 0 HOUR BOARD MEMBERS ARE NOT COMPENSATED FOR THEIR TIME AND ANY REPORTABLE COMPENSATION LISTED IN PART VII REPRESENTS BOARD MEETING TRAVEL FOR SPOUSE AND/OR HEALTH CLUB DUES</p>

Identifier	Return Reference	Explanation
		PART VII DR KARAMCHANDANI'S COMPENSATION WAS PAID BY AN OUTSOURCED ORGANIZATION AND AT THE TIME THIS FORM 990 WAS SUBMITTED, THE COMPENSATION INFORMATION WAS NOT READILY AVAILABLE, THEREFORE IT HAS NOT BEEN INCLUDED IN THE FORM 990 DISCLOSURES

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON LAKEVIEW HOSPITAL

Employer identification number
38-1359218

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) HOSPITAL NETWORK INC LEASING 6212 AMERICAN AVENUE PORTAGE, MI 49002 38-3638430	SUPPORT SERVICES	MI	N/A	RELATED				No			No	
(2) HOSPITAL NETWORK SUPPORT SERVICES 6212 AMERICAN AVENUE PORTAGE, MI 49002 38-3627704	SUPPORT SERVICES	MI	N/A	RELATED				No			No	
(3) HOSPITAL NETWORK VENTURES LLC 6212 AMERICAN AVENUE PORTAGE, MI 49002 38-3302979	SUPPORT SERVICES	MI	N/A	RELATED				No			No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) BRONSON MANAGEMENT SERVICES CORPORATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415032	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C			
(2) BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH 601 JOHN STREET KALAMAZOO, MI 49007 38-3552556	REHABILITATION SERVICES	MI	BRONSON HEALTHCARE GROUP	C			
(3) BRONSON STAFFING SERVICE 601 JOHN STREET KALAMAZOO, MI 49007 38-3277697	HOME HEALTH CARE	MI	BRONSON HEALTHCARE GROUP	C			
(4) BRONSON PRACTICE MANAGEMENT 601 JOHN STREET KALAMAZOO, MI 49007 38-2511179	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C			

Part V

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

Yes

No

No

No

Yes

Yes

No

Yes

No

No

No

No

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

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

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

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

Software ID:

Software Version:

EIN: 38-1359218

Name: BRONSON LAKEVIEW HOSPITAL

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
BRONSON HEALTHCARE GROUP 601 JOHN STREET KALAMAZOO, MI 49007 38-2418383	PROVIDE SUPPORT SERVICES	MI	501(C) (3)	11C	N/A		No
BRONSON METHODIST HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-1359087	HOSPITAL	MI	501(C) (3)	3	BRONSON HEALTHCARE GROUP	Yes	
BRONSON HEALTH FOUNDATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415081	SUPPORTS HEALTHCARE ORGANIZATION	MI	501(C) (3)	7	BRONSON HEALTHCARE GROUP	Yes	
BRONSON NURSING AND REHABILITATION CENTER 601 JOHN STREET KALAMAZOO, MI 49007 38-2842451	SKILLED NURSING	MI	501(C) (3)	9	BRONSON HEALTHCARE GROUP	Yes	
VBEMS 601 JOHN STREET KALAMAZOO, MI 49007 38-2745910	AMBULANCE SERVICES	MI	501(C) (3)	9	BRONSON HEALTHCARE GROUP	Yes	
BRONSON PROPERTIES CORPORATION 601 JOHN STREET KALAMAZOO, MI 49007 38-6052573	PROVIDE SUPPORT SERVICES	MI	501(C) (3)	11B	BRONSON HEALTHCARE GROUP	Yes	
BRONSON VICKSBURG HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-2610349	HOSPITAL	MI	501(C) (3)	3	BRONSON HEALTHCARE GROUP	Yes	
BRONSON BATTLE CREEK HOSPITAL 300 NORTH AVE BATTLE CREEK, MI 49016 38-2776791	HOSPITAL	MI	501(C) (3)	3	BRONSON HEALTHCARE GROUP	Yes	
LIFESPAN 166 GOODALE AVE BATTLE CREEK, MI 49037 38-3298476	NURSING, HOSPICE AND EQUIP SALES	MI	501(C) (3)	9	BRONSON HEALTHCARE GROUP	Yes	

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	BRONSON METHODIST HOSPITAL	N	302,835	METHOD BASED ON ACTUAL COST
(2)	BRONSON METHODIST HOSPITAL	L	290,162	METHOD BASED ON ACTUAL COST
(3)	BRONSON METHODIST HOSPITAL	G	235,343	METHOD BASED ON ACTUAL COST
(4)	BRONSON METHODIST HOSPITAL	K	183,832	METHOD BASED ON ACTUAL COST
(5)	BRONSON METHODIST HOSPITAL	N	106,163	METHOD BASED ON ACTUAL COST
(6)	BRONSON HEALTHCARE GROUP	K	925,755	METHOD BASED ON ACTUAL COST
(7)	BRONSON HEALTHCARE GROUP	L	10,118,181	METHOD BASED ON ACTUAL COST
(8)	BRONSON PROPERTIES CORP	L	1,843,947	METHOD BASED ON ACTUAL COST
(9)	BRONSON PRACTICE MANAGEMENT	K	410,585	METHOD BASED ON ACTUAL COST
(10)	BRONSON PRACTICE MANAGEMENT	L	86,952	METHOD BASED ON ACTUAL COST
(11)	BRONSON PRACTICE MANAGEMENT	N	86,995	METHOD BASED ON ACTUAL COST
(12)	BRONSON PRACTICE MANAGEMENT	N	59,670	METHOD BASED ON ACTUAL COST
(13)	BRONSON NURSING REHAB CENTER	K	62,708	METHOD BASED ON ACTUAL COST
(14)	BRONSON STAFFING SERVICES	N	131,736	METHOD BASED ON ACTUAL COST
(15)	BRONSON NURSING REHAB CENTER	N	62,409	METHOD BASED ON ACTUAL COST

**Bronson Healthcare Group, Inc.
and Subsidiaries**

**Consolidated Financial Report
with Additional Information
December 31, 2011**

Bronson Healthcare Group, Inc. and Subsidiaries

Contents

Report Letter	I
Consolidated Financial Statements	
Balance Sheet	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6-34
Additional Information	35
Report Letter	36
Consolidating Balance Sheet	37-38
Consolidating Statement of Operations	39
Consolidating Statement of Changes in Net Assets and Stockholders' Equity	40
Consolidating Balance Sheet - Operations and Development Group	41-42
Consolidating Balance Sheet - Healthcare Services Group	43-44
Consolidating Statement of Operations - Operations and Development Group	45
Consolidating Statement of Operations - Healthcare Services Group	46



Plante & Moran, PLLC

Suite 300
750 Trade Centre Way
Portage MI 49002
Tel 269 567 4500
Fax 269 567 4501
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Bronson Healthcare Group, Inc.
and Subsidiaries

We have audited the accompanying consolidated balance sheet of Bronson Healthcare Group, Inc. and Subsidiaries (Bronson or the "Group") as of December 31, 2011 and 2010 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Bronson's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bronson Healthcare Group, Inc. and Subsidiaries at December 31, 2011 and 2010 and the consolidated results of their operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

April 16, 2012

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Balance Sheet (amounts in thousands)

	December 31, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents	\$ 160,858	\$ 77,484
Investments (Note 4)	225,330	242,621
Accounts receivable (Note 5)	129,160	86,276
Estimated third-party payor settlements (Note 6)	161	241
Prepaid expenses and other current assets	18,612	13,393
Total current assets	534,121	420,015
Assets Limited as to Use (Note 4)		
Internally designated for capital improvement	16,401	15,754
Funds held for payment of employee benefits	38,039	37,595
Funds held for payment of professional liability claims	18,768	18,121
Other	31,082	19,731
Total assets limited as to use	104,290	91,201
Property and Equipment - Net (Note 8)	437,131	337,785
Other Assets		
Investment in joint venture (Note 15)	24,825	19,280
Bond issue costs	4,468	3,063
Long-term investments (Note 4)	9,281	9,111
Other noncurrent assets	9,947	1,005
Total assets	\$ 1,124,063	\$ 881,460
Liabilities, Net Assets, and Equity		
Current Liabilities		
Accounts payable	\$ 21,478	\$ 14,264
Accrued liabilities and other (Note 9)	60,350	45,717
Current portion of long-term debt (Note 10)	6,790	6,435
Estimated third-party payor settlements (Note 6)	40,102	18,515
Total current liabilities	128,720	84,931
Long-term Debt - Net of current portion (Note 10)	380,090	285,496
Fair Value of Interest Rate Swap Agreement (Notes 4 and 11)	17,801	9,145
Other Liabilities		
Pension (Note 12)	73,969	39,878
Accrued postretirement benefit obligations (Note 12)	60,439	48,957
Other long-term liabilities (Note 13)	32,799	28,505
Total liabilities	693,818	496,912
Net Assets		
Unrestricted	360,061	378,375
Noncontrolling interest in consolidated subsidiaries (Note 1)	61,049	-
Temporarily restricted	3,089	367
Permanently restricted	6,046	5,806
Total net assets	430,245	384,548
Total liabilities and net assets	\$ 1,124,063	\$ 881,460

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Statement of Operations

(amounts in thousands)

	Year Ended	
	December 31, 2011	December 31, 2010
Operating Revenue		
Net patient service revenue	\$ 737,759	\$ 618,717
Investment income	10,392	9,701
Other	29,266	21,405
Net assets released from restrictions	155	53
Total operating revenue	777,572	649,876
Operating Expenses		
Salaries and wages	317,646	252,769
Employee benefits and payroll taxes	68,540	66,329
Other	267,785	210,904
Depreciation and amortization	39,199	35,733
Provision for bad debts	34,153	29,510
Interest expense	15,890	12,391
Total operating expenses	743,213	607,636
Operating Income	34,359	42,240
Nonoperating (Loss) Gain		
Change in unrealized investment (loss) gain	(4,454)	13,361
Loss on interest rate swap settlement	-	(7,654)
Change in fair value of interest swap agreements	(8,686)	(2,326)
Loss on extinguishment of debt	-	(4,142)
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc. (Note 1)	59,034	-
Total nonoperating gain (loss)	45,894	(761)
Excess of Revenue Over Expenses	80,253	41,479
Other	(343)	-
Foundation Reclassification of Net Assets	-	(6)
Pension-related Changes Other Than Net Periodic Benefit Cost (Note 12)	(37,968)	(87)
Net Assets Released from Restriction	793	-
Increase in Unrestricted Net Assets	<u>\$ 42,735</u>	<u>\$ 41,386</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidated Statement of Changes in Net Assets (amounts in thousands)

	Year Ended	
	December 31, 2011	December 31, 2010
Unrestricted Net Assets		
Excess of revenue over expenses	\$ 80,253	\$ 41,479
Other	(343)	-
Foundation reclassification of net assets	-	(6)
Pension-related changes other than net periodic benefit cost	(37,968)	(87)
Net assets released from restriction	793	-
	<u>42,735</u>	<u>41,386</u>
Increase in unrestricted net assets	42,735	41,386
Temporarily Restricted Net Assets		
Restricted contributions	348	80
Restricted investment income	21	-
Foundation reclassification of net assets	-	(46)
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc.	3,302	-
Net assets released from restriction	(949)	(53)
	<u>2,722</u>	<u>(19)</u>
Increase (decrease) in temporarily restricted net assets	2,722	(19)
Permanently Restricted Net Assets		
Restricted contributions	25	224
Restricted investment income	2	-
Foundation reclassification of net assets	-	52
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc.	213	-
	<u>240</u>	<u>276</u>
Increase in permanently restricted net assets	240	276
Increase in Net Assets	<u>45,697</u>	<u>41,643</u>
Net Assets - Beginning of year	<u>384,548</u>	<u>342,905</u>
Net Assets - End of year	<u><u>\$ 430,245</u></u>	<u><u>\$ 384,548</u></u>

Bronson Healthcare Group, Inc. and Subsidiaries

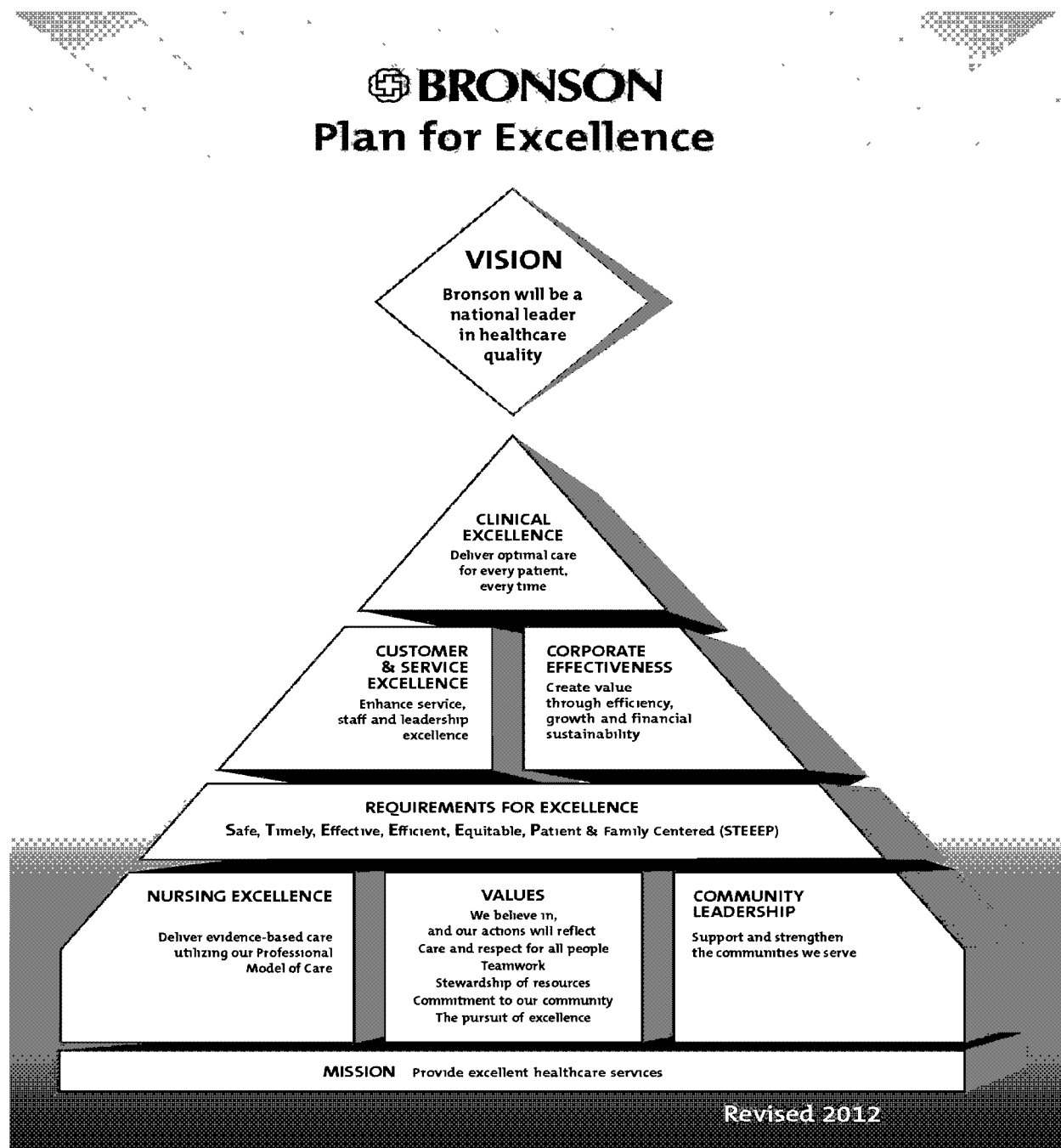
Consolidated Statement of Cash Flows

(amounts in thousands)

	Year Ended	
	December 31, 2011	December 31, 2010
Cash Flows from Operating Activities		
Increase in net assets	\$ 45,697	\$ 41,643
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	39,199	35,733
Net change in unrealized net gains and losses on investments	4,451	(13,361)
Pension-related changes other than benefit costs	37,968	87
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc	(62,549)	-
Provision for bad debts	34,153	29,510
Loss on interest rate swap terminations	-	7,654
Loss on extinguishment of debt	-	4,142
Change in fair value of interest rate swaps	8,686	2,326
Equity income in joint ventures	(4,868)	(3,416)
Increase in temporarily restricted net assets	-	(86)
Changes in assets and liabilities which (used) provided cash - Net of assets acquired and liabilities assumed in connection with acquisition		
Accounts receivable	(56,132)	(17,222)
Prepaid expenses and other assets	5,616	2,419
Estimated third-party payor settlements	21,667	(7,163)
Accounts payable	(8,285)	191
Accrued liabilities	3,003	3,262
Other liabilities	11,899	(352)
Net cash provided by operating activities	80,505	85,367
Cash Flows from Investing Activities		
Purchase of property and equipment	(57,319)	(26,045)
Cash acquired during business acquisition	48,451	-
Cash paid to Trinity and BCHS Community Partners for acquisition of BBC and Lifespan	(85,000)	-
Purchase of investments and assets limited as to use	(262,967)	(230,988)
Sales of investments and assets limited as to use	266,979	196,459
Distribution (to) from joint ventures	(677)	2,250
Net cash used in investing activities	(90,533)	(58,324)
Cash Flows from Financing Activities		
Proceeds from issuance of debt obligations	102,016	189,260
Principal payment on long-term debt	(7,067)	(166,649)
Issuance of bond financing costs	(1,547)	(2,359)
Payment to terminate interest rate swap agreement	-	(15,132)
Increase in temporarily restricted net assets	-	86
Net cash provided by financing activities	93,402	5,206
Net Increase in Cash and Cash Equivalents	83,374	32,249
Cash and Cash Equivalents - Beginning of year	77,484	45,235
Cash and Cash Equivalents - End of year	\$ 160,858	\$ 77,484
Supplemental Cash Flow Information - Cash paid for interest	\$ 15,377	\$ 11,420

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010



The mission, values, commitment to patient care excellence, and philosophy of nursing excellence provide the foundation that supports Bronson's organizational strategy, which is illustrated in the vision to be a national leader in healthcare quality and the three Cs, or corporate strategies: *Clinical Excellence*, *Customer and Service Excellence*, and *Corporate Effectiveness*. Excellence is the thread that ties together the vision, mission, values, commitment to patient care excellence, philosophy of nursing excellence, and overall strategies. These elements, comprising the *Plan for Excellence* above, form the culture and guide decision-making.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 1 - Nature of Business

Bronson Healthcare Group, Inc. and Subsidiaries (Bronson or the "Group") is a not-for-profit corporation. The Group's mission is to promote the continued development of high-quality, cost-effective healthcare services for the greater Kalamazoo and southwestern Michigan communities. The Group and its subsidiaries primarily provide general medical/surgical care services and physician practice services.

The consolidated financial statements include the accounts of the Group and its wholly owned and majority-owned and controlled subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

On July 1, 2011, Bronson Healthcare Group (the "Group") purchased a 51 percent interest in the Battle Creek Health System (the "Hospital"), purchasing the 50 percent interest of Trinity Health and 1 percent interest from BCHS Community Partners of Battle Creek. At the time of acquisition, the name of the Hospital was changed to Bronson Battle Creek. The Group's board of directors provides governance oversight of the Hospital's net assets and operations. The accompanying consolidated financial statements represent the results of operations for the six-month period as of the acquisition date of July 1, 2011 and ending on December 31, 2011, the Hospital's fiscal year end. In addition, Bronson Healthcare Group acquired 100 percent interest in Lifespan, Inc. The total amount paid by Bronson Healthcare Group for the 51 percent interest in Battle Creek Health System and the 100 percent interest of LifeSpan was \$85,000,000.

The transaction has been accounted for as an acquisition in accordance with ASU 2010-07, *Not-for-Profit Entities Mergers and Acquisitions*. The assets and liabilities of the Hospital have been adjusted to fair value as of July 1, 2011, the acquisition date. Beginning net assets of the Hospital represent the existing temporary and permanently restricted net assets at the time of the Group's acquisition. The unrestricted net assets based on fair value calculations are reflected as inherent contributions due to acquisition on the consolidated statement of operations as of July 1, 2011.

The fair value of assets on July 1, 2011 was approximately \$157,000,000 for Bronson Battle Creek and \$18,000,000 for Lifespan, and the fair value of liabilities assumed was approximately \$25,000,000 for Bronson Battle Creek and \$2,000,000 for Lifespan. Bronson Battle Creek owns 51 percent of Advanced Imaging Services of Battle Creek (AIS). The consolidated financial statements include the accounts of the Hospital and AIS. Significant intercompany accounts and transactions have been eliminated in consolidation.

The amount of Bronson Battle Creek's and Lifespan's excess of revenue over expenses for the six-month period ended December 31, 2011 that is included in the BHG consolidated financial statements is \$2,662,000. Bronson Battle Creek's and Lifespan's excess of revenue over expenses for the 12-months ended December 31, 2011 and 2010 was \$5,623,000 and \$11,548,000, respectively.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 1 - Nature of Business (Continued)

In January 2011, the assets and liabilities of Bronson Vicksburg Hospital (a wholly owned subsidiary of Bronson Healthcare Group) were transferred to Bronson Methodist Hospital. The transaction to accomplish this was done via a net asset transfer between the two entities.

Note 2 - Significant Accounting Policies

Cash and Cash Equivalents - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use.

Investments - The majority of the Group's cash equivalents and investments are maintained in a pooled investment fund held by the Group. The fund's investment policy allows for investments in such securities as U.S. government obligations, commercial paper, bankers' acceptances, certificates of deposit, marketable equity securities, money market funds, and privately held alternative investments.

Investment income or loss (including realized gains and losses on investments, interest, dividends, and unrealized gains and losses on investments) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law.

In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates on future cash flows. The aggregate fair value amounts presented do not represent the underlying value of the Group; instead, they represent point-in-time estimates that might not be particularly relevant in predicting the Group's future earnings on cash flows. All financial instruments held or issued by the Group are considered trading.

Accounts Receivable - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Group's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Assets Limited as to Use - Assets limited as to use include assets designated by the board of trustees for future capital improvement, over which the board retains control, assets held by trustees under bond indenture agreements, and funds held in trust for payment of employee benefits. Amounts required to meet current liabilities of the Group have been reclassified in the consolidated balance sheet. Assets limited as to use also include assets temporarily restricted or permanently restricted by donor.

Property and Equipment - Property and equipment amounts are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Derivative and Hedging Activities - Accounting standards require that all derivative instruments be recorded on the consolidated balance sheet at fair value and establish criteria for designation and effectiveness of hedging relationships. The Group utilizes various interest rate swap agreements to manage the economic impact of fluctuations in interest rates.

Professional and Other Liability Insurance - The Group accrues an estimate of the ultimate expense, including litigation and settlement expense, net of applicable reinsurance coverage, for incidents of potential improper professional service and other liability claims occurring during the year as well as for those claims that have not been reported at year end.

Classification of Net Assets - Net assets of the Group are classified as permanently restricted, temporarily restricted, or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Group's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Net Patient Service Revenue - Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments based upon audits, reviews, and adjustments by third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period such adjustments become known or as years are no longer subject to such audits, reviews, and adjustments. Management believes that adequate provisions have been made in the consolidated financial statements for any adjustments that may result from final settlements.

The majority of the services are under fixed provisions of third-party payment programs (primarily Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan). Revenue from the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs accounted for approximately 64 percent of the Group's net patient service revenue for 2011 and 2010. Under these provisions, payment rates for patient care are determined prospectively on the various bases, and the Group's revenue is limited to such amounts. Payments are also received for capital and medical education costs subject to certain limits. Additionally, the Group has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the Group under these arrangements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Net patient service revenue for such arrangements is recorded at the amount expected to be realized upon payment for such services.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation.

Excess of Revenue Over Expenses - The consolidated statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include net assets released from restrictions, pension-related changes other than net periodic benefit costs, inherent contributions from acquisitions, and transfers to affiliates.

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

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

Tax Status - The Group is a nonprofit, tax-exempt organization and is exempt from federal income taxes on related income pursuant to Section 509(a)(3) of the Internal Revenue Code and accordingly, no tax provision is reflected in the consolidated financial statements. The Group's for-profit subsidiaries are not incurring federal income tax expense because of available net operating loss carryovers. Due to the uncertainty of future taxable income, net deferred income tax assets have not been recognized. The Group's tax returns are not subject to examination by taxing authorities for years beginning prior to December 31, 2008.

The Group adopted accounting standards related to uncertain tax positions and, accordingly, reviewed all tax positions. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

Basis of Presentation - All significant intercompany transactions and balances have been eliminated in consolidation. During the year ended December 31, 2011, the Group adopted the accounting standard for noncontrolling interests in consolidated joint ventures, as required by Accounting Standards Update (ASU) 2010-07, *Not for Profit Entities (Topic 958): Mergers and Acquisitions*.

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

New Accounting Pronouncements - During 2010, the Financial Accounting Standards Board (FASB) adopted new accounting guidance that will impact how healthcare organizations account for claims liabilities and charity care. The new guidance requires that the accrued liability for malpractice claims and similar liabilities and the related insurance recovery receivable be presented separately on the balance sheet on a gross basis. Prior guidance allowed the liability to be reported net of the estimated insurance recovery receivable. This new standard was effective for the year ended December 31, 2011.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 2 - Significant Accounting Policies (Continued)

New Accounting Pronouncements - During 2011, the Financial Accounting Standards Board (FASB) adopted Accounting Standards Update (ASU) 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, establishing accounting and disclosures for healthcare entities recognize significant amounts of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. The amendments in the ASU change the presentation of the consolidated statement of operations and add new disclosures that are not required under current GAAP for entities within the scope of this update. The provision for bad debts associated with patient service revenue for certain entities is required to be presented on a separate line as a deduction from patient service revenue (net of contractual allowances and discounts) in the consolidated statement of operations. The ASU is effective for the Group for the year ending December 31, 2012.

Electronic Health Records Incentive Payments - The American Recovery and Reinvestment Act of 2009 (ARRA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record (EHR) technology by 2014. The Hospital may receive an incentive payment for up to four years, provided the Hospital demonstrates meaningful use of certified EHR technology for the EHR reporting period. The revenue from the incentive payments is recognized ratably over the EHR reporting period when there is reasonable assurance that the Group will comply with eligibility requirements during the EHR reporting period and an incentive payment will be received. The amounts are recorded within other operating revenue as the incentive payments are related to the Group's ongoing and central activities yet not critical to the delivery of patient service.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including April 16, 2012, which is the date the consolidated financial statements were available to be issued.

Note 3 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents and Investments - The carrying amount reported in the consolidated balance sheet approximates its fair value.

Accounts Receivable, Estimated Third-party Payor Settlements, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the consolidated balance sheet approximates its fair value.

Interest Rate Swap - The fair value of the interest rate swap agreements is based on a mark-to-market calculation of the notional amount of the interest rate swap.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 3 - Fair Value of Financial Instruments (Continued)

Long-term Debt - The fair value of the Group's long-term, variable-rate debt approximates its fair value. The fair value of the Group's long-term, fixed-rate debt is estimated using quoted market values. The estimated fair value of the Group's long-term debt is \$397,662,000 and \$278,805,000 as of December 31, 2011 and 2010, respectively.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Group's assets and liabilities measured at fair value on a recurring basis at December 31, 2011 and 2010 and the valuation techniques used by the Group to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Group has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 2 investments include interests in pooled investment funds, corporate bonds, and United States government agency notes.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 4 - Fair Value Measurements (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Group's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2011

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
Assets - Investments, assets limited as to use and long-term investments				
Money market funds	\$ 37,669	\$ -	\$ -	\$ 37,669
Common and preferred stock				
Various industries	2,326	-	-	2,326
Industrials	9,056	-	-	9,056
Consumer discretionary	11,769	-	-	11,769
Consumer staples	16,320	-	-	16,320
Energy	11,674	-	-	11,674
Financial	26,232	-	-	26,232
Materials	9,712	-	-	9,712
Information technology	10,847	-	-	10,847
Utilities	11,485	-	-	11,485
Health care	9,562	-	-	9,562
Telecommunication services	3,454	-	-	3,454
Domestic mutual funds	33,413	-	-	33,413
International mutual funds	120	-	-	120
Treasury bonds	-	38,652	-	38,652
Government and government agency bonds	-	37,000	-	37,000
Corporate securities	-	49,946	-	49,946
Other	-	19,664	-	19,664
Total investments, assets limited as to use, and long-term investments	\$ 193,639	\$ 145,262	\$ -	\$ 338,901
Liabilities - Interest rate swaps	\$ -	\$ 17,801	\$ -	\$ 17,801

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 4 - Fair Value Measurements (Continued)

A reconciliation of investments, assets limited as to use, and long-term investments from the above table to the consolidated balance sheet is presented below for the year ended December 31, 2011:

Investments	\$ 225,330
Assets limited as to use:	
Internally designated for capital improvements	16,401
Funds held for payment of employee benefits	38,039
Funds held for payment of professional liability claims	18,768
Other	<u>31,082</u>
Total assets limited as to use	104,290
Long-term investments	<u>9,281</u>
Total investments, assets limited as to use, and long-term investments	<u>\$ 338,901</u>

The fair value of the various bonds, corporate securities, and other securities was determined primarily based on Level 2 inputs. The Group estimates the fair value of these investments using quoted prices for similar assets in active markets. The fair value of these assets was determined primarily based on quoted market prices from the Group's custodial banks.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 4 - Fair Value Measurements (Continued)

The fair value of the interest rate swap liability was determined primarily based on Level 2 inputs. The Group estimates the fair value of the interest rate swap liability using current interest rates and pricing indices. The fair value of the liability was determined primarily based on estimated fair values as calculated by the counterparty.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Assets - Investments, assets limited as to use and long-term investments				
Money market funds	\$ 40,023	\$ -	\$ -	\$ 40,023
Common and preferred stock				
Various industries	345	-	-	345
Industrials	11,249	-	-	11,249
Consumer discretionary	11,266	-	-	11,266
Consumer staples	12,341	-	-	12,341
Energy	10,533	-	-	10,533
Financial	18,676	-	-	18,676
Materials	6,596	-	-	6,596
Information technology	10,913	-	-	10,913
Utilities	6,288	-	-	6,288
Health care	10,600	-	-	10,600
Telecommunication services	2,322	-	-	2,322
Domestic mutual funds	35,775	-	-	35,775
Treasury bonds	-	58,146	-	58,146
Government and government agency bonds	-	47,666	-	47,666
Corporate securities	-	56,092	-	56,092
Other	-	4,102	-	4,102
Total investments, assets limited as to use, and long-term investments	\$ 176,927	\$ 166,006	\$ -	\$ 342,933
Liabilities - Interest rate swaps	\$ -	\$ 9,145	\$ -	\$ 9,145

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 4 - Fair Value Measurements (Continued)

A reconciliation of investments, assets limited as to use, and long-term investments from the above table to the consolidated balance sheet is presented below for the year ended December 31, 2010:

Investments	\$ 242,621
Assets limited as to use:	
Internally designated for capital improvements	15,754
Funds held for payment of employee benefits	37,595
Funds held for payment of professional liability claims	18,121
Other	<u>19,731</u>
Total assets limited as to use	91,201
Long-term investments	<u>9,111</u>
Total investments, assets limited as to use, and long-term investments	<u>\$ 342,933</u>

Investment income and gains and losses are comprised of the following for the years ended 2011 and 2010:

	<u>2011</u>	<u>2010</u>
	(in thousands)	
Net investment gain	\$ 10,392	\$ 9,701
Change in net unrealized (losses) gains on investments	<u>(4,454)</u>	<u>13,361</u>
Total	<u>\$ 5,938</u>	<u>\$ 23,062</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 5 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2011	2010
	(in thousands)	
Patient accounts receivable	\$ 266,704	\$ 150,574
Less:		
Allowance for uncollectible accounts	(24,082)	(7,662)
Allowance for contractual adjustments	(121,621)	(59,012)
Net patient accounts receivable	121,001	83,900
Other	8,159	2,376
Total accounts receivable	<u>\$ 129,160</u>	<u>\$ 86,276</u>

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

	Percentage	
	2011	2010
Medicare	23	18
Blue Cross/Blue Shield of Michigan	17	12
Medicaid	25	27
Commercial insurance	22	28
Self-pay	13	15
Total	<u>100</u>	<u>100</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 6 - Estimated Third-party Payor Settlements

A significant amount of the Group's net patient service revenue is received from the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs. Subsidiaries of the Group have agreements with third-party payors that provide for reimbursement at amounts different from established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

- **Medicare** - Inpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Inpatient psychiatric and substance abuse services are reimbursed at cost subject to a per case limit. Outpatient and homecare services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care. Payments are also received for capital and medical education costs subject to certain limits.
- **Medicaid** - Inpatient services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.
- **Other Third-party Payors** - The Group has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The bases for reimbursement to the Group under these agreements are discounts from established charges, prospectively determined rates per discharge, and prospectively determined daily rates.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs that are subject to audit by fiscal intermediaries. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. The Group is unable to determine the extent of liability for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Group at a future date.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 7 - Charity Care

In support of its mission, the Group provides various health-related services, at a loss, to the indigent and other residents of its service area. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Group's total expenses divided by gross patient service revenue.

The estimated amounts of charity care are as follows:

	2011	2010
	(in thousands)	
Charity care - At cost	\$ 15,128	\$ 11,674

Other uncompensated care represents the provisions for uncollectible accounts which represent services rendered to uninsured and underinsured patients. Other uncompensated care at gross charges totaled approximately \$34,153,000 and \$29,510,000 at December 31, 2011 and 2010, respectively.

Note 8 - Property and Equipment

Cost of property, plant, equipment, and depreciable lives are summarized as follows:

	2011	2010
	(in thousands)	
Land	\$ 25,606	\$ 19,794
Buildings and improvements	475,762	413,426
Equipment	283,970	247,598
Construction in progress	35,890	6,336
Total cost	821,228	687,154
Accumulated depreciation	(384,097)	(349,369)
Net property and equipment	\$ 437,131	\$ 337,785

Depreciation and amortization expense on property and equipment totaled approximately \$39,199,000 and \$35,733,000 in 2011 and 2010, respectively.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 8 - Property and Equipment (Continued)

At December 31, 2011 and 2010, construction in progress consists primarily of costs for an electronic health records information technology system and other building and improvement projects. At December 31, 2011, remaining commitments on contracts related to the construction in progress approximated \$62,950,000.

Note 9 - Accrued Liabilities

The detail of accrued liabilities is given below:

	2011	2010
	(in thousands)	
Compensation and payroll taxes	\$ 19,801	\$ 12,502
Compensated paid time off	17,963	13,386
Accrued interest	2,406	1,879
Other	20,180	17,950
Total accrued liabilities	<u>\$ 60,350</u>	<u>\$ 45,717</u>

Note 10 - Long-term Debt

A summary of long-term debt obligations at December 31, 2011 and 2010 is as follows:

	2011	2010
	(in thousands)	
City of Kalamazoo Hospital Finance Authority Variable Rate Hospital Revenue Improvement Bonds - Series 2006	\$ 73,480	\$ 75,000
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding Bonds - Series 2003	78,870	82,670
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2010	114,205	114,260
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2011A tax-exempt bonds	22,900	-

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 10 - Long-term Debt (Continued)

	2011	2010
City of Kalamazoo Hospital Finance Authority Hospital Revenue Refunding and Improvement Bonds - Series 2011B taxable bonds	\$ 79,000	\$ -
Bronson Lifestyle Improvement and Research Center Co. Loan Program Notes	13,355	14,215
Other	196	311
Total	382,006	286,456
Plus net unamortized premium	4,874	5,475
Less current portion	6,790	6,435
Long-term portion	<u>\$ 380,090</u>	<u>\$ 285,496</u>

In October 2011, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue (Bronson Healthcare Group), Series 2011A (tax-exempt), totaling \$22,900,000, and 2011B (taxable), totaling \$79,000,000. The proceeds of the bonds were used to finance the acquisition of a controlling interest in Battle Creek Health System, the costs of acquiring Lifespan, Inc., and the acquisition, construction, furnishing, and equipping of a nursing home. The 2011A bonds consist of fixed rate term bonds with an interest rate ranging from 2.00 percent to 4.00 percent, with annual maturities ranging from \$215,000 in 2012 to \$1,435,000 in 2041, and term bonds ranging in amounts from \$3,065,000 in 2026 to \$9,665,000 in 2041. The term bonds bear interest at rates ranging from 4.50 percent in 2026 to 5.25 percent in 2041. The 2011B bonds consist of fixed rate term bonds with an interest rate of 3.125 percent, with annual mandatory sinking fund payments ranging from \$14,845,000 in 2037 to \$16,785,000 in 2041. The bonds are secured by the gross revenue of the Hospital.

As part of the 2011 bond issuance, the Obligated Group was established that includes Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Nursing and Rehabilitation Center, Lifespan, Inc., and VBEMS, Inc. On November 15, 1985, the BMH Obligated Group was established with Bronson Methodist Hospital as its sole member. On the date of issuance of the Series 2011 bonds, in accordance with the terms of the BMH Master Indenture and pursuant to the Supplemental Indenture Number 1 to the Master Indenture, dated as of November 1, 2011, the BMH Obligated Group was merged into the Obligated Group, and Bronson Methodist Hospital became a member of the Obligated Group established pursuant to the Master Indenture. Upon the merger of the BMH Obligated Group into the Obligated Group, the BMH Master Indenture was terminated and discharged.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 10 - Long-term Debt (Continued)

In September 2010, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue and Refunding Bonds (Bronson Methodist Hospital), Series 2010, totaling \$114,260,000. The proceeds of the bonds were used to refund the City of Kalamazoo Hospital Revenue Refunding Bonds - Series 1998 and 2009, provide funding for certain capital projects within the Hospital, and terminate interest rate swaps related to the 1998 and 2006 series. At the same time, the Hospital converted the mode of the 2006 bonds from variable rate to fixed rate. The 2010 bonds consist of fixed rate term bonds with interest rates ranging from 4.25 percent to 5.50 percent, with annual mandatory sinking fund payments ranging from \$15,000 in 2012 to \$13,300,000 in 2036. The bonds are secured by the gross revenue of the Hospital.

In connection with the advance refunding of the Series 1998 and 2009 Bonds and the conversion of the Series 2006 Bonds, a loss on extinguishment of debt was recognized in the amount of \$4.14 million.

In June 2006, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Bonds (Bronson Methodist Hospital), Series 2006, totaling \$75,000,000. In September 2010, the 2006 bonds were converted from variable rates to a fixed rate. The 2006 bonds consist of serial bonds with interest rates ranging from 2.50 percent to 5.25 percent and annual maturities ranging from \$1,305,000 in 2012 to \$2,470,000 in 2022, a term bond in the amount of \$8,235,000 due in 2025, and an additional term bond in the amount of \$44,170,000 due in 2036. The term bonds bear interest at 5.25 percent. Bronson Methodist Hospital has mandatory annual sinking fund payments on the term bonds. The bonds are secured by the gross revenue of Bronson Methodist Hospital.

In November 2003, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Refunding Bonds (Bronson Methodist Hospital), Series 2003, totaling \$95,450,000. The 2003 bonds bear interest ranging from 4.0 percent to 5.25 percent. Principal payments are to be repaid in annual amounts ranging from 4,250,000 in 2012 to \$5,770,000 in 2026. The bonds are secured by the gross revenue of Bronson Methodist Hospital.

In August 2000, Bronson Lifestyle Improvement and Research Center Co. issued \$19,600,000 of loan program notes. Proceeds of these notes were used to finance a construction project. The notes bear interest as determined by the remarketing agent (.44 percent and .90 percent at December 31, 2011 and 2010, respectively) and are to be paid in annual amounts ranging from \$925,000 in 2012 to \$1,815,000 in 2021.

Bronson Lifestyle Improvement and Research Center Co. obtained a letter of credit in conjunction with its 2000 debt issue. In the event of a failed remarketing, an advance would be made under the letter of credit. Advances under the letter of credit must be repaid within 367 days of the advance. The letter of credit expires September 15, 2013 and may be extended.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 10 - Long-term Debt (Continued)

In connection with the loan agreements, the Obligated Group has made various covenants, among others, to comply with certain financial ratios.

Future minimum payments on long-term debt are as follows (amounts in thousands):

2012	\$ 6,790
2013	7,275
2014	7,602
2015	7,995
2016	8,425
Thereafter	<u>343,919</u>
Total	<u>\$ 382,006</u>

Note 11 - Interest Rate Swap Agreement

The Group had three interest rate swap agreements to manage the overall variability in interest rates. In September 2010, in connection with the bond refinancing, two of the swap agreements were terminated and one swap was partially terminated, reducing the notional amount of the third swap. A loss of \$7.6 million was recognized in conjunction with the termination of the swaps.

Accounting standards require all derivative instruments such as interest rate swaps to be recorded on the consolidated balance sheet at their fair value. The swaps are not considered to be hedges of cash flow in accordance with accounting standards. Accordingly, changes in the fair value of the swap agreements are reported as a component of excess of revenue over expenses, as well as any settlements on the interest rate swaps.

At December 31, 2011, Bronson Methodist Hospital had the following interest rate swap agreement:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
\$53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

At December 31, 2010, the Bronson Methodist Hospital had the following interest rate swap agreements:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
\$53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 11 - Interest Rate Swap Agreement (Continued)

Under the terms of the ISDA master agreement, the Group is required to maintain collateral posted with the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as determined periodically by the valuation agent. The Group was not required to post collateral as of December 31, 2011 and 2010.

As of December 31, the fair value of derivatives held was as follows:

	Liability Derivatives (in thousands)	
	2011	2010
Interest rate swaps	\$ 17,801	\$ 9,145

Liability derivatives are reported on the consolidated balance sheet.

For the years ended December 31, 2011 and 2010, the amounts of gain or loss recognized in the consolidated statement of operations attributable to derivative instruments and related hedged items and their locations in the consolidated statement of operations are as follows:

Amount of gain or loss recognized in earnings for derivatives not designated as hedging instruments:

	Amount of Loss Recognized in Earnings		Reported in Consolidated Statement of Operations as
	2011	2010	
	(in thousands)		
Change in fair value of interest rate swaps	\$ (8,686)	\$ (2,326)	Nonoperating loss
Loss on swap termination	\$ -	\$ (7,654)	Nonoperating loss

Note 12 - Pension and Other Postretirement Benefit Plans

The Group has a noncontributory defined benefit pension plan that together covers substantially all of its employees. The plans provide defined benefits based on a participant's years of service and compensation during the last 10 years of employment.

The Group also has a postretirement defined benefit plan that provides healthcare and life insurance benefits, subject to a per-employee-lifetime limit, for all active employees in the plan, substantially all retired employees, and for certain other inactive employees. These benefit arrangements may be subject to change, and the effects of these changes, together with actuarial gains and losses, will be recognized prospectively. The Group has assets designated to fund other postretirement benefits of approximately \$21,566,000 and \$20,852,000 for the years ended December 31, 2011 and 2010, respectively. These assets are included in funds held for payment of employee benefits on the consolidated balance sheet.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

As a result of the Group's acquisition of Bronson Battle Creek during 2011, Bronson Battle Creek assumed the existing defined benefit pension plan obligation for the employees of BBC that participated in the defined benefit pension plan sponsored by Trinity Health. The defined benefit pension plan obligation specific to the BBC's employees under the Trinity plan was determined and transferred to the BHG defined benefit pension plan as a component of the Group's plan. A total of \$94 million of assets was transferred from the Trinity plan related to the obligation. The former Trinity plan has been frozen and is separately tracked. Activity and funded status of the plan are included in the tables below as BBC-2011.

Starting July 1, 2011, employees of BBC are eligible to participate in the Group's plan discussed above.

The funded status and accrued pension and postretirement expense of the defined benefit plans as of December 31, 2011 and 2010 are summarized below:

Obligations and Funded Status

	Pension Benefits			Other Postretirement Benefits	
	2011	2010	BBC - 2011	2011	2010
	(in thousands)			(in thousands)	
Change in benefit obligation					
Benefit obligation at beginning of year	\$ 181,534	\$ 160,962	\$ 101,470	\$ 48,957	\$ 48,677
Service cost	9,766	7,985	-	1,734	1,687
Interest cost	10,228	9,687	2,911	2,896	2,637
Plan participants' contributions	-	-	-	-	860
Actuarial loss (gain)	17,715	6,826	7,597	8,077	(2,525)
Benefits paid	(4,266)	(3,926)	(1,519)	(1,225)	(2,379)
Plan change	(1,353)	-	-	-	-
Benefit obligation at end of year	213,624	181,534	110,459	60,439	48,957
Change in plan assets					
Fair value of plan assets at beginning of year	141,656	114,126	94,283	-	-
Actual return on plan assets	3,324	12,890	236	-	-
Employer contributions	16,400	18,566	-	1,225	1,519
Plan participants' contributions	-	-	-	-	860
Benefits paid	(4,266)	(3,926)	(1,519)	(1,225)	(2,379)
Fair value of plan assets at end of year	157,114	141,656	93,000	-	-
Funded status at end of year	\$ (56,510)	\$ (39,878)	\$ (17,459)	\$ (60,439)	\$ (48,957)

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

Amounts recognized in changes in net assets consist of the following:

	Pension Benefits			Postretirement Benefits	
	2011	2010	BBC - 2011	2011	2010
	(in thousands)			(in thousands)	
Net loss	\$ 91,023	\$ 68,215	\$ 11,094	\$ 22,160	\$ 15,110
Prior service (credit) cost	(4,796)	(5,051)	-	630	945
Total	<u>\$ 86,227</u>	<u>\$ 63,164</u>	<u>\$ 11,094</u>	<u>\$ 22,790</u>	<u>\$ 16,055</u>

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Postretirement Benefits	
	2011	2010	BBC - 2011	2011	2010
	(in thousands)			(in thousands)	
Net periodic benefit cost					
Service cost	\$ 9,766	\$ 7,985	\$ -	\$ 1,734	\$ 1,687
Interest cost	10,228	9,686	2,912	2,896	2,637
Expected return on plan assets	(12,651)	(11,194)	(3,734)	-	-
Amortization of prior service (credit) cost	(1,608)	(1,465)	-	315	315
Amortization of net loss	4,234	3,056	-	1,027	613
Total	<u>\$ 9,969</u>	<u>\$ 8,068</u>	<u>\$ (822)</u>	<u>\$ 5,972</u>	<u>\$ 5,252</u>

Assumptions

Weighted Average Assumptions Used to Determine Benefit Obligations at December 31

	Pension Benefits			Other Postretirement Benefits	
	2011	2010	BBC - 2011	2011	2010
Discount rate	5.32 %	5.80 %	5.32 %	5.32 %	5.80 %
Rate of compensation increase	3.50	3.50	-	-	-

Weighted Average Assumptions Used to Determine Net Periodic Benefit Cost for Year Ended December 31

	Pension Benefits			Other Postretirement Benefits	
	2011	2010	BBC - 2011	2011	2010
Discount rate	5.80 %	6.33 %	5.80 %	5.80 %	6.33 %
Expected long-term return on plan assets	8.00	8.00	8.00	-	-
Rate of compensation increase	3.50	4.50	-	-	-

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The expected rate of return for the plans' total assets is based on the expected return of each of the categories of equities and fixed income. These categories are weighted based on the median of the target allocation for each class (equities - 60 percent, fixed income - 30 percent, and cash - 10 percent). Equity securities are expected to return 10 percent to 11 percent over the long term, while fixed income is expected to return between 4 percent to 6 percent. Based on historical experience, the committee expects that the plans' asset managers will provide a modest (0.0 percent to 1.0 percent per annum) premium to their respective market benchmark indices.

Plan Assets

	Percent	
	2011	2010
Asset category:		
Equity securities	47	52
Debt securities	20	11
Government securities	26	27
Cash and money market investments	7	10
Total	100	100

Investment Policies and Strategies

The plans' assets are invested in an actively managed diversified portfolio that integrates asset allocation strategies across the equity and debt market globally. The portfolio's objective is to maximize total return, consisting of current income and capital appreciation, without assuming undue risk. Active asset allocation strategies are followed, which increase or decrease investments in equity and debt markets based upon ongoing fundamental analysis. The active management process combines judgments about the value of the stock and bond markets and the relative value of a wide variety of securities within these markets. Consideration is given to various variables, including productivity, inflation, global competitiveness, and risk. The Group's objective is to have 60 percent invested in equity securities and 40 percent invested in fixed income.

Contributions

The Group expects to contribute \$16,400,000 to its pension plan in 2012.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (amounts in thousands):

Years Ending December 31	Pension Benefits	Pension Benefits - Bronson Battle Creek	Other Postretirement Benefits
2012	\$ 5,444	\$ 3,735	\$ 1,425
2013	6,261	4,083	1,613
2014	7,159	4,485	1,847
2015	8,151	4,868	2,079
2016	9,220	5,313	2,346
2017-2021	66,506	33,474	14,973

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Group has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of the Group's pension plan assets at December 31, 2011 by major asset categories are as follows:

Pension Plan Assets

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
Money market funds	\$ 11,369	\$ -	\$ -	\$ 11,369
Common and preferred stock - Various industries	1,308	-	-	1,308
Common and preferred stock - Industrials	4,347	-	-	4,347
Common and preferred stock - Consumer discretionary	6,766	-	-	6,766
Common and preferred stock - Consumer staples	9,638	-	-	9,638
Common and preferred stock - Energy	5,573	-	-	5,573
Common and preferred stock - Financial	12,445	-	-	12,445
Common and preferred stock - Materials	5,533	-	-	5,533
Common and preferred stock - Information technology	6,015	-	-	6,015
Common and preferred stock - Utilities	5,597	-	-	5,597
Common and preferred stock - Health care	5,305	-	-	5,305
Common and preferred stock - Telecommunication services	1,923	-	-	1,923
Domestic mutual funds	8,914	-	-	8,914
Treasury bonds	-	20,180	-	20,180
Government and government agency bonds	-	20,585	-	20,585
Corporate securities	-	23,275	-	23,275
Other securities	-	8,341	-	8,341
Total	<u>\$ 84,733</u>	<u>\$ 72,381</u>	<u>\$ -</u>	<u>\$ 157,114</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of the Group's pension plan assets at December 31, 2010 by major asset categories are as follows:

Pension Plan Assets

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Money market funds	\$ 13,719	\$ -	\$ -	\$ 13,719
Common and preferred stock - Various industries	428	-	-	428
Common and preferred stock - Industrials	6,502	-	-	6,502
Common and preferred stock - Consumer discretionary	7,882	-	-	7,882
Common and preferred stock - Consumer staples	7,602	-	-	7,602
Common and preferred stock - Energy	6,673	-	-	6,673
Common and preferred stock - Financial	11,289	-	-	11,289
Common and preferred stock - Materials	4,791	-	-	4,791
Common and preferred stock - Information technology	6,073	-	-	6,073
Common and preferred stock - Utilities	4,112	-	-	4,112
Common and preferred stock - Health care	6,307	-	-	6,307
Common and preferred stock - Telecommunication services	1,643	-	-	1,643
Domestic mutual funds	10,008	-	-	10,008
Treasury bonds	-	29,395	-	29,395
Government and government agency bonds	-	9,242	-	9,242
Corporate securities	-	13,437	-	13,437
Other securities	-	2,553	-	2,553
Total	<u>\$ 87,029</u>	<u>\$ 54,627</u>	<u>\$ -</u>	<u>\$ 141,656</u>

The fair value of the various bonds, corporate securities, and other securities was determined primarily based on Level 2 inputs. The Group estimates the fair value of these investments using quoted prices for similar assets in active markets. The fair value of these assets was determined primarily based on quoted market prices from the Group's custodial banks.

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 12 - Pension and Other Postretirement Benefit Plans (Continued)

The fair values of Bronson Battle Creek's pension plan assets at December 31, 2011 by major asset categories are as follows:

Pension Plan Assets

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
Money market funds	\$ 62,130	\$ -	\$ -	\$ 62,130
Common and preferred stock - Industrials	1,450	-	-	1,450
Common and preferred stock - Consumer discretionary	1,255	-	-	1,255
Common and preferred stock - Consumer staples	2,604	-	-	2,604
Common and preferred stock - Energy	2,272	-	-	2,272
Common and preferred stock - Financial	3,832	-	-	3,832
Common and preferred stock - Materials	1,703	-	-	1,703
Common and preferred stock - Information technology	1,715	-	-	1,715
Common and preferred stock - Utilities	1,267	-	-	1,267
Common and preferred stock - Health care	1,575	-	-	1,575
Common and preferred stock - Telecommunication services	219	-	-	219
Treasury bonds	-	8,801	-	8,801
Government and government agency bonds	-	1,524	-	1,524
Corporate securities	-	2,653	-	2,653
Total	<u>\$ 80,022</u>	<u>\$ 12,978</u>	<u>\$ -</u>	<u>\$ 93,000</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 13 - Professional Liability Self-insurance

The Group is involved in certain legal actions arising from services provided to patients and, additionally, is aware of certain possible claims that presently are not the subject of judicial proceedings. The Group maintains a self-insurance program for its primary layer of claims-made basis liabilities, as well as umbrella claims-made basis insurance coverage. The levels of excess coverage vary by year, depending upon the availability and cost of that insurance. Should the claims-made policies not be renewed or be replaced with equivalent insurance, claims based on occurrences during their term but reported subsequently will be uninsured. In connection with this self-insurance program, the Group established a revocable trust for the purpose of setting aside assets to provide for potential claims based on actuarially determined funding recommendations.

Although the Group is unable to precisely estimate the ultimate cost of settlements of professional liability claims, a provision is made for management's best estimate of losses for uninsured portions of pending claims and for known incidents that may result in the assertion of additional claims, which is included in other long-term liabilities. Management's provision for professional liability claims totaled approximately \$12,700,000 and \$8,700,000 at December 31, 2011 and 2010, respectively. Management recorded an estimate for insurance recoveries totaling \$3,000,000 and \$0 at December 31, 2011 and 2010, respectively. Management believes, after considering legal counsel's evaluations of all action and claims, that insurance coverage and accruals for estimated losses generally are adequate to cover expected settlements.

Note 14 - Functional Expenses

The Group provides inpatient and outpatient healthcare services to patients in the Kalamazoo, Michigan area. Expenses related to providing these services for the years ended December 31, 2011 are as follows:

	2011	2010
	(in thousands)	
Healthcare services	\$ 651,066	\$ 548,391
General and administrative	92,147	59,245
Total	<u>\$ 743,213</u>	<u>\$ 607,636</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2011 and 2010

Note 15 - Related Party Transactions

Investments in joint ventures, primarily the West Michigan Cancer Center (WMCC), the Michigan State University/Kalamazoo Center for Medical Studies (MSU/KCMS), West Michigan Air Care (WMAC), and Bronson Advanced Radiology Services (BARS), that are not majority owned (WMCC and MSU/KCMS are 50 percent-owned by Bronson Methodist Hospital. WMAC and BARS are 50 percent-owned by Bronson Healthcare Group, Inc.) and are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other revenue in the consolidated statement of operations and amounted to gains of \$4.9 million and \$4.8 million in 2011 and 2010, respectively.

WMCC and MSU/KCMS provide certain treatments to patients of Bronson Methodist Hospital. Revenue billed to Bronson Methodist Hospital for these services totaled \$747,000 and \$697,000 for the years ended December 31, 2011 and 2010, respectively, and were, in turn, reimbursed to Bronson Methodist Hospital by patients and third-party payors. Revenue and expenses from activities with affiliated entities generally are based on the cost incurred by the entity providing the service.

During 2003, West Michigan Air Care, Inc., a 50 percent-owned joint venture, obtained financing in the form of Michigan State Hospital Finance Authority Healthcare Equipment Loan Program Bonds for approximately \$5,870,000. The Group has guaranteed 50 percent of all outstanding obligations of West Michigan Air Care, Inc. As of December 31, 2011, the outstanding obligations of West Michigan Air Care, Inc. totaled approximately \$2,268,000.

Independent Auditor's Report on Additional Information

To the Board of Directors
Bronson Healthcare Group, Inc.
and Subsidiaries

We have audited the consolidated financial statements of Bronson Healthcare Group, Inc. and Subsidiaries as of and for the years ended December 31, 2011 and 2010. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in the accompanying schedules, as listed in the table of contents, is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

April 16, 2012

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet December 31, 2011 (amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 4,683	\$ 156,175	\$ -	\$ 160,858
Investments	13,581	211,749	-	225,330
Accounts receivable	3,064	126,096	-	129,160
Estimated third-party payor settlements	-	161	-	161
Prepaid expenses and other	5,376	15,582	(2,346)	18,612
Total current assets	26,704	509,763	(2,346)	534,121
Assets Limited as to Use	44,812	59,478	-	104,290
Property and Equipment - Net	49,077	388,054	-	437,131
Other Assets				
Investment in joint venture	211,295	101,981	(288,451)	24,825
Bond issue costs	1,329	3,139	-	4,468
Long-term investments	9,281	-	-	9,281
Other noncurrent assets	-	9,947	-	9,947
Total assets	<u>\$ 342,498</u>	<u>\$ 1,072,362</u>	<u>\$ (290,797)</u>	<u>\$ 1,124,063</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet (Continued)

December 31, 2011

(amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Liabilities, Net Assets, and Equity				
Current Liabilities				
Accounts payable	\$ 3,255	\$ 20,569	\$ (2,346)	\$ 21,478
Accrued liabilities and other	13,557	46,793	-	60,350
Current portion of long-term debt	977	5,813	-	6,790
Estimated third-party payor settlements	-	40,102	-	40,102
Total current liabilities	17,789	113,277	(2,346)	128,720
Long-term Debt - Net of current portion	96,812	283,278	-	380,090
Fair Value of Interest Rate Swap Agreement	-	17,801	-	17,801
Other Liabilities				
Pension	56,510	17,459	-	73,969
Accrued postretirement benefit obligations	60,439	-	-	60,439
Other long-term liabilities	15,272	17,527	-	32,799
Total liabilities	246,822	449,342	(2,346)	693,818
Stockholders' Equity	29,523	173,977	(203,500)	-
Net Assets				
Unrestricted	62,519	533,182	(235,640)	360,061
Accumulated deficit	(2,635)	(87,581)	90,216	-
Temporarily restricted	438	2,651	-	3,089
Permanently restricted	5,831	215	-	6,046
Noncontrolling interest in consolidated subsidiaries	-	576	60,473	61,049
Total liabilities, net assets, and equity	<u>\$ 342,498</u>	<u>\$ 1,072,362</u>	<u>\$ (290,797)</u>	<u>\$ 1,124,063</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations Year Ended December 31, 2011

(amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Operating Revenue				
Net patient service revenue	\$ -	\$ 737,759	\$ -	\$ 737,759
Investment income	2,009	8,383	-	10,392
Other	15,481	26,748	(12,963)	29,266
Net assets released from restrictions	87	68	-	155
Total operating revenue	17,577	772,958	(12,963)	777,572
Operating Expenses				
Salaries and wages	37,342	308,818	(28,514)	317,646
Employee benefits and payroll taxes	58,002	77,486	(66,948)	68,540
Other	(78,711)	263,997	82,499	267,785
Depreciation and amortization	2,318	36,881	-	39,199
Provision for bad debts	(34)	34,187	-	34,153
Interest expense	526	15,364	-	15,890
Total operating expenses	19,443	736,733	(12,963)	743,213
Operating (Loss) Income	(1,866)	36,225	-	34,359
Nonoperating (Loss) Gain	(5,938)	136,783	(84,951)	45,894
Excess of Revenue (Under) Over Expenses	(7,804)	173,008	(84,951)	80,253
Capital Contribution from Affiliate	1,160	4,479	(5,639)	-
Transfer from (to) Affiliate	10,500	(10,843)	343	-
Other	-	-	(343)	(343)
Pension-related Changes Other Than Net Periodic Benefit Cost	(29,673)	(8,295)	-	(37,968)
Net Assets Released from Restriction	-	793	-	793
(Decrease) Increase in Unrestricted Net Assets	\$ (25,817)	\$ 159,142	\$ (90,590)	\$ 42,735

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Changes in Net Assets and Stockholder's Equity

December 31, 2011

(amounts in thousands)

	Operations and Development	Healthcare Services	Eliminating Entries	Total
Unrestricted Net Assets				
Excess of revenue (under) over expenses	\$ (7,804)	\$ 173,008	\$ (84,951)	\$ 80,253
Other	-	-	(343)	(343)
Transfer from (to) affiliate	10,500	(10,843)	343	-
Capital contribution from affiliate	1,160	4,479	(5,639)	-
Pension-related changes other than net periodic benefit cost	(29,673)	(8,295)	-	(37,968)
Net assets released from restriction	-	793	-	793
	<u>(25,817)</u>	<u>159,142</u>	<u>(90,590)</u>	<u>42,735</u>
(Decrease) increase in unrestricted net assets				
Temporarily Restricted Net Assets				
Restricted contributions	158	190	-	348
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc.	-	3,302	-	3,302
Restricted investment income	-	21	-	21
Net assets released from restriction	(87)	(862)	-	(949)
	<u>71</u>	<u>2,651</u>	<u>-</u>	<u>2,722</u>
Increase in temporarily restricted net assets				
Permanently Restricted Net Assets				
Restricted contributions	25	-	-	25
Inherent contribution from acquisition of Battle Creek Health System and Lifespan, Inc.	-	213	-	213
Restricted investment income	-	2	-	2
	<u>25</u>	<u>215</u>	<u>-</u>	<u>240</u>
Increase in permanently restricted net assets				
(Decrease) Increase in Net Assets and Stockholders' Equity	(25,721)	162,008	(90,590)	45,697
Net Assets and Stockholders' Equity - Beginning of year	121,397	461,012	(197,861)	384,548
Net Assets and Stockholders' Equity - End of year	\$ 95,676	\$ 623,020	\$ (288,451)	\$ 430,245

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Operations and Development Group

December 31, 2011

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Healthcare Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 4,542	\$ (915)	\$ 350	\$ 431	\$ 275	\$ 4,683
Investments	11,514	-	1,031	189	847	13,581
Accounts receivable	3,008	37	9	-	10	3,064
Prepaid expenses and other current assets	5,018	222	-	136	-	5,376
Total current assets	24,082	(656)	1,390	756	1,132	26,704
Assets Limited as to Use	44,812	-	-	-	-	44,812
Property and Equipment - Net	8,989	25,558	-	14,530	-	49,077
Other Assets						
Investment in joint venture	211,295	-	-	-	-	211,295
Bond issue costs	1,226	-	-	103	-	1,329
Long-term investments	-	-	9,281	-	-	9,281
Total assets	<u>\$ 290,404</u>	<u>\$ 24,902</u>	<u>\$ 10,671</u>	<u>\$ 15,389</u>	<u>\$ 1,132</u>	<u>\$ 342,498</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Operations and Development Group (Continued)

December 31, 2011

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Healthcare Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Liabilities, Net Assets, and Equity						
Current Liabilities						
Accounts payable	\$ 3,178	\$ 42	\$ 1	\$ 34	\$ -	\$ 3,255
Accrued liabilities and other	12,453	556	-	358	190	13,557
Current portion of long-term debt	52	-	-	925	-	977
Total current liabilities	15,683	598	1	1,317	190	17,789
Long-term Debt - Net of current portion	84,382	-	-	12,430	-	96,812
Other Liabilities						
Pension	56,510	-	-	-	-	56,510
Accrued postretirement benefit obligations	60,439	-	-	-	-	60,439
Other long-term liabilities	15,272	-	-	-	-	15,272
Total liabilities	232,286	598	1	13,747	190	246,822
Stockholders' Equity	-	27,893	-	1,460	170	29,523
Net Assets						
Unrestricted	58,118	-	4,401	-	-	62,519
Accumulated deficit	-	(3,589)	-	182	772	(2,635)
Temporarily restricted	-	-	438	-	-	438
Permanently restricted	-	-	5,831	-	-	5,831
Total liabilities, net assets, and equity	<u>\$ 290,404</u>	<u>\$ 24,902</u>	<u>\$ 10,671</u>	<u>\$ 15,389</u>	<u>\$ 1,132</u>	<u>\$ 342,498</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Healthcare Services Group

December 31, 2011

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Vicksburg Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Nursing and Rehabilitation Center	Bronson Battle Creek Hospital	Lifespan	Total
Assets										
Current Assets										
Cash and cash equivalents	\$ 125,065	\$ -	\$ (1,638)	\$ (15)	\$ 2,886	\$ 1,199	\$ 3,395	\$ 20,969	\$ 4,314	\$ 156,175
Investments	177,751	-	-	-	1,535	1,382	-	28,220	2,861	211,749
Accounts receivable	92,270	-	2,887	-	8,344	226	1,313	17,924	3,132	126,096
Estimated third-party payor settlements	-	-	-	-	-	-	161	-	-	161
Prepaid expenses and other current assets	9,632	-	301	-	636	3	32	4,582	396	15,582
Total current assets	404,718	-	1,550	(15)	13,401	2,810	4,901	71,695	10,703	509,763
Assets Limited as to Use	24,902	-	13,120	553	-	-	16,808	3,136	959	59,478
Property and Equipment - Net	288,472	-	873	-	12,197	1,161	2,803	77,168	5,380	388,054
Other Assets										
Investment in joint venture	12,941	-	-	86,255	-	-	-	2,785	-	101,981
Bond issue costs	2,818	-	-	-	-	-	321	-	-	3,139
Other noncurrent assets	546	-	-	-	-	233	-	9,168	-	9,947
Total assets	<u>\$ 734,397</u>	<u>\$ -</u>	<u>\$ 15,543</u>	<u>\$ 86,793</u>	<u>\$ 25,598</u>	<u>\$ 4,204</u>	<u>\$ 24,833</u>	<u>\$ 163,952</u>	<u>\$ 17,042</u>	<u>\$ 1,072,362</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Balance Sheet - Healthcare Services Group (Continued)

December 31, 2011

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Vicksburg Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Nursing and Rehabilitation Center	Bronson Battle Creek Hospital	Lifespan	Total
Liabilities, Net Assets, and Equity										
Current Liabilities										
Accounts payable	\$ 8,507	\$ -	\$ 256	\$ 5	\$ 794	\$ 4	\$ 47	\$ 9,894	\$ 1,062	\$ 20,569
Accrued liabilities and other	32,621	-	1,858	1	3,218	119	186	7,624	1,166	46,793
Current portion of long-term debt	5,581	-	-	-	69	-	163	-	-	5,813
Estimated third-party payor settlements	36,462	-	-	-	2,382	-	310	948	-	40,102
Total current liabilities	83,171	-	2,114	6	6,463	123	706	18,466	2,228	113,277
Long-term Debt - Net of current portion	266,267	-	-	-	42	-	16,969	-	-	283,278
Fair Value of Interest Rate Swap Agreement	17,801	-	-	-	-	-	-	-	-	17,801
Other Liabilities										
Pension	-	-	-	-	-	-	-	17,459	-	17,459
Other long-term liabilities	2,527	-	13,267	553	-	6	-	1,174	-	17,527
Total liabilities	369,766	-	15,381	559	6,505	129	17,675	37,099	2,228	449,342
Stockholders' Equity	-	-	84,625	89,352	-	-	-	-	-	173,977
Net Assets										
Unrestricted	364,631	-	-	-	19,093	4,075	7,158	123,415	14,810	533,182
Accumulated deficit	-	-	(84,463)	(3,118)	-	-	-	-	-	(87,581)
Temporarily restricted	-	-	-	-	-	-	-	2,647	4	2,651
Permanently restricted	-	-	-	-	-	-	-	215	-	215
Noncontrolling interest in consolidated subsidiaries	-	-	-	-	-	-	-	576	-	576
Total liabilities, net assets, and equity	\$ 734,397	\$ -	\$ 15,543	\$ 86,793	\$ 25,598	\$ 4,204	\$ 24,833	\$ 163,952	\$ 17,042	\$ 1,072,362

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations - Operations and Development Group Year Ended December 31, 2011

(amounts in thousands)

	Bronson Healthcare Group, Inc	Bronson Properties Corporation	Bronson Healthcare Foundation, Inc	Bronson Lifestyle Improvement and Research Center	Bronson Staffing Services, Inc	Total
Operating Revenue						
Investment income	\$ 1,672	\$ -	\$ 314	\$ 6	\$ 17	\$ 2,009
Other	978	5,064	176	4,588	4,675	15,481
Net assets released from restrictions	-	-	87	-	-	87
Total operating revenue	2,650	5,064	577	4,594	4,692	17,577
Operating Expenses						
Salaries and wages	31,534	24	125	1,685	3,974	37,342
Employee benefits and payroll taxes	57,635	-	20	-	347	58,002
Other	(85,923)	5,012	237	1,846	117	(78,711)
Depreciation and amortization	726	867	-	725	-	2,318
Provision for bad debts	-	(60)	-	26	-	(34)
Interest expense	445	-	-	81	-	526
Total operating expenses	4,417	5,843	382	4,363	4,438	19,443
Operating (Loss) Income	(1,767)	(779)	195	231	254	(1,866)
Nonoperating Loss	(5,938)	-	-	-	-	(5,938)
Excess of Revenue (Under) Over Expenses	(7,705)	(779)	195	231	254	(7,804)
Capital Contribution from Affiliate	-	1,100	-	60	-	1,160
Transfer from Affiliate	10,500	-	-	-	-	10,500
Pension-related Changes Other Than Net Periodic Benefit Cost	(29,673)	-	-	-	-	(29,673)
(Decrease) Increase in Unrestricted Net Assets	<u>\$ (26,878)</u>	<u>\$ 321</u>	<u>\$ 195</u>	<u>\$ 291</u>	<u>\$ 254</u>	<u>\$ (25,817)</u>

Bronson Healthcare Group, Inc. and Subsidiaries

Consolidating Statement of Operations - Healthcare Services Group Year Ended December 31, 2011

(amounts in thousands)

	Bronson Methodist Hospital	Bronson Vicksburg Hospital	Bronson Medical Group	Bronson Management Services Corporation	Bronson LakeView Hospital	Van Buren Emergency Medical Services	Bronson Nursing And Rehabilitation Center	Bronson Battle Creek Hospital	Lifespan	Total
Operating Revenue										
Net patient service revenue	\$ 540,181	\$ -	\$ 21,180	\$ -	\$ 60,476	\$ 1,430	\$ 8,729	\$ 97,251	\$ 8,512	\$ 737,759
Investment income	8,408	-	-	-	12	32	21	(143)	53	8,383
Other	13,884	-	3,865	274	1,151	1,217	1,182	5,083	92	26,748
Net assets released from restrictions	-	-	-	-	-	-	-	59	9	68
Total operating revenue	562,473	-	25,045	274	61,639	2,679	9,932	102,250	8,666	772,958
Operating Expenses										
Salaries and wages	218,005	-	16,697	229	24,406	1,030	4,768	38,892	4,791	308,818
Employee benefits and payroll taxes	59,094	-	3,760	18	2,791	425	1,846	8,123	1,429	77,486
Other	185,710	-	6,984	201	23,989	408	2,489	41,244	2,972	263,997
Depreciation and amortization	27,073	-	267	-	2,168	158	320	6,782	113	36,881
Provision for bad debts	22,540	-	393	-	5,620	161	80	5,397	(4)	34,187
Interest expense	15,230	-	-	-	9	-	125	-	-	15,364
Total operating expenses	527,652	-	28,101	448	58,983	2,182	9,628	100,438	9,301	736,733
Operating Income (Loss)	34,821	-	(3,056)	(174)	2,656	497	304	1,812	(635)	36,225
Nonoperating (Loss) Gain	(8,686)	-	-	-	-	-	-	130,024	15,445	136,783
Excess of Revenue Over (Under) Expenses	26,135	-	(3,056)	(174)	2,656	497	304	131,836	14,810	173,008
Capital Contribution from Affiliate	-	-	2,150	2,329	-	-	-	-	-	4,479
Transfer to Affiliate	(9,207)	(1,293)	-	-	-	-	-	(343)	-	(10,843)
Pension-related Changes Other Than Net Periodic Benefit Cost	-	-	-	-	-	-	-	(8,295)	-	(8,295)
Net Assets Released from Restriction	-	-	-	-	-	-	-	793	-	793
Increase (Decrease) in Unrestricted Net Assets	<u>\$ 16,928</u>	<u>\$ (1,293)</u>	<u>\$ (906)</u>	<u>\$ 2,155</u>	<u>\$ 2,656</u>	<u>\$ 497</u>	<u>\$ 304</u>	<u>\$ 123,991</u>	<u>\$ 14,810</u>	<u>\$ 159,142</u>

Additional Data

Software ID:

Software Version:

EIN: 38-1359218

Name: BRONSON LAKEVIEW HOSPITAL

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES BARBARA L CHAIRPERSON	1 00	X						3,147	0	0
EBERTS RANDALL W PHD VICE CHAIR	1 00	X						2,560	0	0
WARDWELL GEOFFREY A MD SECRETARY	1 00	X						1,196	0	0
PARKS FLOYD L TREASURER	1 00	X						2,394	0	0
SARDONE FRANK J PRESIDENT	80	X		X				0	1,146,066	31,090
GIBSON SCOTT C MD PAST CHIEF OF STAFF	1 00	X						2,435	0	0
GREENE JAMES E JR DIRECTOR	1 00	X						3,452	0	0
GUNDERSON JAMES S DIRECTOR	1 00	X						2,231	0	0
HUNT BRENDA L DIRECTOR	1 00	X						0	0	0
JOHNSTON WILLIAM D DIRECTOR	1 00	X						0	0	0
KARAMCHANDANI MAHESH C MD DIRECTOR	1 00	X						0	0	0
KARRE NELSON DIRECTOR	1 00	X						0	0	0
KLEIN MARIAN G DIRECTOR	1 00	X						986	0	0
LINS STEVEN J MD DIRECTOR	1 00	X						0	0	0
MONTGOMERY TABRON LA JUNE DIRECTOR	1 00	X						0	0	0
NYBERG NEIL DIRECTOR	1 00	X						0	0	0
PARFET DONALD R DIRECTOR	1 00	X						0	0	0
RICHARDSON WILLIAM C PHD DIRECTOR	1 00	X						1,267	0	0
ROEHR BERNARD A MD CHIEF OF STAFF	1 00	X						17,017	0	0
WILSON-OYELARAN EILEEN B PHD DIRECTOR	1 00	X						0	0	0
ZELLER CHARLES L JR MD DIRECTOR	1 00	X						1,236	0	0
JOHN M DUNN DIRECTOR	1 00	X						0	0	0
DANIEL R SMITH DIRECTOR	1 00	X						0	0	0
KENNETH TAFT EXECUTIVE VICE PRESIDENT	2 00			X				0	621,301	33,486
JAMES FALAHEE SR VP LEGAL & LEG AFFAIRS	2 00			X				0	414,621	35,801

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	80			X				0	489,885	20,519
JOHN HAYDEN VP & CHIEF HR OFFICER	40			X				0	345,615	24,809
MARY MEITZ VICE PRESIDENT & CFO	1 20				X			0	335,556	31,737
KATIE HARRELSON SR VP, CLINICAL OPERATIONS	0 00				X			0	326,445	24,880
JOHN JONES SR VP, REG & PHYS SVS	0 00				X			0	285,238	32,367
SALLY BERGLIN VP, BRONSON LAKEVIEW OPERATION	32 00				X			0	306,765	18,519
MIKE WAY VP MAT MGT & FACILITY SVS	2 00				X			0	234,791	22,112
SHADI FAHS PHYSICIAN	40 00					X		331,136	0	22,029
HUGH SANCHEZ PHYSICIAN	40 00					X		264,134	0	30,278
NADEEM MIRZA PHYSICIAN	40 00					X		294,461	0	32,327
REBECCA THORESON PHYSICIAN	40 00					X		258,767	0	10,538
KWSAI AL-RAHHAL PHYSICIAN	40 00					X		235,805	0	26,752
KIRK RICHARDSON FORMER OFFICER	40 00						X	141,741	0	25,105