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Form 990

Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☒ Amended return

☐ Application pending

C Name of organization

CRITTENTON HOSPITAL MEDICAL CENTER

Doing Business As

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

1101 W UNIVERSITY DRIVE

Room/suite

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

ROCHESTER, MI 48307

F Name and address of principal officer

FRANK SOTTILE MD

1101 W UNIVERSITY DRIVE

ROCHESTER, MI 48307

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

D Employer identification number

38-1359247

E Telephone number

(248) 652-5000

G Gross receipts \$ 336,449,120

I Tax-exempt status

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

J Website:

WWW.CRITTENTON.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1900

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>ENHANCING THE HEALTH STATUS OF THE INDIVIDUALS AND COMMUNITIES IT SERVES</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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                   |                                                                   |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | <table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>14</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>14</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</td><td>5</td><td>1,888</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>366</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>3,827,987</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>0</td></tr></table>                                                                                                                                                                                                                                                                                         | 3                                                                                 | Number of voting members of the governing body (Part VI, line 1a) | 3                         | 14           | 4  | Number of independent voting members of the governing body (Part VI, line 1b) | 4           | 14          | 5  | Total number of individuals employed in calendar year 2011 (Part V, line 2a)      | 5           | 1,888       | 6   | Total number of volunteers (estimate if necessary)                       | 6           | 366         | 7a | Total unrelated business revenue from Part VIII, column (C), line 12             | 7a      | 3,827,987 | 7b          | Net unrelated business taxable income from Form 990-T, line 34 | 7b          | 0           |    |                                                                          |             |             |    |                                                     |            |           |
| 3                           | Number of voting members of the governing body (Part VI, line 1a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 3                                                                                 | 14                                                                |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 4                           | Number of independent voting members of the governing body (Part VI, line 1b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4                                                                                 | 14                                                                |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 5                           | Total number of individuals employed in calendar year 2011 (Part V, line 2a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5                                                                                 | 1,888                                                             |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 6                           | Total number of volunteers (estimate if necessary)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 6                                                                                 | 366                                                               |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 7a                          | Total unrelated business revenue from Part VIII, column (C), line 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7a                                                                                | 3,827,987                                                         |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 7b                          | Net unrelated business taxable income from Form 990-T, line 34                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 7b                                                                                | 0                                                                 |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| Revenue                     | <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>130,423</td><td>9,165,492</td></tr><tr><td>10</td><td>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td><td>227,868,169</td><td>225,567,987</td></tr><tr><td>11</td><td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td><td>6,310,770</td><td>6,129,991</td></tr><tr><td>12</td><td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td><td>901,828</td><td>1,064,217</td></tr><tr><td>235,211,190</td><td>241,927,687</td></tr></table>                                                                                                                                                                                                                                                                                                                     | 8                                                                                 | Contributions and grants (Part VIII, line 1h)                     | Prior Year                | Current Year | 9  | Program service revenue (Part VIII, line 2g)                                  | 130,423     | 9,165,492   | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d)                     | 227,868,169 | 225,567,987 | 11  | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 6,310,770   | 6,129,991   | 12 | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 901,828 | 1,064,217 | 235,211,190 | 241,927,687                                                    |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Contributions and grants (Part VIII, line 1h)                                     | Prior Year                                                        | Current Year              |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Program service revenue (Part VIII, line 2g)                                      | 130,423                                                           | 9,165,492                 |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Investment income (Part VIII, column (A), lines 3, 4, and 7d)                     | 227,868,169                                                       | 225,567,987               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)          | 6,310,770                                                         | 6,129,991                 |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 12                          | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 901,828                                                                           | 1,064,217                                                         |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 235,211,190                 | 241,927,687                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |                                                                   |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| Expenses                    | <table><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>0</td><td>139,050</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>101,684,492</td><td>103,353,571</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>0</td><td>0</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) 3,058</td><td></td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>134,781,834</td><td>135,377,209</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>236,466,326</td><td>238,869,830</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>-1,255,136</td><td>3,057,857</td></tr></table> | 13                                                                                | Grants and similar amounts paid (Part IX, column (A), lines 1–3)  | 0                         | 139,050      | 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) | 101,684,492 | 103,353,571 | 16a | Professional fundraising fees (Part IX, column (A), line 11e)            | 0           | 0           | b  | Total fundraising expenses (Part IX, column (D), line 25) 3,058                  |         |           | 17          | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)   | 134,781,834 | 135,377,209 | 18 | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 236,466,326 | 238,869,830 | 19 | Revenue less expenses Subtract line 18 from line 12 | -1,255,136 | 3,057,857 |
|                             | 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Grants and similar amounts paid (Part IX, column (A), lines 1–3)                  | 0                                                                 | 139,050                   |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 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) | 101,684,492                                                       | 103,353,571               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 16a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Professional fundraising fees (Part IX, column (A), line 11e)                     | 0                                                                 | 0                         |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total fundraising expenses (Part IX, column (D), line 25) 3,058                   |                                                                   |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)                      | 134,781,834                                                       | 135,377,209               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 18                          | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 236,466,326                                                                       | 238,869,830                                                       |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 19                          | Revenue less expenses Subtract line 18 from line 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -1,255,136                                                                        | 3,057,857                                                         |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 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>342,865,573</td><td>324,301,265</td></tr><tr><td>21</td><td>Total liabilities (Part X, line 26)</td><td>158,862,071</td><td>162,439,194</td></tr><tr><td>22</td><td>Net assets or fund balances Subtract line 21 from line 20</td><td>184,003,502</td><td>161,862,071</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                   |                                                                   | Beginning of Current Year | End of Year  | 20 | Total assets (Part X, line 16)                                                | 342,865,573 | 324,301,265 | 21 | Total liabilities (Part X, line 26)                                               | 158,862,071 | 162,439,194 | 22  | Net assets or fund balances Subtract line 21 from line 20                | 184,003,502 | 161,862,071 |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   | Beginning of Current Year                                         | End of Year               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total assets (Part X, line 16)                                                    | 342,865,573                                                       | 324,301,265               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
|                             | 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total liabilities (Part X, line 26)                                               | 158,862,071                                                       | 162,439,194               |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |
| 22                          | Net assets or fund balances Subtract line 21 from line 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 184,003,502                                                                       | 161,862,071                                                       |                           |              |    |                                                                               |             |             |    |                                                                                   |             |             |     |                                                                          |             |             |    |                                                                                  |         |           |             |                                                                |             |             |    |                                                                          |             |             |    |                                                     |            |           |

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

FRANK SOTTILE MD INTERIM CEO

2013-05-31

Date

Paid Preparer's Use Only

Preparer's signature

SUSAN MIENCIER

Date

Check if self-employed

Preparer's taxpayer identification number (see instructions)

P00842339

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

PLANTE & MORAN PLLC  
PO BOX 307  
SOUTHFIELD, MI 480370307

EIN

38-1357951

Phone no

(248) 352-2500

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 IIIStatement of Program Service Accomplishments

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

1Briefly describe the organization’s mission

CRITTENTON HOSPITAL MEDICAL CENTER IS DEDICATED TO ENHANCING THE HEALTH STATUS OF THE INDIVIDUALS AND COMMUNITIES WE SERVE IN PARTNERSHIP WITH OUR PHYSICIANS, EMPLOYEES, AND COMMUNITY MEMBERS

2Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

If “Yes,” describe these new services on Schedule O

3Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If “Yes,” describe these changes on Schedule O

4Describe 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 \$ 204,519,193 including grants of \$ ) (Revenue \$ 221,742,737 )

SEE SCHEDULE O PART III, LINE 4 DESCRIPTION

4b

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

4c

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

4dOther program services (Describe in Schedule O )

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

4eTotal program service expenses \$ 204,519,193

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)?                                                                                                                                                                                                  | Yes |    |
| 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   | <b>Section 501(c)(3) organizations.</b> 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.                                                                                               | Yes |    |
| 5   | Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.                                                                       |     | 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.                                                                                              | Yes |    |
| 11  | If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.                                                                                                                                                    |     |    |
| a   | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.                                                                                                                                                               | Yes |    |
| b   | Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.                                                                                             |     | No |
| c   | Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.                                                                                             |     | No |
| d   | Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.                                                                                                              | Yes |    |
| e   | Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.                                                                                                                                                                             | Yes |    |
| f   | Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.                                                    |     | No |
| 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. | Yes |    |
| 15  | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV.                                                                                        |     | 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? <b>Note.</b> 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  | Yes |    |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <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 | Yes |    |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                                  | 24b |     | No |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                       | 24c |     | No |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                            | 24d |     | No |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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  | <b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.<br>.                                                                                                                                                                                                                                                            | 1a  | 259   |  |  |    |
| b                                                                                               | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                                                                                                                                                                                              | 1b  | 0     |  |  |    |
| c                                                                                               | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                                                                                                      | 1c  | Yes   |  |  |    |
| 2a                                                                                              | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.<br>.                                                                                                                                                            | 2a  | 1,888 |  |  |    |
| b                                                                                               | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><br>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  | Yes   |  |  |    |
| b                                                                                               | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.                                                                                                                                                                                                                                             | 3b  | Yes   |  |  |    |
| 4a                                                                                              | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?                                                                                                                              | 4a  | Yes   |  |  |    |
| b                                                                                               | If "Yes," enter the name of the foreign country: CJ<br>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?<br>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                                                                                                                                 |     |     |
| 1b | Enter the number of voting members included in line 1a, above, who are independent                                                                                                                                  |     |     |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?                                               | 2   | No  |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3   | No  |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?                                                                                                    | 4   | No  |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets?                                                                                                          | 5   | No  |
| 6  | Did the organization have members or stockholders?                                                                                                                                                                  | 6   | No  |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?                                                                  | 7a  | No  |
| 7b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?                                                           | 7b  | No  |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                    |     |     |
| 8a | The governing body?                                                                                                                                                                                                 | 8a  | Yes |
| 8b | 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   | Yes |

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  |
| 10b | 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 |
| 11b | 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 |
| 12b | Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?                                                                                                                                                           | 12b | Yes |
| 12c | 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  | No  |
| 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?                                                                         |     |     |
| 15a | The organization's CEO, Executive Director, or top management official                                                                                                                                                                                                                       | 15a | Yes |
| 15b | Other officers or key employees of the organization                                                                                                                                                                                                                                          | 15b | No  |
|     | If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)                                                                                                                                                                                                          |     |     |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?                                                                                                                                        | 16a | Yes |
| 16b | 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 | No  |

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.<br><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.<br>KIM HAUSCHILD<br>1101 W UNIVERSITY DRIVE<br>ROCHESTER, MI 48307<br>(248) 652-5780                                                                                                                                      |

Part VII

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization’s tax year

- List all of the organization’s **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization’s **current** key employees, if any See instructions for definition of “key employee ”
- List the organization’s five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization’s **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization’s **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

| (A)<br>Name and Title                     | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                           |                                                                                        | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| (1) BEVERLY ALLEN<br>TREASURER            | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (2) LISA ASADOORIAN<br>TRUSTEE            | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (3) BRYAN BARNETT<br>TRUSTEE              | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (4) MICHAEL BROWE<br>TRUSTEE              | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (5) PETER DESTEIGER<br>TRUSTEE            | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (6) ROBERT GOMD<br>TRUSTEE                | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 32,513                                                               | 0                                                                         | 0                                                                                             |
| (7) KENNETH JOHNSON<br>TRUSTEE            | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (8) KATHRIN KUDNER<br>TRUSTEE             | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (9) ROBERT LENIHANII<br>CHAIRMAN          | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (10) FREDERICK MAIBAUERMD<br>TRUSTEE      | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 3,100                                                                | 0                                                                         | 0                                                                                             |
| (11) RUSSELL SHELTON<br>TRUSTEE           | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (12) F SCOTT MILLER<br>TRUSTEE            | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (13) ROBERT SKANDALARIS<br>TRUSTEE        | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (14) BRAD UPTON<br>TRUSTEE                | 1 00                                                                                   | X                                                                                                         |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| (15) LYNN ORFGEN<br>PRESIDENT & CEO       | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 436,703                                                              | 0                                                                         | 43,616                                                                                        |
| (16) AUDRIANNE MOCERI<br>SECRETARY        | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 61,510                                                               | 0                                                                         | 19,221                                                                                        |
| (17) JEFFREY JENNINGSMD<br>CHIEF OF STAFF | 1 00                                                                                   |                                                                                                           |                       | X       |              |                              |        | 56,250                                                               | 0                                                                         | 0                                                                                             |

## Part VII

| (A)<br>Name and Title                                                         | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                                               |                                                                                        | Individual trustee or director                                                                            | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| (18) CYNTHIA LONG<br>FORMER CFO                                               | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 135,656                                                              | 0                                                                         | 11,649                                                                                        |
| (19) FRANK SOTTILE<br>CMO                                                     | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 368,369                                                              | 0                                                                         | 51,548                                                                                        |
| (20) GREGORY PARTAMIAN<br>COO                                                 | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 219,289                                                              | 0                                                                         | 49,124                                                                                        |
| (21) KATHLEEN VANWAGONER<br>CNO                                               | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 158,935                                                              | 0                                                                         | 50,692                                                                                        |
| (22) MICHELLE HORNBERGER<br>CSO                                               | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 140,488                                                              | 0                                                                         | 39,213                                                                                        |
| (23) DONNA KOPINSKI<br>CFO                                                    | 40 00                                                                                  |                                                                                                           |                       | X       |              |                              |        | 76,844                                                               | 0                                                                         | 9,029                                                                                         |
| (24) SAMAR KAZZIHA MD<br>EXECUTIVE MEDICAL DIRECTOR                           | 40 00                                                                                  |                                                                                                           |                       |         |              | X                            |        | 473,497                                                              | 0                                                                         | 27,582                                                                                        |
| (25) DOUGLAS PUGMIRE DO<br>MEDICAL DIRECTOR ROBOTICS/GYN<br>ONCOLOGY SERVICES | 40 00                                                                                  |                                                                                                           |                       |         |              | X                            |        | 421,886                                                              | 0                                                                         | 25,299                                                                                        |
| (26) KEVIN FLOREK DO<br>MEDICAL DIRECTOR OCCUP MED                            | 40 00                                                                                  |                                                                                                           |                       |         |              | X                            |        | 257,364                                                              | 0                                                                         | 50,671                                                                                        |
| (27) AMARBIR KHAIRA MD<br>RELIEF HOUSE PHYSICIAN                              | 40 00                                                                                  |                                                                                                           |                       |         |              | X                            |        | 251,054                                                              | 0                                                                         | 0                                                                                             |
| (28) NACIANCENO V WOO MD<br>HOUSE PHYSICIAN                                   | 40 00                                                                                  |                                                                                                           |                       |         |              | X                            |        | 208,670                                                              | 0                                                                         | 42,536                                                                                        |
|                                                                               |                                                                                        |                                                                                                           |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                               |                                                                                        |                                                                                                           |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>1b Sub-Total . . . . .</b>                                                 |                                                                                        |                                                                                                           |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>c Total from continuation sheets to Part VII, Section A . . . .</b>        |                                                                                        |                                                                                                           |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>d Total (add lines 1b and 1c) . . . . .</b>                                |                                                                                        |                                                                                                           |                       |         |              |                              |        | 3,302,128                                                            | 0                                                                         | 420,180                                                                                       |

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ►11

|   |                                                                                                                                                                                                                                               | Yes | No  |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| 3 | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .                                        | 3   | No  |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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)                                                                                   | (B)                     | (C)          |
|---------------------------------------------------------------------------------------|-------------------------|--------------|
| Name and business address                                                             | Description of services | Compensation |
| BARTON MALOW-REWOLD LLC<br>26500 AMERICAN DR<br>SOUTHFIELD, MI 48034                  | CONSTRUCTION MANAGEMENT | 6,761,744    |
| UNASOURCE SURGERY CENTERLLC<br>4550 INVESTMENT DR STE 100<br>TROY, MI 48098           | SURGICAL SERVICES       | 5,359,814    |
| PATRIOT MEDICAL TECHNOLOGIES<br>MSC-410672 PO BOX 415000<br>NASHVILLE, TN 37241       | BIOMEDICAL SERVICES     | 2,064,773    |
| HARLEY ELLIS DEVEREAUX<br>PO BOX 674273<br>DETROIT, MI 48267                          | ARCHITECTUAL SERVICES   | 2,030,554    |
| BALD MOUNTAIN SURGICAL CENTER LLC<br>1375 S LAPEER RD STE 109<br>LAKE ORION, MI 48360 | SURGICAL SERVICES       | 1,962,355    |

**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 ▶60

Part VIII

Statement of Revenue

|                                                           |                                           |                                                                                                                                             |                | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |  |
|-----------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|----------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|--|
| Contributions, gifts, grants<br>and other similar amounts | 1a                                        | Federated campaigns . . .                                                                                                                   | 1a             |                      |                                                    |                                         |                                                                                 |  |
|                                                           | b                                         | Membership dues . . . . .                                                                                                                   | 1b             |                      |                                                    |                                         |                                                                                 |  |
|                                                           | c                                         | Fundraising events . . . . .                                                                                                                | 1c             | 500                  |                                                    |                                         |                                                                                 |  |
|                                                           | d                                         | Related organizations . . . .                                                                                                               | 1d             | 9,143,378            |                                                    |                                         |                                                                                 |  |
|                                                           | e                                         | Government grants (contributions)                                                                                                           | 1e             |                      |                                                    |                                         |                                                                                 |  |
|                                                           | f                                         | All other contributions, gifts, grants, and<br>similar amounts not included above                                                           | 1f             | 21,614               |                                                    |                                         |                                                                                 |  |
|                                                           | g                                         | Noncash contributions included in<br>lines 1a-1f \$ _____                                                                                   |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | h                                         | Total. Add lines 1a-1f . . . . .                                                                                                            |                | 9,165,492            |                                                    |                                         |                                                                                 |  |
| Program Service Revenue                                   |                                           |                                                                                                                                             | Business Code  |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 2a                                        | NET PATIENT SERVICE RE                                                                                                                      | 900099         | 224,143,023          | 220,591,914                                        | 3,551,109                               |                                                                                 |  |
|                                                           | b                                         | INVESTMENT IN JOINT VE                                                                                                                      | 900099         | 665,835              | 391,694                                            | 274,141                                 |                                                                                 |  |
|                                                           | c                                         | PROFESSIONAL FEES U-M                                                                                                                       | 900099         | 250,906              | 250,906                                            |                                         |                                                                                 |  |
|                                                           | d                                         | CPR CLASSES                                                                                                                                 | 611600         | 124,643              | 124,643                                            |                                         |                                                                                 |  |
|                                                           | e                                         | KARMONOS ONCOLOGY REVE                                                                                                                      | 900099         | 123,928              | 123,928                                            |                                         |                                                                                 |  |
|                                                           | f                                         | All other program service revenue                                                                                                           |                | 259,652              | 259,652                                            |                                         |                                                                                 |  |
|                                                           | g                                         | Total. Add lines 2a-2f . . . . .                                                                                                            |                | 225,567,987          |                                                    |                                         |                                                                                 |  |
| Other Revenue                                             | 3                                         | Investment income (including dividends, interest<br>and other similar amounts) . . . . .                                                    |                | 2,636,621            |                                                    |                                         | 2,636,621                                                                       |  |
|                                                           | 4                                         | Income from investment of tax-exempt bond proceeds . .                                                                                      |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 5                                         | Royalties . . . . .                                                                                                                         |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 6a                                        | Gross rents                                                                                                                                 | (i) Real       | (ii) Personal        |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | b                                         | Less rental<br>expenses                                                                                                                     |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | c                                         | Rental income<br>or (loss)                                                                                                                  |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | d                                         | Net rental income or (loss) . . . . .                                                                                                       |                |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 7a                                        | Gross amount<br>from sales of<br>assets other<br>than inventory                                                                             | (i) Securities | (ii) Other           |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             | 94,788,128     | 3,052,326            |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             | 92,543,985     | 1,803,099            |                                                    |                                         |                                                                                 |  |
|                                                           |                                           |                                                                                                                                             | 2,244,143      | 1,249,227            |                                                    |                                         |                                                                                 |  |
|                                                           | d                                         | Net gain or (loss) . . . . .                                                                                                                |                | 3,493,370            |                                                    |                                         | 3,493,370                                                                       |  |
|                                                           | 8a                                        | Gross income from fundraising<br>events (not including<br>\$ 500<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a              | 43,283               |                                                    |                                         |                                                                                 |  |
|                                                           | b                                         | Less direct expenses . . . .                                                                                                                | b              | 32,699               |                                                    |                                         |                                                                                 |  |
|                                                           | c                                         | Net income or (loss) from fundraising events . .                                                                                            |                | 10,584               |                                                    |                                         | 10,584                                                                          |  |
|                                                           | 9a                                        | Gross income from gaming activities<br>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<br>returns and allowances . . . . .                                                                          | a              | 233,540              |                                                    |                                         |                                                                                 |  |
|                                                           | b                                         | Less cost of goods sold . . .                                                                                                               | b              | 141,650              |                                                    |                                         |                                                                                 |  |
|                                                           | c                                         | Net income or (loss) from sales of inventory . .                                                                                            |                | 91,890               |                                                    |                                         | 91,890                                                                          |  |
|                                                           | Miscellaneous Revenue                     |                                                                                                                                             | Business Code  |                      |                                                    |                                         |                                                                                 |  |
|                                                           | 11a                                       | MEDICAL STAFF FUNCTION                                                                                                                      | 900099         | 234,114              |                                                    |                                         | 234,114                                                                         |  |
| b                                                         | MRI AND LAND LEASE                        | 900099                                                                                                                                      | 201,840        |                      |                                                    | 201,840                                 |                                                                                 |  |
| c                                                         | TV RENTAL                                 | 900099                                                                                                                                      | 168,117        |                      |                                                    | 168,117                                 |                                                                                 |  |
| d                                                         | All other revenue . . . . .               |                                                                                                                                             | 357,672        |                      | 2,737                                              | 354,935                                 |                                                                                 |  |
| e                                                         | Total. Add lines 11a-11d . . . . .        |                                                                                                                                             | 961,743        |                      |                                                    |                                         |                                                                                 |  |
| 12                                                        | Total revenue. See Instructions . . . . . |                                                                                                                                             | 241,927,687    | 221,742,737          | 3,827,987                                          | 7,191,471                               |                                                                                 |  |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the United States See Part IV, line 21                                                                                                                                | 139,050               | 139,050                         |                                        |                             |
| 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 . . . . .                                                                                                                                                    | 1,816,444             |                                 | 1,816,444                              |                             |
| 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                                                                                                                                                                                                              | 81,351,816            | 76,009,983                      | 5,341,833                              |                             |
| 8                                                                              | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .                                                                                                                               | 4,454,939             | 4,053,104                       | 401,835                                |                             |
| 9                                                                              | Other employee benefits . . . . .                                                                                                                                                                                                     | 8,991,391             | 8,157,798                       | 833,593                                |                             |
| 10                                                                             | Payroll taxes . . . . .                                                                                                                                                                                                               | 6,738,981             | 6,131,125                       | 607,856                                |                             |
| 11                                                                             | Fees for services (non-employees)                                                                                                                                                                                                     |                       |                                 |                                        |                             |
| a                                                                              | Management . . . . .                                                                                                                                                                                                                  | 32,500                |                                 | 32,500                                 |                             |
| b                                                                              | Legal . . . . .                                                                                                                                                                                                                       | 370,343               | 3,138                           | 367,205                                |                             |
| c                                                                              | Accounting . . . . .                                                                                                                                                                                                                  | 232,461               |                                 | 232,461                                |                             |
| d                                                                              | Lobbying . . . . .                                                                                                                                                                                                                    | 55,000                |                                 | 55,000                                 |                             |
| e                                                                              | Professional fundraising See Part IV, line 17 . . . . .                                                                                                                                                                               |                       |                                 |                                        |                             |
| f                                                                              | Investment management fees . . . . .                                                                                                                                                                                                  | 63,962                |                                 | 63,962                                 |                             |
| g                                                                              | Other . . . . .                                                                                                                                                                                                                       | 40,455,558            | 36,472,096                      | 3,983,462                              |                             |
| 12                                                                             | Advertising and promotion . . . . .                                                                                                                                                                                                   | 1,062,876             | 26,118                          | 1,036,758                              |                             |
| 13                                                                             | Office expenses . . . . .                                                                                                                                                                                                             | 3,760,108             | 2,311,645                       | 1,447,403                              | 1,060                       |
| 14                                                                             | Information technology . . . . .                                                                                                                                                                                                      | 8,212,126             |                                 | 8,212,126                              |                             |
| 15                                                                             | Royalties . . . . .                                                                                                                                                                                                                   |                       |                                 |                                        |                             |
| 16                                                                             | Occupancy . . . . .                                                                                                                                                                                                                   | 5,076,960             | 2,078,356                       | 2,998,604                              |                             |
| 17                                                                             | Travel . . . . .                                                                                                                                                                                                                      | 103,427               | 53,113                          | 50,314                                 |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .                                                                                                                              |                       |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings . . . . .                                                                                                                                                                                      | 24,801                | 12,658                          | 10,145                                 | 1,998                       |
| 20                                                                             | Interest . . . . .                                                                                                                                                                                                                    | 2,359,132             | 2,359,132                       |                                        |                             |
| 21                                                                             | Payments to affiliates . . . . .                                                                                                                                                                                                      |                       |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization . . . . .                                                                                                                                                                                   | 14,770,727            | 9,565,908                       | 5,204,819                              |                             |
| 23                                                                             | Insurance . . . . .                                                                                                                                                                                                                   | 169,618               | 145,185                         | 24,433                                 |                             |
| 24                                                                             | Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )                                       |                       |                                 |                                        |                             |
| a                                                                              | MEDICAL SUPPLIES                                                                                                                                                                                                                      | 37,634,118            | 37,030,716                      | 603,402                                |                             |
| b                                                                              | BAD DEBT                                                                                                                                                                                                                              | 11,426,145            | 11,426,145                      |                                        |                             |
| c                                                                              | QAAP EXPENSE                                                                                                                                                                                                                          | 5,897,271             | 5,897,271                       |                                        |                             |
| d                                                                              | MALPRACTICE                                                                                                                                                                                                                           | 717,435               | 585,833                         | 131,602                                |                             |
| e                                                                              |                                                                                                                                                                                                                                       |                       |                                 |                                        |                             |
| f                                                                              | All other expenses                                                                                                                                                                                                                    | 2,952,641             | 2,060,819                       | 891,822                                |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24f                                                                                                                                                                                    | 238,869,830           | 204,519,193                     | 34,347,579                             | 3,058                       |
| 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                      | <b>1</b>                                                                                                                                                | Cash—non-interest-bearing . . . . .                                                                                                                                             |            |             | 12,687            | <b>1</b>   | 12,685      |
|                             | <b>2</b>                                                                                                                                                | Savings and temporary cash investments . . . . .                                                                                                                                |            |             | 31,655,509        | <b>2</b>   | 17,990,817  |
|                             | <b>3</b>                                                                                                                                                | Pledges and grants receivable, net . . . . .                                                                                                                                    |            |             |                   | <b>3</b>   |             |
|                             | <b>4</b>                                                                                                                                                | Accounts receivable, net . . . . .                                                                                                                                              |            |             | 43,237,642        | <b>4</b>   | 41,194,946  |
|                             | <b>5</b>                                                                                                                                                | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .                   |            |             |                   | <b>5</b>   |             |
|                             | <b>6</b>                                                                                                                                                | 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 . . . . .      |            |             |                   | <b>6</b>   |             |
|                             | <b>7</b>                                                                                                                                                | Notes and loans receivable, net . . . . .                                                                                                                                       |            |             |                   | <b>7</b>   |             |
|                             | <b>8</b>                                                                                                                                                | Inventories for sale or use . . . . .                                                                                                                                           |            |             | 4,338,541         | <b>8</b>   | 3,928,146   |
|                             | <b>9</b>                                                                                                                                                | Prepaid expenses and deferred charges . . . . .                                                                                                                                 |            |             | 2,851,118         | <b>9</b>   | 2,471,594   |
|                             | <b>10a</b>                                                                                                                                              | Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D . . . . .                                                                                   | <b>10a</b> | 313,418,675 |                   |            |             |
|                             | <b>b</b>                                                                                                                                                | Less: accumulated depreciation . . . . .                                                                                                                                        | <b>10b</b> | 167,691,167 | 147,340,385       | <b>10c</b> | 145,727,508 |
|                             | <b>11</b>                                                                                                                                               | Investments—publicly traded securities . . . . .                                                                                                                                |            |             | 77,599,045        | <b>11</b>  | 78,648,873  |
|                             | <b>12</b>                                                                                                                                               | Investments—other securities. See Part IV, line 11 . . . . .                                                                                                                    |            |             | 28,439            | <b>12</b>  | 47,846      |
|                             | <b>13</b>                                                                                                                                               | Investments—program-related. See Part IV, line 11 . . . . .                                                                                                                     |            |             | 14,314,607        | <b>13</b>  | 11,249,473  |
|                             | <b>14</b>                                                                                                                                               | Intangible assets . . . . .                                                                                                                                                     |            |             |                   | <b>14</b>  |             |
|                             | <b>15</b>                                                                                                                                               | Other assets. See Part IV, line 11 . . . . .                                                                                                                                    |            |             | 21,487,600        | <b>15</b>  | 23,029,377  |
|                             | <b>16</b>                                                                                                                                               | <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .                                                                                                      |            |             | 342,865,573       | <b>16</b>  | 324,301,265 |
| Liabilities                 | <b>17</b>                                                                                                                                               | Accounts payable and accrued expenses . . . . .                                                                                                                                 |            |             | 25,898,151        | <b>17</b>  | 28,784,304  |
|                             | <b>18</b>                                                                                                                                               | Grants payable . . . . .                                                                                                                                                        |            |             |                   | <b>18</b>  |             |
|                             | <b>19</b>                                                                                                                                               | Deferred revenue . . . . .                                                                                                                                                      |            |             |                   | <b>19</b>  |             |
|                             | <b>20</b>                                                                                                                                               | Tax-exempt bond liabilities . . . . .                                                                                                                                           |            |             | 101,980,000       | <b>20</b>  | 98,610,000  |
|                             | <b>21</b>                                                                                                                                               | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .                                                                                                 |            |             |                   | <b>21</b>  |             |
|                             | <b>22</b>                                                                                                                                               | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .  |            |             |                   | <b>22</b>  |             |
|                             | <b>23</b>                                                                                                                                               | Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                        |            |             | 2,223,583         | <b>23</b>  | 1,595,841   |
|                             | <b>24</b>                                                                                                                                               | Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                          |            |             | 147,845           | <b>24</b>  | 17,500      |
|                             | <b>25</b>                                                                                                                                               | 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 . . . . . |            |             | 28,612,492        | <b>25</b>  | 33,431,549  |
|                             | <b>26</b>                                                                                                                                               | <b>Total liabilities.</b> Add lines 17 through 25 . . . . .                                                                                                                     |            |             | 158,862,071       | <b>26</b>  | 162,439,194 |
| Net Assets or Fund Balances | <b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b> |                                                                                                                                                                                 |            |             |                   |            |             |
|                             | <b>27</b>                                                                                                                                               | Unrestricted net assets . . . . .                                                                                                                                               |            |             | 183,159,661       | <b>27</b>  | 161,034,469 |
|                             | <b>28</b>                                                                                                                                               | Temporarily restricted net assets . . . . .                                                                                                                                     |            |             | 843,841           | <b>28</b>  | 827,602     |
|                             | <b>29</b>                                                                                                                                               | Permanently restricted net assets . . . . .                                                                                                                                     |            |             |                   | <b>29</b>  |             |
|                             | <b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>                          |                                                                                                                                                                                 |            |             |                   |            |             |
|                             | <b>30</b>                                                                                                                                               | Capital stock or trust principal, or current funds . . . . .                                                                                                                    |            |             |                   | <b>30</b>  |             |
|                             | <b>31</b>                                                                                                                                               | Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                       |            |             |                   | <b>31</b>  |             |
|                             | <b>32</b>                                                                                                                                               | Retained earnings, endowment, accumulated income, or other funds . . . . .                                                                                                      |            |             |                   | <b>32</b>  |             |
|                             | <b>33</b>                                                                                                                                               | Total net assets or fund balances . . . . .                                                                                                                                     |            |             | 184,003,502       | <b>33</b>  | 161,862,071 |
|                             | <b>34</b>                                                                                                                                               | Total liabilities and net assets/fund balances . . . . .                                                                                                                        |            |             | 342,865,573       | <b>34</b>  | 324,301,265 |

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 | 241,927,687 |
| 2 | Total expenses (must equal Part IX, column (A), line 25)                                                      | 2 | 238,869,830 |
| 3 | Revenue less expenses Subtract line 2 from line 1                                                             | 3 | 3,057,857   |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | 184,003,502 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)                                          | 5 | -25,199,288 |
| 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 | 161,862,071 |

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<br>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?<br>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<br><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  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(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)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>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                                                 | <b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization                                                                                                                                                                           | <input type="checkbox"/> |
| b                                                   | <b>33 1/3% support test—2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization                                                                                                                                                                    | <input type="checkbox"/> |
| 17a                                                 | <b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> 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                                                   | <b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> 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                                                  | <b>Private Foundation</b> 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 C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

|                                                                |                                              |
|----------------------------------------------------------------|----------------------------------------------|
| Name of the organization<br>CRITTENTON HOSPITAL MEDICAL CENTER | Employer identification number<br>38-1359247 |
|----------------------------------------------------------------|----------------------------------------------|

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

|   |                                                                                                                                                                        |      |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 1 | Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV |      |
| 2 | Political expenditures                                                                                                                                                 | ▶ \$ |
| 3 | Volunteer hours                                                                                                                                                        |      |

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

|    |                                                                                         |                                                          |
|----|-----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1  | Enter the amount of any excise tax incurred by the organization under section 4955      | ▶ \$                                                     |
| 2  | Enter the amount of any excise tax incurred by organization managers under section 4955 | ▶ \$                                                     |
| 3  | If the organization incurred a section 4955 tax, did it file Form 4720 for this year?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made?                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b  | If "Yes," describe in Part IV                                                           |                                                          |

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

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                          |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Enter the amount directly expended by the filing organization for section 527 exempt function activities                                                                                                                                                                                                                                                                                                                                                                                                                                | ▶ \$                                                     |
| 2 | Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities                                                                                                                                                                                                                                                                                                                                                                                                        | ▶ \$                                                     |
| 3 | Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b                                                                                                                                                                                                                                                                                                                                                                                                                                          | ▶ \$                                                     |
| 4 | Did the filing organization file Form 1120-POL for this year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5 | Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV |                                                          |

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

Part II-A

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

- A
- Check
- ☐
- if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check
- ☐
- if the filing organization checked box A and "limited control" provisions apply

| Limits on Lobbying Expenditures<br>(The term "expenditures" means amounts paid or incurred.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                   | (a) Filing<br>Organization's<br>Totals          | (b) Affiliated<br>Group<br>Totals                        |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------|--------------------|------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------|-------------|--|--|
| 1a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total lobbying expenditures to influence public opinion (grass roots lobbying)                                                                    |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total lobbying expenditures to influence a legislative body (direct lobbying)                                                                     |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total lobbying expenditures (add lines 1a and 1b)                                                                                                 |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Other exempt purpose expenditures                                                                                                                 |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| e                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total exempt purpose expenditures (add lines 1c and 1d)                                                                                           |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| f                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Lobbying nontaxable amount. Enter the amount from the following table in both columns.                                                            |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table> |                                                                                                                                                   | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is:                       | Not over \$500,000 | 20% of the amount on line 1e | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000 | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000 | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000 | Over \$17,000,000 | \$1,000,000 |  |  |
| If the amount on line 1e, column (a) or (b) is:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The lobbying nontaxable amount is:                                                                                                                |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Not over \$500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 20% of the amount on line 1e                                                                                                                      |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$500,000 but not over \$1,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$100,000 plus 15% of the excess over \$500,000                                                                                                   |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$1,000,000 but not over \$1,500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$175,000 plus 10% of the excess over \$1,000,000                                                                                                 |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$1,500,000 but not over \$17,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$225,000 plus 5% of the excess over \$1,500,000                                                                                                  |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Over \$17,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$1,000,000                                                                                                                                       |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| g                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Grassroots nontaxable amount (enter 25% of line 1f)                                                                                               |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| h                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Subtract line 1g from line 1a. If zero or less, enter -0-                                                                                         |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Subtract line 1f from line 1c. If zero or less, enter -0-                                                                                         |                                                 |                                                          |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| j                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? |                                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |

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

| Lobbying Expenditures During 4-Year Averaging Period      |          |          |          |          |           |
|-----------------------------------------------------------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in)               | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) Total |
| 2a Lobbying non-taxable amount                            |          |          |          |          |           |
| b Lobbying ceiling amount (150% of line 2a, column(e))    |          |          |          |          |           |
| c Total lobbying expenditures                             |          |          |          |          |           |
| d Grassroots non-taxable amount                           |          |          |          |          |           |
| e Grassroots ceiling amount (150% of line 2d, column (e)) |          |          |          |          |           |
| f Grassroots lobbying expenditures                        |          |          |          |          |           |

Part II-B

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

|    |                                                                                                                                                                                                                              | (a) |    | (b)    |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
|    |                                                                                                                                                                                                                              | Yes | No | Amount |
| 1  | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of |     |    |        |
| a  | Volunteers?                                                                                                                                                                                                                  |     | No |        |
| b  | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?                                                                                                                                 | Yes |    |        |
| c  | Media advertisements?                                                                                                                                                                                                        |     | No |        |
| d  | Mailings to members, legislators, or the public?                                                                                                                                                                             |     | No |        |
| e  | Publications, or published or broadcast statements?                                                                                                                                                                          |     | No |        |
| f  | Grants to other organizations for lobbying purposes?                                                                                                                                                                         |     | No |        |
| g  | Direct contact with legislators, their staffs, government officials, or a legislative body?                                                                                                                                  |     | No |        |
| h  | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?                                                                                                                                    |     | No |        |
| i  | Other activities? If "Yes," describe in Part IV                                                                                                                                                                              | Yes |    | 55,000 |
| j  | Total lines 1c through 1i                                                                                                                                                                                                    |     |    | 55,000 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?                                                                                                                                |     | No |        |
| b  | If "Yes," enter the amount of any tax incurred under section 4912                                                                                                                                                            |     |    |        |
| c  | If "Yes," enter the amount of any tax incurred by organization managers under section 4912                                                                                                                                   |     |    |        |
| d  | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?                                                                                                                                 |     |    |        |

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

| Identifier                         | Return Reference  | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXPLANATION OF LOBBYING ACTIVITIES | PART II-B, LINE 1 | CRITTENTON HOSPITAL MEDICAL CENTER INDIRECTLY CONDUCTS LOBBYING ACTIVITIES THROUGHOUT THE YEAR. THE HOSPITAL HAS ENGAGED THE SERVICES OF A PROFESSIONAL LOBBYIST, WHO PERIODICALLY MEETS WITH FEDERAL, STATE, AND LOCAL LEGISLATORS TO DISCUSS ITEMS OF IMPORTANCE TO THE HOSPITAL AND HEALTH CARE INDUSTRY, AND ISSUES AFFECTING THE HEALTH CARE NEEDS OF THE COMMUNITY. THE EXPENDITURES LISTED IN PART II-B ARE FEES AND EXPENSE REIMBURSEMENTS PAID TO THE LOBBYIST DURING THE YEAR. ON RARE OCCASIONS, THE HOSPITAL ENCOURAGES ITS EMPLOYEES TO CONTACT LEGISLATORS TO CONSIDER CHANGES IN THE LAW THAT WOULD IMPROVE THE REGULATORY CLIMATE AFFECTING THE HEALTH CARE INDUSTRY AND ULTIMATELY, HEALTH CARE NEEDS OF THE COMMUNITY. THE HOSPITAL SERVES THE "GRASSROOT" LOBBYING IS INFREQUENT, AND INVOLVES NO SIGNIFICANT EXPENDITURES BY EITHER THE HOSPITAL OR ITS EMPLOYEES. NONE OF THIS ACTIVITY (DIRECT OR INDIRECT) INVOLVES POLITICAL CAMPAIGN ACTIVITY. |

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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.

Name of the organization  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

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?                                                           |                              |
|   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                           |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit |                              |
|   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                           |                              |

Part II

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)  
☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

Part III

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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 . . . . .                     | 843,841         | 964,434       | 1,026,646         | 1,062,921           |                    |
| b Contributions . . . . .                                  | 219,377         | 167,277       | 152,319           | 168,931             |                    |
| c Investment earnings or losses . . . . .                  | 12,055          | 17,908        | 19,315            | 15,719              |                    |
| d Grants or scholarships . . . . .                         |                 |               |                   |                     |                    |
| e Other expenditures for facilities and programs . . . . . | 243,647         | 295,562       | 218,961           | 203,894             |                    |
| f Administrative expenses . . . . .                        | 4,025           | 10,216        | 14,885            | 17,031              |                    |
| g End of year balance . . . . .                            | 827,601         | 843,841       | 964,434           | 1,026,646           |                    |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶ 100 000 %

3a

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

(i) unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii) related organizations . . . . .

3a(ii)

☐ Yes

b

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

3b

☐ Yes

4

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

Part VI

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 . . . . .                                                                                    |                                      | 2,565,744                      |                              | 2,565,744      |
| b Buildings . . . . .                                                                                |                                      | 182,076,640                    | 89,054,583                   | 93,022,057     |
| c Leasehold improvements . . . . .                                                                   |                                      | 1,732,459                      | 887,455                      | 845,004        |
| d Equipment . . . . .                                                                                |                                      | 109,889,986                    | 75,576,013                   | 34,313,973     |
| e Other . . . . .                                                                                    |                                      | 17,153,846                     | 2,173,116                    | 14,980,730     |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . |                                      |                                |                              | 145,727,508    |

Schedule D (Form 990) 2011



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

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

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

|                                                                                                                                                                                                                                                                                                                |                  |                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>Part XIV    Supplemental Information</b>                                                                                                                                                                                                                                                                    |                  |                                                                                                                             |
| Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information. |                  |                                                                                                                             |
| Identifier                                                                                                                                                                                                                                                                                                     | Return Reference | Explanation                                                                                                                 |
| DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS                                                                                                                                                                                                                                                                 | PART V, LINE 4   | THE ENDOWMENT FUNDS ARE USED FOR THE GIFT SHOP, THE AUXILLIARY AND THE HOSPITAL FOR GRANTS, SCHOLARSHIPS AND OTHER EXPENSES |

Additional Data

Software ID:

Software Version:

EIN: 38-1359247

Name: CRITTENTON HOSPITAL MEDICAL CENTER

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

| (a) Description                         | (b) Book value |
|-----------------------------------------|----------------|
| 15000 ACCOUNTS RECEIVABLE AFFILIATES    | 1,063,796      |
| 14010 MISCELLANEOUS ACCOUNTS RECEIVABLE | 1,557,280      |
| 14300 ACCOUNTS RECEIVABLE POWERWORKS    | 72,336         |
| 14030 CASH RESTRICTED BY BOND COVENANTS | -1,867,143     |
| 14090 DEBT SECURITIES                   | 4,130,089      |
| 8110-18140 DEBT ISSUANCE COST           | 749,915        |
| 18160 LONG TERM ACCOUNTS RECEIVABLE     | 4,220,006      |
| 18170 ACCOUNTS RECEIVABLE KARMANOS      | 585,653        |
| 19010 ACCOUNTS RECEIVABLE SAAC          | 6,287,318      |
| 14400 DUE FROM THIRD PARTY              | 1,067,458      |
| 19110 PHYSICIAN LOAN FOREGIVENESS       | 795,154        |
| 19120 PHYSICIAN LOANS                   | 617,515        |
| 19100 LOAN RECEIVABLE DOCTORS HOSPITAL  | 3,750,000      |

SCHEDULE F  
(Form 990)

Statement of Activities Outside the United States

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

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

Part I

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

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States
- 3 Activites per Region (Use Part V if additional space is needed )

| (a) Region                                 | (b) Number of offices in the region | (c) Number of employees or agents in region or independent contractors | (d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for region/investments in region |
|--------------------------------------------|-------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| CENTRAL AMERICA/CARIBBEAN                  | 0                                   | 0                                                                      | PROGRAM SERVICES                                                                                                                            | INSURANCE                                                                                          | 536,288                                                 |
| CENTRAL AMERICA/CARIBBEAN                  | 0                                   | 0                                                                      | INVESTMENT                                                                                                                                  |                                                                                                    | 164,489                                                 |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
|                                            |                                     |                                                                        |                                                                                                                                             |                                                                                                    |                                                         |
| 3a Sub-total                               | 0                                   | 0                                                                      |                                                                                                                                             |                                                                                                    | 700,777                                                 |
| b Total from continuation sheets to Part I | 0                                   | 0                                                                      |                                                                                                                                             |                                                                                                    | 0                                                       |
| c Totals (add lines 3a and 3b)             | 0                                   | 0                                                                      |                                                                                                                                             |                                                                                                    | 700,777                                                 |

**1**

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

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

[illegible]

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐ Yes ☒ No

Additional Data

Software ID:  
Software Version:  
EIN: 38-1359247  
Name: CRITTENTON HOSPITAL MEDICAL CENTER

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

SCHEDULE G  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information Regarding  
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,  
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public  
Inspection

Name of the organization  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☐ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? |    | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col (i) | (vi) Amount paid to (or retained by) organization |
|-----------------------------------------------------------|---------------|----------------------------------------------------------------|----|-----------------------------------|------------------------------------------------------------------|---------------------------------------------------|
|                                                           |               | Yes                                                            | No |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
|                                                           |               |                                                                |    |                                   |                                                                  |                                                   |
| Total . . . . . ▶                                         |               |                                                                |    |                                   |                                                                  |                                                   |

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50083H Schedule G (Form 990 or 990-EZ) 2011

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

| Revenue         |                                              |                                                                       | (a) Event #1      | (b) Event #2    | (c) Other Events | (d) Total Events     |            |
|-----------------|----------------------------------------------|-----------------------------------------------------------------------|-------------------|-----------------|------------------|----------------------|------------|
|                 |                                              |                                                                       | <u>SHEET SALE</u> | <u>\$6 SALE</u> | <u>14</u>        | (Add col (a) through |            |
|                 |                                              |                                                                       | (event type)      | (event type)    | (total number)   | col (c))             |            |
|                 | 1                                            | Gross receipts . . . . .                                              | 13,290            | 10,488          | 20,005           | 43,783               |            |
|                 | 2                                            | Less Charitable contributions . . . . .                               |                   |                 | 500              | 500                  |            |
| 3               | Gross income (line 1 minus line 2) . . . . . | 13,290                                                                | 10,488            | 19,505          | 43,283           |                      |            |
| Direct Expenses | 4                                            | Cash prizes . . . . .                                                 |                   |                 |                  |                      |            |
|                 | 5                                            | Non-cash prizes . . . . .                                             |                   |                 |                  |                      |            |
|                 | 6                                            | Rent/facility costs . . . . .                                         |                   |                 |                  |                      |            |
|                 | 7                                            | Food and beverages . . . . .                                          |                   |                 |                  |                      |            |
|                 | 8                                            | Entertainment . . . . .                                               |                   |                 |                  |                      |            |
|                 | 9                                            | Other direct expenses . . . . .                                       | 8,842             | 8,565           | 15,292           | 32,699               |            |
|                 | 10                                           | Direct expense summary Add lines 4 through 9 in column (d). . . . . ▶ |                   |                 |                  |                      | ( 32,699 ) |
|                 | 11                                           | Net income summary Combine lines 3 and 10 in column (d). . . . . ▶    |                   |                 |                  |                      |            |
|                 |                                              |                                                                       |                   |                 |                  | 10,584               |            |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| Revenue         |                                                                             | (a) Bingo                                                         | (b) Pull tabs/Instant<br>bingo/progressive bingo                  | (c) Other gaming                                                  | (d) Total gaming<br>(Add col (a) through<br>col (c)) |
|-----------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------|
|                 | 1 Gross revenue . . . . .                                                   |                                                                   |                                                                   |                                                                   |                                                      |
| Direct Expenses | 2 Cash prizes . . . . .                                                     |                                                                   |                                                                   |                                                                   |                                                      |
|                 | 3 Non-cash prizes . . . . .                                                 |                                                                   |                                                                   |                                                                   |                                                      |
|                 | 4 Rent/facility costs . . . . .                                             |                                                                   |                                                                   |                                                                   |                                                      |
|                 | 5 Other direct expenses . . . . .                                           |                                                                   |                                                                   |                                                                   |                                                      |
|                 | 6 Volunteer labor . . . . .                                                 | <input type="checkbox"/> Yes .....<br><input type="checkbox"/> No | <input type="checkbox"/> Yes .....<br><input type="checkbox"/> No | <input type="checkbox"/> Yes .....<br><input type="checkbox"/> No |                                                      |
|                 | 7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶    |                                                                   |                                                                   |                                                                   | ( )                                                  |
|                 | 8 Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶ |                                                                   |                                                                   |                                                                   |                                                      |

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . . ☐ Yes ☐ No

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . ☐ Yes ☐ No

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 11

Does the organization operate gaming activities with nonmembers?

Yes

No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

Yes

No

13

Indicate the percentage of gaming activity operated in

|   |                             |     |
|---|-----------------------------|-----|
| a | The organization's facility | 13a |
| b | An outside facility         | 13b |

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

Yes

No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation

\$

Description of services provided

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

Yes

No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV

Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

| Identifier | ReturnReference | Explanation |
|------------|-----------------|-------------|
|------------|-----------------|-------------|

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**  
CRITTENTON HOSPITAL MEDICAL CENTER

**Employer identification number**  
38-1359247

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<br><div><input checked="" type="checkbox"/> Applied uniformly to all hospitals<br/><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<br><br>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<br><div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____%</div><br>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 . . . . .<br><div><input type="checkbox"/> 200%<input checked="" type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____%</div><br>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 | 3a  | Yes |    |
| 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) . . . . .                                                   |                                                 |                               | 544,708                             |                               | 544,708                           | 0 240 %                      |
| b Medicaid (from Worksheet 3, column a) . . . . .                                                     | 1                                               |                               | 18,509,422                          | 13,093,138                    | 5,416,284                         | 2 380 %                      |
| c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .              |                                                 |                               | 234,353                             | 213,871                       | 20,482                            | 0 010 %                      |
| d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .                            | 1                                               |                               | 19,288,483                          | 13,307,009                    | 5,981,474                         | 2 630 %                      |
| Other Benefits                                                                                        |                                                 |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . . | 1,480                                           | 24,360                        | 554,663                             | 0                             | 554,663                           | 0 240 %                      |
| f Health professions education (from Worksheet 5) . . . . .                                           | 870                                             | 3,318                         | 8,184,220                           | 1,502,935                     | 6,681,285                         | 2 940 %                      |
| g Subsidized health services (from Worksheet 6) . . . . .                                             |                                                 |                               |                                     |                               |                                   |                              |
| h Research (from Worksheet 7) . . . . .                                                               | 1                                               | 50                            | 72,800                              | 0                             | 72,800                            | 0 030 %                      |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .                   | 68                                              | 11,915                        | 108,150                             | 0                             | 108,150                           | 0 050 %                      |
| j <b>Total</b> Other Benefits . . . . .                                                               | 2,419                                           | 39,643                        | 8,919,833                           | 1,502,935                     | 7,416,898                         | 3 260 %                      |
| k <b>Total.</b> Add lines 7d and 7j . . . . .                                                         | 2,420                                           | 39,643                        | 28,208,316                          | 14,809,944                    | 13,398,372                        | 5 890 %                      |

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                                         | 8                                               | 1,533                         | 1,948                                | 0                             | 1,948                              | 0 %                          |
| 4Environmental improvements                                |                                                 |                               |                                      |                               |                                    |                              |
| 5Leadership development and training for community members | 20                                              | 1,000                         | 21,913                               | 0                             | 21,913                             | 0 010 %                      |
| 6Coalition building                                        | 76                                              | 1,555                         | 37,485                               | 0                             | 37,485                             | 0 020 %                      |
| 7Community health improvement advocacy                     |                                                 |                               |                                      |                               |                                    |                              |
| 8Workforce development                                     |                                                 |                               |                                      |                               |                                    |                              |
| 9Other                                                     |                                                 |                               |                                      |                               |                                    |                              |
| 10Total                                                    | 104                                             | 4,088                         | 61,346                               |                               | 61,346                             | 0 030 %                      |

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

|   |                                                                                                                                                                                                                                                                                                                  | Yes | No         |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|
| 1 | Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?                                                                                                                                                                                     | 1   | No         |
| 2 | Enter the amount of the organization's bad debt expense                                                                                                                                                                                                                                                          | 2   | 11,426,145 |
| 3 | Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy                                                                                                                                                                 | 3   | 5,713,073  |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. |     |            |

Section B. Medicare

|   |                                                                                                                                                                                                                                                                                                                                                                                                                       |   |            |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------|
| 5 | Enter total revenue received from Medicare (including DSH and IME)                                                                                                                                                                                                                                                                                                                                                    | 5 | 67,815,398 |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5                                                                                                                                                                                                                                                                                                                                                 | 6 | 75,128,123 |
| 7 | Subtract line 6 from line 5. This is the surplus or (shortfall)                                                                                                                                                                                                                                                                                                                                                       | 7 | -7,312,725 |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:<br><input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other |   |            |

Section C. Collection Practices

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

Part 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 1 USC LLC        | SURGICAL CENTER                               | 28 700 %                                         |                                                                                   | 71 300 %                                      |
| 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

**Schedule H (Form 990) 2011**

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)

CRITTENTON HOSPITAL MEDICAL CENTER

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 . . . . .<br>If "Yes," indicate what the Needs Assessment describes (check all that apply)<br>a <input type="checkbox"/> A definition of the community served by the hospital facility<br>b <input type="checkbox"/> Demographics of the community<br>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<br>d <input type="checkbox"/> How data was obtained<br>e <input type="checkbox"/> The health needs of the community<br>f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups<br>g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs<br>h <input type="checkbox"/> The process for consulting with persons representing the community's interests<br>i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs<br>j <input type="checkbox"/> Other (describe in Part VI) | 1   |     |
| 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? . . . . .<br>If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)<br>a <input type="checkbox"/> Hospital facility's website<br>b <input type="checkbox"/> Available upon request from the hospital facility<br>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)<br>a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community<br>b <input type="checkbox"/> Execution of the implementation strategy<br>c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility<br>d <input type="checkbox"/> Participation in community-wide community benefit plan<br>e <input type="checkbox"/> Inclusion of a community benefit section in operational plans<br>f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA<br>g <input type="checkbox"/> Prioritization of health needs in the community<br>h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community<br>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? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for free care 200 0000000000000%<br>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? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250 000000000000%</u><br>If "No," explain in Part VI the criteria the hospital facility used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 10  | Yes |  |
| 11 | Explained the basis for calculating amounts charged to patients? . . . . .<br>If "Yes," indicate the factors used in determining such amounts (check all that apply)<br>a <input checked="" type="checkbox"/> Income level<br>b <input checked="" type="checkbox"/> Asset level<br>c <input checked="" type="checkbox"/> Medical indigency<br>d <input checked="" type="checkbox"/> Insurance status<br>e <input checked="" type="checkbox"/> Uninsured discount<br>f <input checked="" type="checkbox"/> Medicaid/Medicare<br>g <input checked="" type="checkbox"/> State regulation<br>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? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)<br>a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site<br>b <input checked="" type="checkbox"/> The policy was attached to all billing invoices<br>c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms<br>d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices<br>e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility<br>f <input type="checkbox"/> The policy was available upon request<br>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<br>a <input type="checkbox"/> Reporting to credit agency<br>b <input type="checkbox"/> Lawsuits<br>c <input type="checkbox"/> Liens on residences<br>d <input type="checkbox"/> Body attachments or arrests<br>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? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged<br>a <input type="checkbox"/> Reporting to credit agency<br>b <input type="checkbox"/> Lawsuits<br>c <input type="checkbox"/> Liens on residences<br>d <input type="checkbox"/> Body attachments<br>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)<br>a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission<br>b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge<br>c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills<br>d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy<br>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? . . . . .<br>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 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? . . . . .<br>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?<br>. . . . .<br>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? 1

| Name and address |                                                            | Type of Facility (Describe) |
|------------------|------------------------------------------------------------|-----------------------------|
| <b>1</b>         | USC LLC<br>4800 INVESTMENT DRIVE STE 370<br>TROY, MI 48098 | SURGICAL CENTER             |
| <b>2</b>         |                                                            |                             |
| <b>3</b>         |                                                            |                             |
| <b>4</b>         |                                                            |                             |
| <b>5</b>         |                                                            |                             |
| <b>6</b>         |                                                            |                             |
| <b>7</b>         |                                                            |                             |
| <b>8</b>         |                                                            |                             |
| <b>9</b>         |                                                            |                             |
| <b>10</b>        |                                                            |                             |

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 3C CRITTENTON HOSPITAL MEDICAL CENTER USED THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILTY FOR PROVIDING BOTH 'FREE' CARE AND 'DISCOUNTED' CARE TO LOW INCOME INDIVIDUALS THE FAMILY INCOME LIMIT USED IS 200% FOR 'FREE' CARE AND 250% FOR 'DISCOUNTED' CARE |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                         |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 7 THE COSTING METHOD USED FOR FINANCIAL ASSISTANCE AND MEANS TESTED GOVERNMENT PROGRAMS WAS A COST TO CHARGE RATIO FROM WORKSHEET 2 AND OTHER COMMUNITY BENEFITS WAS CALCULATED BASED UPON ACTUAL COST |

| Identifier | ReturnReference | Explanation                                                                                               |
|------------|-----------------|-----------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 7G CRITTENTON HOSPITAL MEDICAL CENTER DOES NOT HAVE ANY SUBSIDIZED HEALTH SERVICES TO REPORT |

| Identifier | ReturnReference | Explanation                                                                                                                                 |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, L7 COL(F) THE BAD DEBT EXPENSE OF \$11,426,145 WAS REMOVED FROM THE DENOMINATOR FOR THE CALCULATION OF THE PERCENT OF TOTAL EXPENSE |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART II COMMUNITY HEALTH LEADERSHIP AND OTHER SENIOR LEADERS ACTIVELY PARTICIPATE ON A BROAD RANGE OF COMMUNITY COALITIONS SUCH AS THE OLDER PERSON'S COMMISSION, ROCHESTER COMMUNITY SCHOOLS, ROCHESTER/AUBURN HILLS COMMUNITY COALITION, OAKLAND COUNTY OBESITY COALITION, REGION 2 NORTH, OAKLAND COUNTY MEDICAL CONTROL AUTHORITY, MICHIGAN DEPT OF COMMUNITY HEALTH, CROSSROADS PREGNANCY CENTER AND OTHERS THIS PROVIDES ONGOING KNOWLEDGE OF VARYING COMMUNITY NEEDS AND ADJUSTS AS ECONOMIC, ENVIRONMENTAL, AND HEALTHCARE CHANGES OCCUR IN CRITTENTON'S KEY COMMUNITIES THE VARIOUS PROGRAMS THAT CHMC OFFERS TO THE COMMUNITY HELP TO ENHANCE THE HEALTH STATUS BY EDUCATION, EARLY DETECTION, SCREENING, AND ACCESSIBILITY TO RESOURCES WE RECEIVE MULTIPLY STORIES EVERY YEAR STATING THAT IF THEY HAD NOT HAD ATTENDED ONE OF OUR SCREENINGS THEN THEY MAY NOT HAVE PURSUED FURTHER MEDICAL CARE OR TREATMENT THE SCREENING OR EDUCATION IS WHAT INCREASED THEIR AWARENESS AND ENCOURAGED THEM TO SEEK CARE AND THAT SCREENING OR ACTIVITY IS WHAT HELPED TO ENHANCE THEIR HEALTH |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 4 THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THE REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE HOSPITAL FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST DUE PATIENT BALANCES WITH COLLECTION AGENCIES THE HOSPITAL FOLLOWS THE POLICY OF PROVIDING HEALTH SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY CONSEQUENTLY, THE HOSPITAL PROVIDES HEALTH SERVICES FREE OF CHARGE OR AT AMOUNTS LESS THAN ITS FULL COSTS OF PROVIDING CARE TO CERTAIN CATEGORIES OF PATIENTS THE ESTIMATED BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY WAS CALCULATED USING THE HISTORICAL PERCENTAGE BASED ON CHARITY CARE APPLICATIONS APPROVED |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 8 AS A NON-PROFIT HOSPITAL, CRITTENTON HOSPITAL MEDICAL CENTER IS REQUIRED TO PROVIDE MINIMAL LEVELS OF COMMUNITY BENEFIT IN EXCHANGE FOR OUR TAX EXEMPT STATUS THESE COMMUNITY BENEFITS INCLUDE HEALTH EDUCATION OPPORTUNITIES, CHARITY AND BAD DEBT WRITEOFFS, AND OUR LOSSES ON MEDICARE IN KEEPING WITH OUR MISSION TO PROMOTE HEALTH IN THE COMMUNITY, WE PROVIDE CARE TO MEDICARE BENEFICIARIES AT A LOSS, THUS HELPING TO RELIEVE THE GOVERNMENT BURDEN OF TREATING THESE PATIENTS WHO MAY OTHERWISE HAVE THEIR ACCESS TO CARE LIMITED |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 9B IT IS THE POLICY OF CRITTENTON HOSPITAL MEDICAL CENTER TO REQUIRE PAYMENT IN FULL FOR ALL SERVICES RENDERED, WHICH ARE PATIENT PAY, UPON RECEIPT OF THEIR FIRST STATEMENT THE PATIENT THEN HAS THIRTY DAYS TO REMIT PAYMENT IN FULL THE BURDEN OF PROOF OF A PATIENT'S INABILITY TO PAY IN FULL IS THE RESPONSIBILITY OF THE PATIENT IF THE PATIENT CAN PROVE AN INABILITY TO PAY THEIR DEBT IN FULL, PARTIAL PAYMENT ARRANGEMENTS CAN BE MADE IT IS ALSO THE POLICY OF THE HOSPITAL TO PROVIDE THE PATIENT WITH INFORMATION REGARDING THE AVAILABILITY OF WHATEVER SOCIAL SERVICES MAY BE APPLICABLE FOR THE PATIENT IN ADDITION, A CHARITY CARE APPLICATION MAY ALSO BE PROVIDED |

| Identifier                         | ReturnReference | Explanation                                                                                                                          |
|------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| CRITTENTON HOSPITAL MEDICAL CENTER |                 | PART V, SECTION B, LINE 9 THE HOSPITAL TAKES PART AND ASSISTS PATIENTS IN QUALIFYING FOR THE COUNTY INDIGENT HOSPITALIZATION PROGRAM |

| Identifier                         | ReturnReference | Explanation                                                                                                                                                                                                                                          |
|------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CRITTENTON HOSPITAL MEDICAL CENTER |                 | PART V, SECTION B, LINE 10 FINANCIAL COUNSELORS ARE ON SITE AND CONTACTED WHENEVER A PATIENT COMES INTO THE HOSPITAL WITHOUT INSURANCE THESE COUNSELORS ASSIST THE PATIENTS IN QUALIFYING FOR COUNTY, STATE, FEDERAL OR HOSPITAL ASSISTANCE PROGRAMS |

| Identifier                         | ReturnReference | Explanation                                                                                                                                                                                                                                                          |
|------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CRITTENTON HOSPITAL MEDICAL CENTER |                 | PART V, SECTION B, LINE 19D CRITTENTON HOSPITAL MEDICAL CENTER BILLS BASED UPON THE EMERGENCY ROOM CHARGEMASTER, NOT ON ANY PARTICULAR PAYERS CONTRACTED REIMBURSEMENT RATE THE HOSPITAL WILL PROVIDE A 25% DISCOUNT TO ANY EMERGENCY ROOM PATIENT THAT REQUESTS ONE |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 2 THE ALLOCATION OF CRITTENTON'S RESOURCES TO IMPROVE THE HEALTH STATUS AND QUALITY OF LIFE OF COMMUNITY RESIDENTS ARE BASED ON COMMUNITY NEEDS THAT ARE IDENTIFIED BOTH THROUGH THE STRATEGIC PLANNING PROCESS AND THROUGH A YEARLY COMPREHENSIVE REVIEW OF COUNTY, STATE AND FEDERAL HEALTHCARE DATA BY CRITTENTON'S COMMUNITY HEALTH AND EDUCATION DEPARTMENT COMMUNITY NEEDS INFORMATION IS GATHERED FROM BOTH THE CDC'S NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEMS AND THROUGH THE MICHIGAN DEPARTMENT OF COMMUNITY HEALTH FOR EXAMPLE, IN 2008 THE NEED FOR A SCHOOL NURSE PROGRAM WAS IDENTIFIED WITH THE ROCHESTER COMMUNITY SCHOOLS CRITTENTON'S COMMUNITY HEALTH AND EDUCATION DEPARTMENT DEVELOPED AND IMPLEMENTED THE PROGRAM WHICH NOW SERVES 14,000 STUDENTS AND MANAGES 450 MEDICAL MANAGEMENT PROGRAMS IN 2009 AND AGAIN IN 2010, PARTICIPATION WITH THE ROCHESTER/AUBURN HILLS COALITION RESULTED IN CRITTENTON'S SPONSORING RACHEL'S CHALLENGE, A PROGRAM WHICH PROVIDES SUICIDE PREVENTION AND INTERVENTION AND IMPROVED PEER TO PEER CONFLICT MANAGEMENT SKILLS FOR AREA YOUTH |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 3 CRITTENTON HOSPITAL MEDICAL CENTER DOES A NUMBER OF THINGS IN ORDER TO EDUCATE AND/OR ASSIST A PATIENT IN RECEIVING OUTSIDE ASSISTANCE, INCLUDING THE FOLLOWING 1 SIGNAGE IS POSTED AT REGISTRATION POINTS AROUND THE HOSPITAL REGARDING ASSISTANCE AVAILABLE TO PAY FOR SERVICES AS WELL AS OUR UNCOMPENSATED SERVICES PROGRAM, HANDOUTS ARE GIVEN TO THE PATIENTS AND THE PROGRAM IS OUTLINED ON THE BACK OF EVERY STATEMENT THAT IS SENT TO THE PATIENT 2 FINANCIAL COUNSELORS ARE ON SITE THAT ARE CONTACTED EVERY TIME A PATIENT WITHOUT INSURANCE COMES INTO THE EMERGENCY ROOM OR IS ADMITTED TO THE HOSPITAL IN THE PAST 12 MONTHS THE FINANCIAL COUNSELORS HAVE ASSISTED OVER 600 PATIENTS IN QUALIFYING FOR COUNTY, STATE, FEDERAL, OR HOSPITAL ASSISTANCE PROGRAMS 3 TAKE PART AND ASSIST PATIENTS IN QUALIFYING FOR THE COUNTY INDIGENT HOSPITALIZATION PROGRAM WHICH IS RUN DIRECTLY THROUGH THE HOSPITAL AND PLACES VIRTUALLY NO BURDEN OF ANY TYPE ON THE PATIENT IN ORDER TO BE QUALIFIED 4 ALL MANAGERS THAT DEAL WITH THE PUBLIC ARE DIRECTLY INFORMED OF OUR UNCOMPENSATED SERVICE PROGRAMS AND VERBALLY ASSIST PATIENTS WITH SUGGESTIONS AS WELL AS OUR CASHIERS HAVING ACCESS TO THE SAME INFORMATION AND TRAINING 5 OFFER ASSISTANCE TO NEWBORN MOTHERS WITHOUT INSURANCE IN THE FORM OF ASSISTANCE IN APPLYING FOR MEDICAID AND PROVIDING MINIMAL PAYMENT OPTIONS |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 4 CRITTENTON IS A 290 BED ACUTE CARE HEALTH FACILITY SERVING COMMUNITIES IN OAKLAND, MACOMB, AND LAPEER COUNTIES THE ENTIRE SERVICE AREA ENCOMPASSES 35 ZIP CODES IN THREE REGIONS AND IS FURTHER SUBDIVIDED INTO THREE SECTORS OUR CORE SECTOR WHICH ENCOMPASSES THE THREE ROCHESTER ZIP CODES, AND THE PRIMARY AND SECONDARY SECTORS THE DEMOGRAPHIC SKEW FOR THE AREA IS SLIGHTLY OLDER THAN THE NORM WITH HIGHER HOUSEHOLD INCOMES |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 5 CRITTENTON HOSPITAL MEDICAL CENTER DOESN'T WANT TO FORGET THE IMPORTANT ROLE THE COMMUNITY PLAYS IN ITS SUCCESS THE HOSPITAL IS ESPECIALLY GRATEFUL THAT THEY ARE ABLE TO GIVE BACK TO THE COMMUNITY THROUGH ESSENTIOAL HEALTHCARE SERVICES AND EDUCATION TO CATER TO THE UNMET NEEDS OF SO MANY IN ITS COMMUNITY OFFERING ADVANCED CARE AND SERVICES IN ONE OF THE MANY WAYS CRITTENTON SERVES ITS COMMUNITY CRITTENTON HAS PARTNERED WITH PREMIER ORGANIZATIONS TO FULFILL ITS MISSION OF ENHANCING THE HEALTH STATUS OF THE COMMUNITY, I E UNIVERSITY OF MICHIGAN, BARBARA ANN KARMANOS CANCER INSTITUTE, WAYNE STATE UNIVERSITY SCHOOL OF MEDICINE AND OAKLAND UNIVERSITY SCHOOL OF NURSING ARE JUST A FEW |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 6 CRITTENTON HOSPITAL MEDICAL CENTER IS DEDICATED TO PROVIDING CARE TO ALL RESIDENTS OF THE COMMUNITY, REGARDLESS OF THEIR FINANCIAL STATUS THROUGH UNCOMPENSATED CARE, GOVERNMENT SPONSORED HEALTH CARE, COMMUNITY HEALTH SERVICES AND DONATIONS THE HOSPITAL IS ABLE TO REACH OUT TO THE COMMUNITY THE FOUNDATION IS THE FUNDRAISING ARM OF THE ORGANIZATION THEY HAVE HOSTED EVENTS SUCH AS THE GOLF, TENNIS AND FUN WALK BENEFIT AND THE GOURMET GALA BENEFIT WHICH HAS RAISED MONEY FOR A VARIETY OF ENHANCEMENTS TO THE HOSPITAL THE CRITTENTON VOLUNTEER AUXILIARY IS AN INTEGRAL PART OF THE HOSPITAL'S SUCCESS THE GROUP CONTRIBUTES A GREAT DEAL OF TIME AND SERVICE TO FURTHER THE GOAL OF PROVIDING CLINICAL EXCELLENCE IN A COMFORTABLE,WELCOMING ENVIRONMENT SOME OF THE SERVICES THAT THEY PROVIDE INCLUDE CLERICAL ASSISTANCE, ESCORTING PATIENTS AROUND THE FACILITY, AND GREETING FAMILIES AND VISITORS THE CRITTENTON WELLNESS CENTER AND THE OLDER PERSONS COMMISSION HAVE COMBINED HEALTH, WELLNESS, EDUCATION AND ACTIVITIES ALL WITH THE OLDER PERSON IN MINDE MEMBERSHIP IS FREE TO RESIDENTS OF ROCHESTER, ROCHESTER HILLS, AND OAKLAND TOWNSHIP WHO ARE OLDER THAN AGE FIFTY CRITTENTON CANCER CENTER PROVIDES COMMUNITY MEMBERS WITH A NEW LOCAL RESOURCE FOR EXCEPTIONAL CANCER CARE THE SERVICES INCLUDED AT THE CANCER CENTER ARE CHEMOTHERAPY AND INFUSION, IMAGING, AND RADIATION THERAPY |

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

**Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States**  
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

# 2011

## Open to Public Inspection

Name of the organization  
CRITTENTON HOSPITAL MEDICAL CENTER

**Employer identification number**  
38-1359247

## Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☒ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II** **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed. ▶

[illegible]

- |          |                                                                                                           |          |
|----------|-----------------------------------------------------------------------------------------------------------|----------|
| <b>2</b> | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . | <b>1</b> |
| <b>3</b> | Enter total number of other organizations listed in the line 1 table . . . . .                            |          |

**Part III**

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

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

**Part IV**

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

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

Schedule 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  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

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                                                                                                                                                                                                                                                                                                                                                                                                           | 1b  |     |
| 2  | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?                                                                                                                                                                                                                                                                                                                                                                                                                  | 2   |     |
| 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 checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" 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?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4a  | Yes |
| b  | Participate in, or receive payment from, a supplemental nonqualified retirement plan?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4b  | No  |
| c  | Participate in, or receive payment from, an equity-based compensation arrangement?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4c  | No  |
|    | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |     |
|    | Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |     |
| 5  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |     |
| a  | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5a  | No  |
| b  | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5b  | No  |
|    | If "Yes," to line 5a or 5b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |
| 6  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     |     |
| a  | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6a  | No  |
| b  | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 6b  | No  |
|    | If "Yes," to line 6a or 6b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |
| 7  | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                              | 7   | No  |
| 8  | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                          | 8   | No  |
| 9  | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 9   |     |

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use 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) LYNN ORFGEN          | (i)  | 410,709                                            | 0                                   | 25,994                              | 22,000                                         | 21,616                  | 480,319                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (2) CYNTHIA LONG         | (i)  | 63,968                                             | 0                                   | 71,688                              | 7,747                                          | 3,902                   | 147,305                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (3) FRANK SOTTILE        | (i)  | 364,964                                            | 0                                   | 3,405                               | 22,000                                         | 29,548                  | 419,917                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (4) GREGORY PARTAMIAN    | (i)  | 212,785                                            | 0                                   | 6,504                               | 22,000                                         | 27,124                  | 268,413                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (5) KATHLEEN VANWAGONER  | (i)  | 156,752                                            | 0                                   | 2,183                               | 22,000                                         | 28,692                  | 209,627                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (6) MICHELLE HORNBERGER  | (i)  | 135,205                                            | 0                                   | 5,283                               | 15,000                                         | 24,213                  | 179,701                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (7) SAMAR KAZZIHA MD     | (i)  | 457,617                                            | 14,000                              | 1,880                               | 0                                              | 27,582                  | 501,079                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (8) DOUGLAS PUGMIRE DO   | (i)  | 421,854                                            | 0                                   | 32                                  | 0                                              | 25,299                  | 447,185                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (9) KEVIN FLOREK DO      | (i)  | 253,792                                            | 0                                   | 3,572                               | 22,000                                         | 28,671                  | 308,035                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (10) AMARBIR KHAIRA MD   | (i)  | 251,054                                            | 0                                   | 0                                   | 0                                              | 0                       | 251,054                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (11) NACIANCENO V WOO MD | (i)  | 206,668                                            | 0                                   | 2,002                               | 21,996                                         | 20,540                  | 251,206                         | 0                                                          |
|                          | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
|                          | (i)  |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (ii) |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (i)  |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (ii) |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (i)  |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (ii) |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (i)  |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
|                          | (ii) |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |

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 3   | THE AUDIT COMMITTEE REVIEWS THE PERFORMANCE AGAINST THE GOALS SET FOR THE CEO. IN ADDITION, THE AUDIT COMMITTEE PERFORMS A REVIEW OF THE TOTAL SALARY AGAINST MARKET STATISTICS. FROM THAT REVIEW, A RECOMMENDATION IS MADE TO THE EXECUTIVE COMMITTEE OF THE BOARD AND THE BOARD FOR APPROVAL.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|            | PART I, LINE 4A  | CYNTHIA LONG RECEIVED A SEVERANCE OF \$71,424 DURING 2011. EMPLOYEE AND EMPLOYER HAVE MUTUALLY AGREED TO TERMINATE EMPLOYEE'S EMPLOYMENT, EFFECTIVE FEBRUARY 28, 2011. EMPLOYEE WILL BE PROVIDED NOTICE OF HER RIGHTS UNDER COBRA. IF EMPLOYEE ELECTS TO ACCEPT THE TERMS OF THIS AGREEMENT, THE EMPLOYER WILL PAY THE COBRA PREMIUMS THROUGH JULY 16, 2011. THE EMPLOYER AGREES TO PAY EMPLOYEE SEVERANCE PAY, TWO WEEKS FOR EVERY YEAR OF SERVICE IN THE AMOUNT MINUS NORMAL LAWFUL DEDUCTIONS FOR TAXES AND WITHHOLDING. FURTHERMORE, EMPLOYEE HAS NOT WAIVED, RELEASED OR DISCHARGED EMPLOYER FROM PROVIDING TO HER ANY VESTED RETIREMENT BENEFITS. IN ADDITION, EMPLOYER AGREES TO REIMBURSE EMPLOYEE \$766.65 FOR NON-REFUNDABLE AIRFARE TO THE CAYMAN ISLANDS SCHEDULED ON BEHALF OF THE EMPLOYER. |
|            | PART I, LINE 5   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                                                                         |                                                                                                                                                                                                                                                                                                      |  |  |  |  |  |  |  |  |  |                                              |  |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|----------------------------------------------|--|
| <div>Schedule K<br/>(Form 990)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> | <div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).<br/>▶ Attach to Form 990. ▶ See separate instructions.</div> |  |  |  |  |  |  |  |  |  | OMB No 1545-0047                             |  |
|                                                                                                         |                                                                                                                                                                                                                                                                                                      |  |  |  |  |  |  |  |  |  | 2011                                         |  |
|                                                                                                         | Name of the organization<br>CRITTENTON HOSPITAL MEDICAL CENTER                                                                                                                                                                                                                                       |  |  |  |  |  |  |  |  |  | Employer identification number<br>38-1359247 |  |

Part I

Bond Issues

|   | (a) Issuer Name                           | (b) Issuer EIN | (c) CUSIP # | (d) Date Issued | (e) Issue Price | (f) Description of Purpose               | (g) Defeased |    | (h) On Behalf of Issuer |    | (i) Pool financing |    |
|---|-------------------------------------------|----------------|-------------|-----------------|-----------------|------------------------------------------|--------------|----|-------------------------|----|--------------------|----|
|   |                                           |                |             |                 |                 |                                          | Yes          | No | Yes                     | No | Yes                | No |
| A | MICHIGAN STATE HOSPITAL FINANCE AUTHORITY | 38-2889417     | 59465E4Z3   | 07-30-2003      | 52,400,000      | REFUNDED 2002B SERIES/ BUILDING EXPENSES |              | X  |                         | X  |                    | X  |
| B | MICHIGAN STATE HOSPITAL FINANCE AUTHORITY | 38-2889417     | 59465E5X7   | 12-23-2003      | 21,480,000      | REIMBURSE PRIOR CAPITAL EXPENDITURES     |              | X  |                         | X  |                    | X  |

Part II

Proceeds

|    |                                                                                                        | A          |    | B          |    | C          |  | D |  |
|----|--------------------------------------------------------------------------------------------------------|------------|----|------------|----|------------|--|---|--|
| 1  | Amount of bonds retired                                                                                |            |    |            |    |            |  |   |  |
| 2  | Amount of bonds defeased                                                                               |            |    |            |    |            |  |   |  |
| 3  | Total proceeds of issue                                                                                | 52,400,000 |    | 21,480,000 |    |            |  |   |  |
| 4  | Gross proceeds in reserve funds                                                                        |            |    |            |    |            |  |   |  |
| 5  | Capitalized interest from proceeds                                                                     |            |    |            |    |            |  |   |  |
| 6  | Proceeds in refunding escrow                                                                           |            |    |            |    |            |  |   |  |
| 7  | Issuance costs from proceeds                                                                           | 490,373    |    | 330,699    |    |            |  |   |  |
| 8  | Credit enhancement from proceeds                                                                       |            |    |            |    |            |  |   |  |
| 9  | Working capital expenditures from proceeds                                                             |            |    |            |    |            |  |   |  |
| 10 | Capital expenditures from proceeds                                                                     | 14,485,934 |    | 46,634     |    |            |  |   |  |
| 11 | Other spent proceeds                                                                                   |            |    |            |    |            |  |   |  |
| 12 | Other unspent proceeds                                                                                 |            |    |            |    |            |  |   |  |
| 13 | Year of substantial completion                                                                         | 2005       |    | 2003       |    | YesNoYesNo |  |   |  |
|    |                                                                                                        | Yes        | No | Yes        | No |            |  |   |  |
| 14 | Were the bonds issued as part of a current refunding issue?                                            | X          |    | X          |    |            |  |   |  |
| 15 | Were the bonds issued as part of an advance refunding issue?                                           |            | X  |            | X  |            |  |   |  |
| 16 | Has the final allocation of proceeds been made?                                                        | X          |    | X          |    |            |  |   |  |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X          |    | X          |    |            |  |   |  |

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

|    |                                                                                                                                                                                                                                      | A   |    | B   |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|    |                                                                                                                                                                                                                                      | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a | Are there any management or service contracts that may result in private business use?                                                                                                                                               |     |    |     |    |     |    |     |    |
| b  | If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?                                                   |     |    |     |    |     |    |     |    |
| c  | Are there any research agreements that may result in private business use of bond-financed property?                                                                                                                                 |     |    |     |    |     |    |     |    |
| d  | If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?                                                               |     |    |     |    |     |    |     |    |
| 4  | Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government                                                                      |     |    |     |    |     |    |     |    |
| 5  | Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government |     |    |     |    |     |    |     |    |
| 6  | Total of lines 4 and 5                                                                                                                                                                                                               |     |    |     |    |     |    |     |    |
| 7  | Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?                                                                                          |     |    |     |    |     |    |     |    |

Part IV

Arbitrage

|    |                                                                                                                                          | A   |    | B              |    | C   |    | D   |    |
|----|------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------------|----|-----|----|-----|----|
|    |                                                                                                                                          | Yes | No | Yes            | No | Yes | No | Yes | No |
| 1  | Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? |     | X  |                | X  |     |    |     |    |
| 2  | Is the bond issue a variable rate issue?                                                                                                 | X   |    | X              |    |     |    |     |    |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?                                     |     | X  | X              |    |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    | COMERICA       |    |     |    |     |    |
| c  | Term of hedge                                                                                                                            |     |    | 5 200000000000 |    |     |    |     |    |
| d  | Was the hedge superintegrated?                                                                                                           |     |    |                | X  |     |    |     |    |
| e  | Was a hedge terminated?                                                                                                                  |     |    |                | X  |     |    |     |    |
| 4a | Were gross proceeds invested in a GIC?                                                                                                   |     | X  |                | X  |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    |                |    |     |    |     |    |
| c  | Term of GIC                                                                                                                              |     |    |                |    |     |    |     |    |
| d  | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?                                              |     |    |                |    |     |    |     |    |
| 5  | Were any gross proceeds invested beyond an available temporary period?                                                                   |     | X  |                | X  |     |    |     |    |
| 6  | Did the bond issue qualify for an exception to rebate?                                                                                   |     | X  |                | X  |     |    |     |    |

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☒ No

Part VI

Supplemental Information

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

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

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<br>CRITTENTON HOSPITAL MEDICAL CENTER | Employer identification number<br><br>38-1359247 |
|----------------------------------------------------------------|--------------------------------------------------|

| Identifier                                                              | Return Reference                         | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REPORTED SALARY OF OFFICER DID NOT MATCH W-2                            | FORM 990 - EXPLANATION OF AMENDED RETURN | THERE WAS AN ERROR OF REPORTABLE COMPENSATION FOR ONE OF THE OFFICERS THE COMPENSATION FOR KATHLEEN VANWAGONER, CNO, DID NOT MATCH THE W-2 THAT WAS REPORTED TO THE IRS AND HAS BEEN CORRECTED ON THIS AMENDED RETURN PART VII, PART IX, LINE 5 AND LINE 7, AND SCH J PART II HAVE ALL BEEN AFFECTED BY THIS ERROR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                         | FORM 990, PART VI, SECTION B, LINE 11    | THE TAX RETURN IS PREPARED BY THE FINANCE DEPARTMENT, AND THEN IS SENT TO AN OUTSIDE CERTIFIED PUBLIC ACCOUNTANTS OFFICE WHERE THE RETURN IS REVIEWED THE RETURN IS THEN GIVEN TO THE BOARD OF DIRECTORS VIA E-MAIL FOR REVIEW AFTER THE REVIEW, THE RETURN IS FILED WITH THE INTERNAL REVENUE SERVICE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                         | FORM 990, PART VI, SECTION B, LINE 12C   | THE HOSPITAL POLICY STATES THAT ALL EMPLOYEES HAVE A CONTINUOUS OBLIGATION TO DISCLOSE CONFLICTS OF INTEREST, AN ACTUAL IMPROPRIETY, AND/OR AN APPEARANCE OF IMPROPRIETY EMPLOYEES AT THE MANAGER LEVEL AND ABOVE EACH SIGN A STATEMENT ON AN ANNUAL BASIS ACKNOWLEDGING THEIR UNDERSTANDING OF THE POLICY AND VERIFYING THEIR APPROPRIATE DISCLOSURE OF ANY CONFLICTS ALL REPORTED CONFLICTS SHALL BE REVIEWED BY THE CEO IN CONJUNCTION WITH THE COMPLIANCE OFFICER AND DEPARTMENT OF LEGAL AFFAIRS IF IT IS DETERMINED THAT A CONFLICT EXISTS THE EMPLOYEE SHALL DISCONTINUE ALL ACTIVITIES SURROUNDING THAT CONFLICT THE EMPLOYEE MAY ALSO SEEK A WAIVER OF THE CONFLICT FROM THE CEO CHMC ALSO HAS A QUESTIONNAIRE FOR INDIVIDUALS AND THEIR IMMEDIATE FAMILY MEMBERS, INCLUDING BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES REGARDING CONFLICTS OF INTEREST AND THIS MUST BE SIGNED BY THE INDIVIDUALS THE QUESTIONNAIRE INCLUDES THE FOLLOWING 1 IDENTIFY YOUR SERVICE ON ANY BOARD OF DIRECTORS OR TRUSTEES OF ANY OF THE COMPANY'S WITH WHICH CHMC OR ANY OF ITS' AFFILIATES DOES BUSINESS 2 IDENTIFY WHETHER YOU ARE ASSOCIATED DIRECTLY OR INDIRECTLY OR HOLD A POSITION OR FINANCIAL INTEREST IN ANY OUTSIDE ORGANIZATION OR CONCERN WITH WHICH CRITTENTON DOES BUSINESS 3 IDENTIFY WHETHER YOU DIRECT, MANAGE, OR PROVIDE SERVICES OR CONSULTATION TO ANY OUTSIDE ORGANIZATION OR CONCERN THAT DOES BUSINESS WITH OR COMPETES WITH CRITTENTON 4 IDENTIFY ANY ACTIVITIES IN WHICH YOU ARE ENGAGED THAT MIGHT BE REGARDED AS CONSTITUTING A POTENTIAL CONFLICT OF INTEREST WITH CRITTENTON 5 DISCLOSE ANY DIRECT OR INDIRECT COMPENSATION THAT YOU RECEIVE, OR ANTICIPATE RECEIVING, FROM ANY PERSON, FIRM, CORPORATION, OR MARKET IN ANY WAY RELATED TO YOUR POSITION WITH CRITTENTON IF AT ANY TIME THERE IS A MATTER UNDER CONSIDERATION WHICH MAY CREATE A DIRECT OR INDIRECT CONFLICT OF INTEREST, IT IS THE INDIVIDUAL'S OBLIGATION TO DISCLOSE THE FACTS SURROUNDING THE POSSIBLE CONFLICT TO THE CORPORATE COMPLIANCE OFFICER OR DEPARTMENT OF HUMAN RESOURCES AND THAT THE INDIVIDUAL AGREES TO PROMPTLY REPORT ANY NEW SITUATIONS THAT REQUIRE DISCLOSURE UNDER THIS QUESTIONNAIRE THERE IS A SIGNED WRITTEN AGREEMENT/DOCUMENTATION FOR ANY BOARD MEMBER OR OFFICER IF A CONFLICT OF INTEREST ARISES CURRENTLY THERE HAVE NOT BEEN ANY RESTRICTIONS PLACED ON ANY BOARD MEMBER OR OFFICER AS AN ISSUE HAS NOT ARISEN TO WARRANT THIS |
|                                                                         | FORM 990, PART VI, SECTION B, LINE 15A   | THE AUDIT COMMITTEE REVIEWS THE PERFORMANCE AGAINST THE GOALS SET FOR THE CEO IN ADDITION THE AUDIT COMMITTEE PERFORMS A REVIEW OF THE TOTAL SALARY AGAINST MARKET STATISTICS FROM THAT REVIEW, A RECOMMENDATION IS MADE TO THE EXECUTIVE COMMITTEE OF THE BOARD AND THE BOARD FOR APPROVAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                         | FORM 990, PART VI, SECTION C, LINE 19    | THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST OF THE INDIVIDUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ESTIMATED HOURS PER WEEK OFFICERS, ETC DEVOTED TO RELATED ORGANIZATIONS | PART VII-LINE 1B                         | CYNTHIA LONG AND DONNA KOPINSKI DEVOTED APPROXIMATELY 2 HOURS PER WEEK AT FOUNDATION FRANK SOTTILE, LYNN ORFGEN AND DONNA KOPINSKI DEVOTED APPROXIMATELY 4 HOURS PER WEEK TO THE CANCER CENTER, WHILE MICHELLE HORNBERGER DEVOTED APPROXIMATELY 13 HOURS PER WEEK TO CRITTENTON DEVELOPMENT CORPORATION LYNN ORFGEN ALSO DEVOTED APPROXIMATELY 4 HOURS PER WEEK TO CRITTENTON DEVELOPMENT CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| CHANGES IN NET ASSETS OR FUND BALANCES                                  | FORM 990, PART XI, LINE 5                | NET UNREALIZED LOSSES ON INVESTMENTS -2,775,895 PRIOR PERIOD ADJUSTMENTS - 11,223,107 PENSION LIABILITY -7,002,914 CANCER CENTER ACQUISITION -4,159,952 NET ASSETS RELEASED FROM RESTRICTIONS -37,420 TOTAL TO FORM 990, PART XI, LINE 5 -25,199,288                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| AUDIT OF FINANCIAL STATEMENTS                                           | FORM 990, PART XII, LINE 2C              | THE ORGANIZATION DID NOT MAKE ANY SIGNIFICANT CHANGES IN THE PROCESS OF THE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT AUDITOR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| PROGRAM SERVICE ACCOMPLISHMENTS                                         | PART III, LINE 4A                        | THE HOSPITAL WAS INVOLVED IN A LARGE NUMBER OF VARIOUS TYPES OF COMMUNITY CARE PROJECTS, EITHER AS A PARTICIPANT OR A SPONSORING ORGANIZATION THESE INCLUDE, BUT ARE NOT LIMITED TO HEALTHY PREGNANCY, WOMEN'S HEALTHY HEART, NUTRITION, WEIGHT LOSS, HEALTHY AGING, CHILD SAFETY, HEALTH RISK APPRAISALS, SMOKING CESSATION, MANAGING STRESS, CPR, SLEEP DISORDER AND MEN'S HEALTH CLASSES FOR THE COMMUNITY ALSO, FREE BLOOD PRESSURE SCREENINGS ARE MADE AVAILABLE TO THE COMMUNITY A BEREAVEMENT PROGRAM IS OFFERED THROUGH THE OBSTETRICS DEPARTMENT FOR GRIEVING PARENTS OF INFANTS A TRAVEL MEDICINE PROGRAM IS OFFERED FOR BUSINESS AND VACATION TRAVELS THROUGH THE OCCUPATIONAL MEDICINE DEPARTMENT ANNUALLY, VOLUNTEERS FROM THE HOSPITAL PARTICIPATE AT THE ROCHESTER ARTS AND APPLES FESTIVAL, COLLECT GIFTS FOR THE ROCHESTER NEIGHBORHOOD HOUSE, COLLECT FOOD FOR THE MICHIGAN HARVEST GATHERING, PARTICIPATE IN THE NORTH OAKLAND AMERICAN HEART WALK, THE BROOKSIE WAY AND COATS FOR COLD A PEDIATRIC URGENT CARE PROGRAM IS OFFERED FOR AFTER HOURS MEDICAL CARE FOR CHILDREN UNDER EIGHTEEN YEARS OF AGE ADDITIONALLY, A GEROPSYCHIATRIC PROGRAM WAS STARTED TO ASSIST OLDER ADULTS WITH HEALTH CARE CHANGES WOUND CARE SERVICES ARE ALSO OFFERED, INCLUDING HYPERBARIC TREATMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| OFFICER WHO CANNOT BE REACHED AT THE ORGANIZATION'S MAILING ADDRESS     | PART VI SECTION A LINE 9                 | LYNN ORFGEN-1937 ARCHERS POINTE, ROCHESTER HILLS, MI 48306                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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  
CRITTENTON HOSPITAL MEDICAL CENTER

Employer identification number  
38-1359247

Part I

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

| (a)<br>Name, address, and EIN of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>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)<br>Name, address, and EIN of related organization                                                                  | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity   | (g)<br>Section 512(b)(13) controlled organization |    |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|------------------------------------|---------------------------------------------------|----|
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    | Yes                                               | No |
| (1) CRITTENTON HOSPITAL MEDICAL CENTER FOUNDATION<br><br>1101 W UNIVERSITY DR<br><br>ROCHESTER, MI 48307<br>38-2627336 | SUPPORTING              | MI                                               | SECTION 501(C)(3)          | SCHEDULE A LINE 11A                                 | CRITTENTON HOSPITAL MEDICAL CENTER | Yes                                               |    |
| (2) CRITTENTON CANCER CENTER<br><br>1901STAR BATT DR<br><br>ROCHESTER HILLS, MI 48309<br>38-3239057                    | SUPPORTING              | MI                                               | SECTION 501(C)(3)          | SCHEDULE A LINE 9                                   | CRITTENTON HOSPITAL MEDICAL CENTER | Yes                                               |    |
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    |                                                   |    |
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    |                                                   |    |
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    |                                                   |    |
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    |                                                   |    |
|                                                                                                                        |                         |                                                  |                            |                                                     |                                    |                                                   |    |

Part III

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

| (a)<br>Name, address, and EIN of<br>related organization                                                       | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity      | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|----------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|-----------------------------------------|----|-------------------------------------------------------------------------|-------------------------------------------|----|--------------------------------|
|                                                                                                                |                         |                                                              |                                          |                                                                                                       |                                 |                                           | Yes                                     | No |                                                                         | Yes                                       | No |                                |
| (1) CRITTENTON<br>MEDICAL EQUIPMENT<br><br>161 S LIVERNOIS RD<br>ROCHESTER HILLS, MI<br>48307<br>38-3433794    | MEDICAL EQUIPMENT SALES | MI                                                           | CRITTENTON<br>DEVELOPMENT<br>CORPORATION | UNRELATED                                                                                             |                                 |                                           |                                         | No |                                                                         |                                           | No |                                |
| (2) HBC INFUSIONS<br><br>1101 W UNIVERSITY<br>ROCHESTER, MI 48307<br>75-3123093                                | INFUSION SERVICES       | MI                                                           | CRITTENTON<br>DEVELOPMENT<br>CORPORATION | UNRELATED                                                                                             |                                 |                                           |                                         | No |                                                                         |                                           | No |                                |
| (3) BALD MOUNTAIN<br>SURGICAL CENTER<br><br>1375 S LAPEER RD STE<br>3109<br>LAKE ORION, MI 48360<br>03-0444972 | SURGICAL SERVICES       | MI                                                           | CRITTENTON<br>DEVELOPMENT<br>CORPORATION | UNRELATED                                                                                             |                                 |                                           |                                         | 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)<br>Name, address, and EIN of related organization                                                        | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity      | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------|------------------------------------------|--------------------------------------------------------|---------------------------------|------------------------------------------|--------------------------------|
| (1) CRITTENTON DEVELOPMENT CORPORATION<br>2251 N SQUIRREL RD STE 310<br>AUBURN HILLS, MI 48326<br>38-2594115 | REAL ESTATE             | MI                                                        | CRITTENTON HOSPITAL<br>MEDICAL CENTER    | C                                                      | 806,168                         | 18,518,665                               | 100 000 %                      |
| (2) CRITTENTON MEDICAL PHARMACY<br>1101 W UNIVERSITY<br>ROCHESTER, MI 48307<br>20-3773341                    | PHARMACY SALES          | MI                                                        | CRITTENTON<br>DEVELOPMENT<br>CORPORATION | 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

Yes

Yes

No

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

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)<br>Name of other organization | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount<br>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:** 38-1359247  
**Name:** CRITTENTON HOSPITAL MEDICAL CENTER

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

| (a)<br>Name of other organization | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount<br>Involved<br>(\$) | (d)<br>Method of determining<br>amount involved |
|-----------------------------------|---------------------------------|-----------------------------------|-------------------------------------------------|
| (1) CRITTENTON DEVELOPMENT CORP   | N                               | 164,551                           | CASH                                            |
| (2) CRITTENTON CANCER CENTER      | D                               | 12,269,512                        | CASH                                            |
| (3) CHMC FOUNDATION               | B                               | 139,050                           | CASH                                            |
| (4) CHMC FOUNDATION               | C                               | 9,143,378                         | CASH                                            |
| (5) CHMC FOUNDATION               | K                               | 126,628                           | CASH                                            |
| (6) CHMC FOUNDATION               | L                               | 353,704                           | CASH                                            |
| (7) CHMC FOUNDATION               | P                               | 480,319                           | CASH                                            |
| (8) CRITTENTON CANCER CENTER      | O                               | 811,535                           | CASH                                            |
| (9) CRITTENTON CANCER CENTER      | P                               | 176,987                           | CASH                                            |

# Crittenton Hospital Medical Center and Subsidiaries

Consolidated Financial Statements as of and for the  
Years Ended December 31, 2011 and 2010,  
Supplementary Consolidating Information as of  
and for the Year Ended December 31, 2011, and  
Independent Auditors' Report

# **CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Crittenton Hospital Medical Center and Subsidiaries  
Rochester, Michigan

We have audited the accompanying consolidated balance sheets of Crittenton Hospital Medical Center and subsidiaries (the "Hospital") as of December 31, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital'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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, 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 present fairly, in all material respects, the financial position of the Hospital as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



May 31, 2012

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010

|                                                                                                                                                          | 2011                 | 2010                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                            |                      |                      |
| <b>CURRENT ASSETS:</b>                                                                                                                                   |                      |                      |
| Cash and cash equivalents                                                                                                                                | \$ 4,610,325         | \$ 3,455,850         |
| Investments                                                                                                                                              | 54,152,583           | 75,626,710           |
| Accounts receivable for patient services — net of allowance<br>for doubtful accounts of \$10,348,424 and \$12,088,247 for<br>2011 and 2010, respectively | 43,462,037           | 34,226,234           |
| Inventories                                                                                                                                              | 4,453,983            | 4,783,830            |
| Prepaid expenses                                                                                                                                         | 3,463,530            | 3,080,385            |
| Funds held by trustee — current portion                                                                                                                  | 2,085,033            | 1,799,736            |
| Due from third parties                                                                                                                                   | 1,067,458            | 3,757,002            |
| Other current assets                                                                                                                                     | 1,762,382            | 2,596,583            |
| Total current assets                                                                                                                                     | 115,057,331          | 129,326,330          |
| <b>ASSETS WHOSE USE IS LIMITED OR RESTRICTED:</b>                                                                                                        |                      |                      |
| Funds held by trustee — less current portion                                                                                                             | 2,262,946            | 2,526,211            |
| Board-designated assets                                                                                                                                  | 61,540,484           | 59,776,900           |
| Professional liability fund                                                                                                                              | 22,018,820           | 21,791,963           |
| Donor-restricted assets                                                                                                                                  | 3,696,356            | 4,895,411            |
| Pledges receivable                                                                                                                                       | 909,785              | 649,811              |
|                                                                                                                                                          | 90,428,391           | 89,640,296           |
| <b>OTHER ASSETS:</b>                                                                                                                                     |                      |                      |
| Investment in corporate joint ventures                                                                                                                   | 6,914,831            | 9,148,553            |
| Debt issuance costs — less accumulated amortization of<br>\$1,106,312 and \$1,002,229 for 2011 and 2010, respectively                                    | 749,915              | 853,998              |
| Other assets                                                                                                                                             | 6,608,295            | 3,543,418            |
|                                                                                                                                                          | 14,273,041           | 13,545,969           |
| <b>PROPERTY AND EQUIPMENT:</b>                                                                                                                           |                      |                      |
| Land and improvements                                                                                                                                    | 10,836,937           | 10,680,154           |
| Buildings and improvements                                                                                                                               | 208,364,675          | 188,576,915          |
| Equipment                                                                                                                                                | 113,684,966          | 104,767,867          |
| Construction in progress                                                                                                                                 | 11,846,643           | 9,782,600            |
|                                                                                                                                                          | 344,733,221          | 313,807,536          |
| Less accumulated depreciation                                                                                                                            | 171,334,941          | 155,881,960          |
| Net property and equipment                                                                                                                               | 173,398,280          | 157,925,576          |
| <b>TOTAL</b>                                                                                                                                             | <b>\$393,157,043</b> | <b>\$390,438,171</b> |

(Continued)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010

|                                       | 2011                        | 2010                        |
|---------------------------------------|-----------------------------|-----------------------------|
| <b>LIABILITIES AND NET ASSETS</b>     |                             |                             |
| <b>CURRENT LIABILITIES:</b>           |                             |                             |
| Accounts payable                      | \$ 14,983,928               | \$ 12,230,378               |
| Accrued liabilities:                  |                             |                             |
| Salaries and wages                    | 3,812,837                   | 3,792,162                   |
| Vacation and sick pay                 | 4,702,765                   | 4,877,842                   |
| Interest                              | 737,799                     | 766,101                     |
| Other                                 | 3,159,098                   | 3,306,160                   |
| Due to third parties                  | 4,902,649                   | 3,849,474                   |
| Current portion of long-term debt     | <u>6,450,060</u>            | <u>6,862,273</u>            |
| Total current liabilities             | 38,749,136                  | 35,684,390                  |
| PENSION LIABILITY                     | 29,639,015                  | 24,684,231                  |
| PROFESSIONAL LIABILITY                | 7,286,798                   | 6,737,747                   |
| OTHER LIABILITIES                     | 1,129,986                   | 1,129,986                   |
| LONG-TERM DEBT — Less current portion | <u>107,720,832</u>          | <u>100,250,387</u>          |
| Total liabilities                     | <u>184,525,767</u>          | <u>168,486,741</u>          |
| <b>NET ASSETS:</b>                    |                             |                             |
| Unrestricted                          | 204,065,407                 | 216,303,767                 |
| Noncontrolling interest               | <u>(40,272)</u>             | <u>102,441</u>              |
| Total unrestricted                    | 204,025,135                 | 216,406,208                 |
| Temporarily restricted                | <u>4,606,141</u>            | <u>5,545,222</u>            |
| Total net assets                      | <u>208,631,276</u>          | <u>221,951,430</u>          |
| <b>TOTAL</b>                          | <u><b>\$393,157,043</b></u> | <u><b>\$390,438,171</b></u> |

See notes to consolidated financial statements.

(Concluded)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

|                                                                                      | 2011                  | 2010                |
|--------------------------------------------------------------------------------------|-----------------------|---------------------|
| UNRESTRICTED REVENUE, GAINS, AND OTHER SUPPORT:                                      |                       |                     |
| Net patient service revenue                                                          | \$ 239,992,516        | \$ 230,470,212      |
| Other operating revenue                                                              | 3,570,199             | 197,752             |
| Income from investment in joint ventures                                             | 808,679               | 362,033             |
| Net assets released from restrictions for operations                                 | <u>83,994</u>         | <u>154,331</u>      |
| Total unrestricted revenue, gains, and other support                                 | <u>244,455,388</u>    | <u>231,184,328</u>  |
| EXPENSES:                                                                            |                       |                     |
| Salaries and wages                                                                   | 90,106,051            | 88,162,786          |
| Fringe benefits                                                                      | 21,327,462            | 21,287,552          |
| Outside professional medical services                                                | 12,661,225            | 10,186,534          |
| Administrative and general                                                           | 58,502,033            | 54,170,290          |
| Supplies                                                                             | 42,713,323            | 43,592,480          |
| Provision for uncollectible accounts                                                 | 11,503,116            | 12,252,151          |
| Depreciation and amortization                                                        | 15,812,103            | 15,377,815          |
| Interest                                                                             | <u>2,805,277</u>      | <u>2,818,479</u>    |
| Total expenses                                                                       | <u>255,430,590</u>    | <u>247,848,087</u>  |
| LOSS FROM OPERATIONS                                                                 | <u>(10,975,202)</u>   | <u>(16,663,759)</u> |
| NONOPERATING GAINS (LOSSES):                                                         |                       |                     |
| Contributions made                                                                   |                       | (531,000)           |
| Other                                                                                | <u>2,648,690</u>      | <u>19,061,863</u>   |
| Total nonoperating gains — net                                                       | <u>2,648,690</u>      | <u>18,530,863</u>   |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO CONSOLIDATED OPERATIONS | (8,326,512)           | 1,867,104           |
| LESS: GAIN ATTRIBUTABLE TO NONCONTROLLING INTERESTS                                  | <u>(86,136)</u>       | <u>(31,053)</u>     |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO PARENT                  | <u>\$ (8,412,648)</u> | <u>\$ 1,836,051</u> |

(Continued)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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|                                                                         | 2011                 | 2010                 |
|-------------------------------------------------------------------------|----------------------|----------------------|
| UNRESTRICTED NET ASSETS:                                                |                      |                      |
| (Deficiency) excess of revenue over expenses                            | \$ (8,326,512)       | \$ 1,867,104         |
| Net assets released from restrictions for purchase of long-lived assets | 3,177,201            | 194,733              |
| Distribution to noncontrolling interest                                 | (228,849)            | (114,135)            |
| Other changes in unrestricted net assets                                |                      |                      |
| Pension liability adjustments                                           | <u>(7,002,913)</u>   | <u>(3,465,705)</u>   |
| Decrease in unrestricted net assets                                     | <u>(12,381,073)</u>  | <u>(1,518,003)</u>   |
| TEMPORARILY RESTRICTED NET ASSETS:                                      |                      |                      |
| Contributions for operation, plant, and equipment                       | 2,322,114            | 1,500,392            |
| Net assets released from restrictions                                   | <u>(3,261,195)</u>   | <u>(349,064)</u>     |
| (Decrease) increase in temporarily restricted net assets                | <u>(939,081)</u>     | <u>1,151,328</u>     |
| DECREASE IN NET ASSETS                                                  | (13,320,154)         | (366,675)            |
| NET ASSETS — Beginning of year                                          | <u>221,951,430</u>   | <u>222,318,105</u>   |
| NET ASSETS — End of year                                                | <u>\$208,631,276</u> | <u>\$221,951,430</u> |

See notes to consolidated financial statements.

(Concluded)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

|                                                                                              | 2011                | 2010                |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES AND GAINS AND LOSSES:</b>                                            |                     |                     |
| Decrease in net assets                                                                       | \$ (13,320,154)     | \$ (366,675)        |
| Adjustments to reconcile decrease in net assets to net cash provided by operating activities |                     |                     |
| Pension liability adjustment                                                                 | 7,002,913           | 3,465,706           |
| Loss on sale of assets                                                                       | 223,394             | 554,113             |
| Gain on acquisition (Note 9)                                                                 | (3,416,137)         |                     |
| Provision for uncollectible accounts                                                         | 11,503,116          | 12,252,151          |
| Depreciation and amortization                                                                | 15,812,103          | 15,377,815          |
| Restricted contribution                                                                      | (2,482,474)         | (1,500,391)         |
| Distribution to noncontrolling interest                                                      | 228,849             | 114,135             |
| Realized and unrealized gains and losses on investments                                      | 2,409,048           | (16,456,182)        |
| Change in operating assets and liabilities                                                   |                     |                     |
| Accounts receivable                                                                          | (20,738,919)        | (10,869,114)        |
| Proceeds from sales of investments                                                           | 208,666,181         | 263,132,126         |
| Purchases of investments                                                                     | (190,674,494)       | (248,554,866)       |
| Due from third party                                                                         | 2,689,544           | (1,503,761)         |
| Other assets                                                                                 | (2,283,975)         | 10,313              |
| Equity earning from joint ventures                                                           | (828,087)           | (371,199)           |
| Accounts payable                                                                             | 2,753,551           | (1,505,332)         |
| Accrued liabilities                                                                          | (329,766)           | 475,633             |
| Professional liability                                                                       | 549,051             | (1,344,973)         |
| Pension liability                                                                            | (2,048,129)         | (129,390)           |
| Amounts due to third parties                                                                 | 1,053,175           | (841,990)           |
| Net cash provided by operating activities                                                    | <u>16,768,790</u>   | <u>11,938,119</u>   |
| <b>INVESTING ACTIVITIES:</b>                                                                 |                     |                     |
| Purchase of property and equipment                                                           | (12,684,285)        | (17,552,381)        |
| Distributions from joint ventures                                                            | 985,711             | 1,946,767           |
| Purchase of joint ventures                                                                   |                     | (506,681)           |
| Proceeds from sale of joint venture                                                          | <u>41,092</u>       | <u></u>             |
| Net cash used in investing activities                                                        | <u>(11,657,482)</u> | <u>(16,112,295)</u> |
| <b>FINANCING ACTIVITIES</b>                                                                  |                     |                     |
| Restricted contributions                                                                     | 2,482,474           | 1,500,391           |
| Distribution to noncontrolling interest                                                      | (228,849)           | (114,135)           |
| Proceeds from issuance of long-term debt                                                     |                     | 2,760,000           |
| Payments on long-term debt                                                                   | <u>(6,210,458)</u>  | <u>(4,150,560)</u>  |
| Net cash used in financing activities                                                        | <u>(3,956,833)</u>  | <u>(4,304)</u>      |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                      | <u>1,154,475</u>    | <u>(4,178,480)</u>  |
| <b>CASH AND CASH EQUIVALENTS — Beginning of year</b>                                         | <u>3,455,850</u>    | <u>7,634,330</u>    |
| <b>CASH AND CASH EQUIVALENTS — End of year</b>                                               | <u>\$ 4,610,325</u> | <u>\$ 3,455,850</u> |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                                    |                     |                     |
| Accruals for purchase of property, plant, and equipment                                      | <u>\$ 1,238,668</u> | <u>\$ 968,747</u>   |
| Cash paid for interest                                                                       | <u>\$ 2,798,010</u> | <u>\$ 2,852,582</u> |
| Cash paid for income taxes                                                                   | <u>\$ 201,292</u>   | <u>\$ 814,609</u>   |

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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### 1. ORGANIZATION

Crittenton Hospital Medical Center (CHMC) is a Michigan nonprofit corporation which owns and operates a 290 licensed bed acute care hospital in Rochester, Michigan. The Hospital is the sole corporate member of Crittenton Hospital Medical Center Foundation (the "Foundation") and Crittenton Development Corporation (CDC), and Strategic Alliance Assurance Company, Ltd. (SAAC), a captive insurance company, together referred to as the "Hospital." CDC operates a home health agency and a home medical equipment venture. In addition, CDC has a majority interest in an outpatient surgery center. The Hospital provides health care services primarily to residents of the region.

### 2. SIGNIFICANT ACCOUNTING POLICIES

**Principles of Consolidation** — The consolidated financial statements include the accounts of all wholly owned, majority-owned, and controlled organizations. Investments, whereby the Hospital holds up to 50% ownership interest and exercises significant influence, are accounted for using the equity method of accounting. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

**Cash Equivalents** — The Hospital considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. Carrying value approximates fair value.

**Investments** — Investments, inclusive of assets limited or restricted as to use, include: equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investments also include commingled funds which hold securities directly and are stated at the fair value of the underlying investments, determined by the fund administrators, based on readily determinable market value of the underlying assets. Purchases and sales of investments are accounted for as of the settlement date, and sales are accounted for using the first-in, first-out method. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law.

Based on the Hospital's investment strategy and philosophies, management has elected to classify substantially all of its investments in equity securities with readily determinable fair values and investments in debt securities as trading securities.

**Investment Risks** — Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated balance sheets and consolidated statements of operations and changes in net assets.

**Accounts Receivable and Patient Service Revenue** — The majority of the Hospital's services are reimbursed under fixed-price provisions of third-party payment programs, primarily Medicare, Medicaid, and Blue Cross Blue Shield of Michigan. Under these provisions, payment rates for patient care are determined prospectively on various bases and the Hospital's revenues are limited to such

amounts. Additionally, the Hospital has agreements with commercial insurance carriers, certain health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined per-diem rates, capitation agreements, and discounts from established charges.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Estimated settlements are recorded in the period-related services are rendered and adjusted in future periods as final settlements are determined. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that adequate provision has been made in the consolidated financial statements for any adjustments that may result from final settlement.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action: including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The provision for bad debts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible receivables. After satisfaction of amounts due from insurance, the Hospital follows established guidelines for placing certain past due patient balances with collection agencies.

**Charity Care** — The Hospital follows the policy of providing health services to all patients regardless of their ability to pay. Consequently, the Hospital provides health services free of charge or at amounts less than its full costs of providing care to certain categories of patients. The unreimbursed cost based on cost-to-charge ratios of this uncompensated care at December 31, 2011 and 2010, is \$548,665 and \$1,118,000, respectively.

**Inventories** — Inventories, which are principally medical supplies, are stated at the lower of cost (first-in, first-out method) or market.

**Other Assets** — Other assets are composed significantly of loans to physicians and a health care institution.

**Property and Equipment** — Property and equipment are stated at cost. Depreciation is provided using the straight-line method over estimated useful lives of the related assets. Useful lives range from 1 year to 90 years. Expenditures for maintenance and repairs are charged to operations as incurred and improvements are capitalized. The Hospital eliminates the costs and related allowances from the accounts for properties sold or retired and any resulting gains or losses are reported separately from operations concurrently. Included in property and equipment is software. At December 31, 2011 and 2010, the amount of software included in property and equipment is \$8,316,313 (net of accumulated amortization of \$3,971,432) and \$9,558,840 (net of accumulated amortization of \$2,284,995), respectively.

**Asset Impairment** — The carrying value of long-lived assets are periodically evaluated for impairment. These evaluations are primarily based on the estimated recoverability of the assets carrying value. The evaluation of excess of costs over net assets acquired is based principally on the projected undiscounted cash flows generated by the underlying tangible assets.

**Deferred Bond Issue Costs** — Deferred bond issue costs are amortized using an effective interest method over the lives of the bonds.

**Assets Whose Use is Limited or Restricted** — This asset classification is composed principally of short-term and intermediate investments which include (1) assets set aside by the board of trustees for future capital expenditures and retirement of debt, (2) assets held by trustees under indenture agreements, (3) assets held under self-insurance trust arrangements, and (4) assets held under donor restrictions. Plant replacement and expansion funds are assets restricted as to use by the donors.

**(Deficiency) Excess of Revenue over Expenses** — Included in (deficiency) excess of revenue over expenses in the accompanying consolidated statements of operations are all changes in unrestricted net assets other than equity transfers to or from related entities under common control, net assets released from restrictions for long-lived assets, changes in the pension liability, changes in defined benefit plan liabilities, and investment returns restricted by donors.

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

**Income Taxes** — CHMC has previously been recognized by the Internal Revenue Service (IRS) as an organization described in Internal Revenue Code (IRC) §501(c) (3) as an organization exempt from federal income taxes under IRC §501(a) (1) and §170(b) (1) (a) (iii). The Foundation has been recognized by the IRS as an organization described in IRC §501(c) (3) under IRC §509(a) (3) and §170(b) (1) (a) (viii) and the Foundation has self-determined that it is a Type I supporting organization. CDC is a taxable corporation. Income taxes are not material to the consolidated financial statements.

**New Pronouncements** — In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Fair Value Measurements and Disclosures (Topic 820) Improving Disclosures about Fair Value Measurements*, that amends current disclosure requirements under existing fair value accounting standards. It requires entities to disclose separately the amounts of significant transfers into and out of Level 1 and Level 2 fair value measurements along with the reasons for those transfers. In addition, it also requires entities to present separately information about purchases, sales, issuances, and settlements on a gross basis rather than as one set number in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). The update also clarifies that entities should disclose the level of disaggregation for assets and liabilities measured at fair values based on the nature and risk of the investment. The ASU was effective for the Hospital beginning December 31, 2010, for the transfer disclosures and December 31, 2011, for showing purchases and sales gross in the reconciliation of the value measurements. The adoption of this guidance had no impact on the consolidated balance sheets or consolidated statements of operations, but resulted in additional disclosures presented in Notes 5 and 7.

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosures — a consensus of the FASB Emerging Issues Task Force*, which requires health care organizations to use costs as the measurement basis for charity care disclosures and that they identify those costs as the direct and indirect costs of providing the charity care. The ASU also requires disclosure of the method used to identify the costs. The ASU was effective for the Hospital beginning January 1, 2011. The adoption of this guidance had no impact on the consolidated balance sheets or consolidated statements of operations.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries (a consensus of the FASB Emerging Issues Task Force)*, which amends Accounting Standards Codification (ASC) 954, *Health Care Entities*, to clarify that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The ASU was effective for the Hospital beginning January 1, 2011. The adoption of this guidance had no impact on the consolidated balance sheets or consolidated statements of operations.

In October 2010, the FASB issued ASU 2010-26, *Financial Services — Insurance (Topic 944) Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts (a consensus of the FASB Emerging Issues Task Force)*, for insurance entities on how to account for costs associated with acquiring or renewing insurance contracts. The amendments in the ASU specify that certain costs incurred in the acquisition of new and renewal contracts should be capitalized in accordance with the amendments in the update. Those costs include incremental direct costs of contract acquisition and certain costs related to acquisition activities. The ASU is effective for the Hospital beginning January 1, 2012. The adoption of this guidance will not have an impact on the consolidated balance sheets or consolidated statements of operations.

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The ASU is the result of joint efforts by the FASB and International Accounting Standard Board to develop a single, converged fair value framework — that is, converged guidance on how (not when) to measure fair value and on what disclosures to provide about fair value measurements. While the ASU is largely consistent with existing fair value measurement principles in U.S. GAAP, it expands the existing disclosure requirements for fair value measurements and makes other amendments. Many of these amendments are being made to eliminate unnecessary wording differences between U.S. GAAP and International Financial Reporting Standards. The guidance is effective for the Hospital beginning January 1, 2012. The adoption of this guidance will have no impact on the consolidated balance sheets or consolidated statements of operations, but will result in additional disclosures presented.

In July 2011, the FASB issued 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 (a consensus of the FASB Emerging Issues Task Force)*, which amends ASC 954. The amendments require certain health care entities to change the presentation of their consolidated statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. This amendment is effective for the Hospital for the year ending December 31, 2012, and will be retrospectively applied. The adoption of this guidance will have no balance sheet or impact

to excess revenues over expenses, however, it may result in some presentation changes to the consolidated statement of operations and additional disclosures presented.

### 3. NET PATIENT SERVICE REVENUE

Gross charges for patient services and contractual and other adjustments made to arrive at net patient service revenue for the years ended December 31, 2011 and 2010, are as follows:

|                       | <b>Gross<br/>Charges</b> | <b>Contractual<br/>and Other<br/>Adjustments</b> | <b>Net Patient<br/>Service<br/>Revenue</b> |
|-----------------------|--------------------------|--------------------------------------------------|--------------------------------------------|
| <b>2011</b>           |                          |                                                  |                                            |
| Medicare and Medicaid | \$ 363,211,373           | \$ 259,270,231                                   | \$ 103,941,142                             |
| All other             | <u>315,925,861</u>       | <u>179,874,487</u>                               | <u>136,051,374</u>                         |
| Total                 | <u>\$ 679,137,234</u>    | <u>\$ 439,144,718</u>                            | <u>\$ 239,992,516</u>                      |
| <b>2010</b>           |                          |                                                  |                                            |
| Medicare and Medicaid | \$ 286,328,715           | \$ 201,996,658                                   | \$ 84,332,057                              |
| All other             | <u>375,123,680</u>       | <u>228,985,525</u>                               | <u>146,138,155</u>                         |
| Total                 | <u>\$ 661,452,395</u>    | <u>\$ 430,982,183</u>                            | <u>\$ 230,470,212</u>                      |

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable at December 31, 2011 and 2010, include Medicare (37% and 32%), Blue Cross (18% and 17%), Medicaid (4% and 3%), and other commercial and self-pay (41% and 48%), respectively.

During 2011 and 2010, the Hospital recorded changes in estimates relating to third-party settlements for prior years which had the impact of decreasing net patient service revenue by approximately \$9,000,000 and \$1,500,000, respectively.

The Hospital is also active in providing various health education programs for the promotion of a healthy lifestyle, accident prevention, and general health awareness for the community.

#### 4. INVESTMENTS

Investment return for the years ended December 31, 2011 and 2010, is summarized as follows:

|                                | 2011               | 2010                |
|--------------------------------|--------------------|---------------------|
| Interest and dividends         | \$ 3,051,410       | \$ 3,259,342        |
| Net realized gains             | 2,766,447          | 4,707,554           |
| Net unrealized (losses) gains  | <u>(5,175,495)</u> | <u>11,748,628</u>   |
| Total investment return gain   | <u>\$ 642,362</u>  | <u>\$19,715,524</u> |
| Included in operating income   | \$ 789,648         | \$ 461,493          |
| Included in nonoperating gains | <u>(147,286)</u>   | <u>19,254,031</u>   |
| Total investment return gain   | <u>\$ 642,362</u>  | <u>\$19,715,524</u> |

Investment return on temporary cash investments, professional liability funds, and funds held in trust under bond agreements is included in operating income. All other investment return is included in the nonoperating gains and losses section of the consolidated statements of operations.

#### 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments are recorded at fair value. At December 31, 2011 and 2010, the fair value of the Hospital's long-term debt, as estimated by discounted cash flow analyses using the current borrowing rate for similar types of borrowing arrangements and adjusted for credit was \$107,321,039 and \$99,288,410, respectively. Other noncurrent assets and liabilities have carrying values that approximate fair value.

FASB ASC 820-10, *Fair Value Measurements and Disclosures Overall* (formerly, FASB Statement No. 157, *Fair Value Measurements*), emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820-10 (formerly, FASB Statement No. 157) establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 and Level 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

There were no assets or liabilities recorded at fair value on a nonrecurring basis at December 31, 2011 and 2010. The Hospital's assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010, aggregated by the level in the fair value hierarchy are as follows:

|                                        | Fair Value at<br>December 31,<br>2011 | Fair Value Measurement Using                                                                  |                                                           |                                                    |
|----------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                        |                                       | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets and<br>Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Cash and cash equivalents              | \$ 12,343,033                         | \$ 12,343,033                                                                                 | \$ -                                                      | \$ -                                               |
| Common stock                           | 35,231,551                            | 35,231,551                                                                                    |                                                           |                                                    |
| Foreign stock                          | 1,138,591                             | 1,138,591                                                                                     |                                                           |                                                    |
| Treasury notes                         | 19,464,693                            | 19,464,693                                                                                    |                                                           |                                                    |
| Mutual funds — open end                | 18,779,069                            | 18,779,069                                                                                    |                                                           |                                                    |
| Collateralized mortgage obligations    | 3,764,108                             |                                                                                               | 3,764,108                                                 |                                                    |
| Corporate obligations                  | -                                     |                                                                                               |                                                           |                                                    |
| Equity funds                           | 251,359                               |                                                                                               | 251,359                                                   |                                                    |
| Mutual funds — closed end              | 27,261,057                            | 27,261,057                                                                                    |                                                           |                                                    |
| Corporate bonds                        | 15,729,226                            |                                                                                               | 15,643,590                                                | 85,636                                             |
| Foreign corporate bonds                | 471,789                               |                                                                                               | 471,789                                                   |                                                    |
| Asset-backed corporate bonds           | 2,335,064                             |                                                                                               | 2,335,064                                                 |                                                    |
| Residential mortgage government agency | 8,395,360                             | 6,208,736                                                                                     | 2,186,624                                                 |                                                    |
| Real estate investment trusts          | 156,328                               | 156,328                                                                                       |                                                           |                                                    |
| Municipal obligations                  | 434,994                               |                                                                                               | 434,994                                                   |                                                    |
| Total                                  | <u>\$ 145,756,222</u>                 | <u>\$ 120,583,058</u>                                                                         | <u>\$ 25,087,528</u>                                      | <u>\$ 85,636</u>                                   |

|                                        | Fair Value at<br>December 31,<br>2010 | Fair Value Measurement Using                                                                  |                                                           |                                                    |
|----------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                        |                                       | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets and<br>Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Cash and cash equivalents              | \$ 14,987,610                         | \$ 14,987,610                                                                                 | \$ -                                                      | \$ -                                               |
| Common stock                           | 35,388,608                            | 35,388,608                                                                                    |                                                           |                                                    |
| Foreign stock                          | 1,108,648                             | 1,023,962                                                                                     |                                                           | 84,686                                             |
| Treasury notes                         | 17,619,749                            | 17,619,749                                                                                    |                                                           |                                                    |
| Mutual funds — open end                | 39,521,466                            | 39,521,466                                                                                    |                                                           |                                                    |
| Collateralized mortgage obligations    | 4,191,790                             |                                                                                               | 4,191,790                                                 |                                                    |
| Corporate obligations                  | 158,250                               |                                                                                               | 158,250                                                   |                                                    |
| Equity funds                           | 52,426                                |                                                                                               | 52,426                                                    |                                                    |
| Mutual funds — closed end              | 31,669,367                            | 28,121,798                                                                                    | 3,547,569                                                 |                                                    |
| Corporate bonds                        | 13,711,790                            |                                                                                               | 13,711,790                                                |                                                    |
| Foreign corporate bonds                | 1,087,870                             |                                                                                               | 1,087,870                                                 |                                                    |
| Asset-backed corporate bonds           | 3,269,689                             |                                                                                               | 3,269,689                                                 |                                                    |
| Residential mortgage government agency | 3,263,084                             | 1,965,480                                                                                     | 1,297,604                                                 |                                                    |
| Municipal obligations                  | 386,584                               |                                                                                               | 386,584                                                   |                                                    |
| Total                                  | <u>\$ 166,416,931</u>                 | <u>\$ 138,628,673</u>                                                                         | <u>\$ 27,703,572</u>                                      | <u>\$ 84,686</u>                                   |

The Level 3 activity for the year ended December 31, 2011, is summarized below:

|                                              | <b>Fair Value Measurements Using<br/>Significant Unobservable Inputs<br/>(Level 3)</b> |                          |                  |
|----------------------------------------------|----------------------------------------------------------------------------------------|--------------------------|------------------|
|                                              | <b>Corporate<br/>Bonds</b>                                                             | <b>Foreign<br/>Stock</b> | <b>Total</b>     |
| Balance — January 1, 2011                    | \$ -                                                                                   | \$ 84,686                | \$ 84,686        |
| Total gains or losses (realized/unrealized): |                                                                                        |                          |                  |
| Included in earning                          | 128                                                                                    |                          | 128              |
| Purchases                                    | 85,508                                                                                 |                          | 85,508           |
| Sales and settlements                        |                                                                                        | (84,686)                 | (84,686)         |
| Ending balance                               | <u>\$ 85,636</u>                                                                       | <u>\$ -</u>              | <u>\$ 85,636</u> |

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access. Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves, that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Investments are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of transparency. The types of instruments based on quoted market prices in active markets include most U.S. government and agency securities, active-listed equities, and most money market securities. Such instruments are generally classified within Level 1 of the fair value hierarchy. The Hospital does not adjust the quoted price for such instruments.

Commingled funds investments, which are primarily included in corporate obligations, U.S. governmental securities, asset-backed securities, and collateralized mortgage obligations represent investments where the Hospital owns units of the fund and not individual securities. Commingled funds amounted to a market value of \$24,401,176 and \$27,703,572 at December 31, 2011 and 2010, respectively.

Certain types of instruments are classified within Level 3 of the fair value hierarchy because they trade infrequently and, therefore, have little or no price transparency. The transaction price is initially used as the best estimate of fair value. Accordingly, when a pricing model is used to value such an instrument, the model is adjusted so that the model value at inception equals the transaction price. This valuation is adjusted when changes to inputs and assumptions are corroborated by evidence, such as transactions in similar instruments, completed or pending third-party transactions in the underlying instrument or comparable entities, offerings in the capital markets, and changes in financial results, data, or cash flows. For positions that are not traded in active markets or are subject to transfer restrictions, valuations

are adjusted to reflect illiquidity and/or nontransferability, and such adjustments are generally based in available market evidence. In the absence of such evidence, management's best estimate is used.

## 6. LONG-TERM DEBT

Long-term debt as of December 31, 2011 and 2010, consists of the following:

|                                                                         | 2011                  | 2010                  |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Michigan State Hospital of Finance Authority:                           |                       |                       |
| Series 2003A, Variable Rate Demand Hospital Revenue and Refunding Bonds | \$ 51,800,000         | \$ 51,900,000         |
| Series 2003B, Variable Rate Demand Hospital Revenue and Refunding Bonds | 7,090,000             | 9,325,000             |
| Series 2002A, Hospital Revenue and Refunding Bonds                      | 39,720,000            | 40,755,000            |
| Taxable Variable Rate Demand Notes, Series 2003                         | 400,000               | 700,000               |
| Demand Note — interest only                                             | 1,678,039             | 2,728,038             |
| Leases payable                                                          |                       | 146,040               |
| PNC Bond                                                                | 1,195,841             | 1,523,582             |
| Bank of America (CCC)                                                   | 12,269,512            |                       |
| Loan payable                                                            | 17,500                | 35,000                |
|                                                                         | <u>114,170,892</u>    | <u>107,112,660</u>    |
| Less current portion                                                    | <u>6,450,060</u>      | <u>6,862,273</u>      |
| Total                                                                   | <u>\$ 107,720,832</u> | <u>\$ 100,250,387</u> |

The Hospital entered into several agreements with the Michigan State Hospital Finance Authority for the issuance of tax-exempt Hospital Revenue and Refunding Bonds. The proceeds have been loaned to the Hospital under a Master Indenture. Long-term debt is collateralized by accounts receivable and general intangibles of the Hospital.

In July 2002, Hospital Revenue and Refunding Bonds Series 2002A ("Series 2002A Bonds") were issued by the Michigan State Hospital Finance Authority. The proceeds were loaned to the Hospital under the existing Master Indenture. A portion of the proceeds were used to advance refund Series 1990A and 1992A Bonds. The Series 2002A Bonds mature in annual amounts ranging from \$1,135,000 in 2012 to \$3,510,000 in 2027 and bear interest at rates from 4.80% to 5.625%.

In July 2003, Hospital Revenue and Refunding Bonds Series 2003A Variable Rate Demand ("Series 2003A Bonds") were issued by the Michigan State Hospital Finance Authority. The proceeds were loaned to the Hospital under the existing Master Indenture. A portion of the proceeds were used to refund the Series 2002B Bonds. Initially, the \$52,400,000 of Series 2003A Bonds will bear interest as daily rate bonds. The Series 2003A Bonds mature in annual amounts ranging from \$100,000 in 2012 to \$4,800,000 in 2030. The interest rate at December 31, 2011, was 0.10%. Additionally in July 2003, \$7,600,000 of Taxable Variable Rate Demand Notes ("Demand Notes") were issued. These notes were issued to provide funds to the Hospital for the purpose of refinancing certain indebtedness secured by a mortgage lien on a medical office building owned by the Hospital. During 2005, the Hospital repaid \$5,600,000 of the outstanding Demand Notes due to the sale of the medical office building. The remaining debt will be repaid from the proceeds of a mortgage loan the Hospital issued in connection with sale of the building. The Demand Notes mature in 2012 at \$400,000. The interest rate at December 31, 2011, was 0.31%.

In December 2003, Variable Rate Demand Hospital Revenue and Refunding Bonds Series 2003B ("Series 2003B Bonds") were issued by the Michigan State Hospital Finance Authority; the Hospital proceeds were loaned to the Hospital under the existing Master Indenture. The Series 2003B Bonds will initially bear interest as daily rate bonds. These bonds mature in annual amounts ranging from \$2,300,000 in 2012 to \$2,430,000 in 2014. The interest rate at December 31, 2011, was 0.10%.

For the years ended December 31, 2011 and 2010, the Hospital's debt service coverage ratio was below what was required by the debt covenant provisions in the Master Indenture. The Hospital is not considered in default unless notification is received by the Trustee under the Master Indenture. If such notice is given, the Hospital will be required to hire a consultant at which time the covenant will be deemed to have been complied with.

The Hospital has obtained letters of credit for the Series 2003A Bonds, Series 2003B Bonds, and Demand Notes. The letters of credit are available to the Hospital if the holders of the obligations present such obligations for redemption and the obligations are not remarketed. Accordingly, these bonds have been classified as long-term based on the line of credit repayment terms. The letters of credit expire on April 16, 2014. There were no borrowings on these letters of credit during 2011 or 2010.

On May 29, 2012, the Hospital received a waiver letter from Comerica Bank because the debt service coverage ratio was below what was required by the debt covenants relating to the letters of credit for the Series 2003A Bonds, Series 2003B Bonds, and Demand Notes.

Interest expense was \$2,805,277 and \$2,489,674 in 2011 and 2010, respectively.

In April 2009, the Hospital and the Karmanos Cancer Center entered into an agreement to jointly guarantee 100% of the principal amount for a construction loan in the amount of \$12,795,348 for purposes of constructing a new 30,000 square foot facility located at Crooks Road near M59 in Rochester Hills. This Center was completed and opened for business in February 2010. On June 30, 2011, the Hospital purchased Karmanos interest in the joint venture. The Hospital is 100% owner and as part of the agreement assumed the debt for the Cancer Center. The interest rate per year is London InterBank Offered Rate, plus 2.5%.

In May 2010, Hospital Revenue Bonds, Series 2010, for \$1,710,000 were issued by the Michigan State Hospital Finance Authority. The bonds were then purchased by PNC Equipment Finance L.L.C. The bonds mature in a monthly amount of \$30,702, including interest. The interest rate is 2.9679%.

Principal maturities of long-term debt for each of the five years following 2011 are: 2012 — \$6,450,060; 2013 — \$4,606,458; 2014 — \$15,405,076; 2015 — \$4,539,298; 2016 — \$4,600,000; and thereafter — \$78,570,000.

## **7. RETIREMENT PLANS**

The Hospital has a defined contribution pension plan and a noncontributory defined benefit pension plan covering substantially all of its employees. Under the noncontributory defined benefit plan, the benefits are based on years of service and final average earnings. The Hospital's funding policy for the defined benefit plan is to fund an amount based on the recommendation of consulting actuaries, in compliance with the requirements under the Employee Retirement Income Security Act of 1974. Funding for the defined contribution plan is based on the participating employees' base pay with a maximum percentage contributed by the employee based on their collective bargaining agreement and the remainder contributed by the Hospital.

In November 2006, the Hospital announced that benefits provided under the defined contribution pension plan would be frozen effective January 1, 2007, to reduce the expected increase in pension expense in future years.

The Hospital also has a defined contribution retirement plan for employees. The Hospital contributes a fixed percentage of employees' salaries to the plan and will also match contributions made by the employees to the plan during the year.

A reconciliation of the changes in the plan's benefit obligation and fair value of assets for the years ended December 31, 2011 and 2010, and a statement of the funded status as of December 31, 2011 and 2010, are as follows:

|                                               | <b>2011</b>                   | <b>2010</b>                   |
|-----------------------------------------------|-------------------------------|-------------------------------|
| Change in benefit obligation:                 |                               |                               |
| Benefit obligation — beginning of year        | \$ 68,643,400                 | \$ 59,923,352                 |
| Service cost                                  | 827,816                       | 807,573                       |
| Interest cost                                 | 3,667,930                     | 3,547,680                     |
| Actuarial gain                                | 3,671,151                     | 6,515,827                     |
| Benefits paid                                 | <u>(2,268,815)</u>            | <u>(2,151,032)</u>            |
| Benefit obligation — end of year              | <u>74,541,482</u>             | <u>68,643,400</u>             |
| Change in plan assets:                        |                               |                               |
| Fair value of plan assets — beginning of year | 43,959,169                    | 38,575,437                    |
| Actual return (loss) on plan assets           | (762,361)                     | 5,445,102                     |
| Employer contributions                        | 4,254,474                     | 2,214,662                     |
| Benefits and other expenses paid              | <u>(2,548,815)</u>            | <u>(2,276,032)</u>            |
| Fair value of plan assets — end of year       | <u>44,902,467</u>             | <u>43,959,169</u>             |
| Underfunded status — December 31              | <u><u>\$ (29,639,015)</u></u> | <u><u>\$ (24,684,231)</u></u> |

The accumulated benefit obligation for all defined benefit pension plans was \$73,336,252 and \$67,127,769 at December 31, 2011 and 2010, respectively.

A summary of the components of net pension expense for the years ended December 31, 2011 and 2010, is as follows:

|                                                  | <b>2011</b>                | <b>2010</b>                |
|--------------------------------------------------|----------------------------|----------------------------|
| Service cost — benefits earned during the period | \$ 1,107,816               | \$ 932,573                 |
| Interest cost on projected benefit obligation    | 3,667,930                  | 3,547,680                  |
| Expected return on assets                        | (3,535,856)                | (3,088,157)                |
| Amortization — loss                              | <u>966,454</u>             | <u>693,177</u>             |
| Noncontributory plan net periodic pension costs  | 2,206,344                  | 2,085,273                  |
| Contributory pension plan expense                | <u>1,566,968</u>           | <u>1,557,441</u>           |
| Net periodic pension expense                     | <u><u>\$ 3,773,312</u></u> | <u><u>\$ 3,642,714</u></u> |

The amounts in unrestricted net assets, including amounts arising during the year and amounts reclassified into net periodic benefit cost, are as follows:

|                                                                                          | <b>Net<br/>(Gain) Loss</b>    |
|------------------------------------------------------------------------------------------|-------------------------------|
| January 1, 2010                                                                          | \$ 12,367,327                 |
| Reclassified into net periodic benefit cost<br>Arising during the year December 31, 2010 | (693,177)<br><u>4,158,882</u> |
| Included in net assets — December 31, 2010                                               | 15,833,032                    |
| Reclassified into net periodic benefit cost<br>Arising during the year December 31, 2011 | (966,454)<br><u>7,969,368</u> |
| Included in net assets — December 31, 2011                                               | <u>\$ 22,835,946</u>          |

The estimated amount to be amortized from unrestricted net assets into net periodic benefit cost during fiscal year 2012 is \$1,681,071.

The assumptions used to determine benefit obligations as of December 31, 2011 and 2010, are as follows:

|                                         | <b>2011</b> | <b>2010</b> |
|-----------------------------------------|-------------|-------------|
| Weighted-average discount rate          | 5.10 %      | 5.45 %      |
| Rate of increase in compensation levels | 4.50        | 4.50        |

The assumptions used to determine the net periodic benefit cost for the years ended December 31, 2011 and 2010, are as follows:

|                                         | <b>2011</b> | <b>2010</b> |
|-----------------------------------------|-------------|-------------|
| Weighted-average discount rate          | 5.45 %      | 6.00 %      |
| Rate of increase in compensation levels | 4.50        | 4.50        |
| Expected rate of return on plan assets  | 8.00        | 8.00        |

To develop the expected long-term rate of return on assets assumption, the Hospital considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 8% assumption.

Plan investments include Immediate Participation Funds held by an insurance company and units of certain collective investment funds held by a commercial bank.

For 2011, the Hospital elected to use the bond model approach for valuation of obligations. The Hospital believes the bond model approach provides greater precision given the increased volatility in the high-quality fixed-income universe which shows no signs of reverting to historic norms.

The Hospital's pension plan weighted-average asset allocations as of December 31, 2011 and 2010, by asset category, are as follows:

|                   | 2011         | 2010         |
|-------------------|--------------|--------------|
| Asset category:   |              |              |
| Equity securities | 79 %         | 81 %         |
| Debt securities   | 20           | 14           |
| Other             | <u>1</u>     | <u>5</u>     |
| Total             | <u>100 %</u> | <u>100 %</u> |

The plan assets are invested separately managed portfolios using investment management firms. The plan's objective is to maximize total return without assuming undue risk exposure. The plan maintains a well-diversified asset allocation that best meets these objectives. Plan assets are largely composed of equity securities, which include all market capitalization sizes in addition to international and convertible securities. Debt securities include both intermediate and international securities.

Investments in derivative securities are not permitted for the sole purpose of speculating on the direction of market interest rates. Included in this prohibition are leveraging, shorting, swaps, futures, options, forwards, and like strategies.

In each investment account, investment managers are responsible to monitor and react to economic indicators, such as gross domestic product, consumer price index, and the federal monetary policy, that may affect the performance of their account. The performance of all managers and the aggregate asset allocation are formally reviewed on a quarterly basis, with a rebalancing of the asset allocation occurring at least once a year. The current asset allocation objective is to maintain 50% of plan assets in equity securities and 50% in fixed-income securities, with both classes allowing for a 10% deviation from the target.

Information about the expected cash flows for the pension plans follows:

|                                        | Pension Benefits |
|----------------------------------------|------------------|
| Expected employer contributions — 2012 | \$ 5,875,212     |
| Expected benefit payments:             |                  |
| 2012                                   | 3,077,819        |
| 2013                                   | 3,360,074        |
| 2014                                   | 3,742,194        |
| 2015                                   | 3,971,842        |
| 2016                                   | 4,251,352        |
| 2017–2021                              | 24,897,759       |

The contribution amounts above include amounts paid to the pension trust. The benefit payment amounts above also reflect the total benefits expected to be paid from the pension trust.

The pension plans' asset allocations by asset category as of December 31, 2011 and 2010, are as follows:

|                                        | Fair Value at<br>December 31,<br>2011 | Fair Value Measurement Using                                                                  |                                                           |                                                    |
|----------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                        |                                       | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets and<br>Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Cash and cash equivalents              | \$ 478,715                            | \$ 478,715                                                                                    | \$ -                                                      | \$ -                                               |
| Common stock                           | 6,195,799                             | 6,195,799                                                                                     |                                                           |                                                    |
| Foreign stock                          | 331,366                               | 331,366                                                                                       |                                                           |                                                    |
| Treasury notes                         | 327,034                               | 327,034                                                                                       |                                                           |                                                    |
| Mutual funds — open end                | 14,941,749                            | 12,748,427                                                                                    | 2,193,322                                                 |                                                    |
| Collateralized mortgage obligations    | 87,730                                |                                                                                               | 87,730                                                    |                                                    |
| Corporate obligations                  | -                                     |                                                                                               |                                                           |                                                    |
| Equity funds                           | 16,034,504                            |                                                                                               | 9,227,828                                                 | 6,806,676                                          |
| Mutual funds — closed end              | 19,936                                | 19,936                                                                                        |                                                           |                                                    |
| Corporate bonds                        | 4,661,350                             |                                                                                               | 4,661,350                                                 |                                                    |
| Foreign corporate bonds                | 834,435                               |                                                                                               | 834,435                                                   |                                                    |
| Asset-backed corporate bonds           | 225,004                               |                                                                                               | 225,004                                                   |                                                    |
| Residential mortgage government agency | -                                     |                                                                                               |                                                           |                                                    |
| Real estate investment trusts          | 125,730                               | 125,730                                                                                       |                                                           |                                                    |
| Municipal obligations                  | 639,115                               |                                                                                               | 639,115                                                   |                                                    |
| Total                                  | <u>\$ 44,902,467</u>                  | <u>\$ 20,227,007</u>                                                                          | <u>\$ 17,868,784</u>                                      | <u>\$ 6,806,676</u>                                |

|                                        | Fair Value at<br>December 31,<br>2010 | Fair Value Measurement Using                                                                  |                                                           |                                                    |
|----------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                        |                                       | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets and<br>Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Cash and cash equivalents              | \$ 2,224,343                          | \$ 2,224,343                                                                                  | \$ -                                                      | \$ -                                               |
| Common stock                           | 8,047,768                             | 8,047,768                                                                                     |                                                           |                                                    |
| Foreign stock                          | 578,081                               | 578,081                                                                                       |                                                           |                                                    |
| Treasury notes                         | 695,643                               | 695,643                                                                                       |                                                           |                                                    |
| Mutual funds — open end                | 15,427,733                            | 13,374,576                                                                                    | 2,053,157                                                 |                                                    |
| Collateralized mortgage obligations    | 277,743                               |                                                                                               | 277,743                                                   |                                                    |
| Corporate obligations                  | 77,266                                |                                                                                               | 77,266                                                    |                                                    |
| Equity funds                           | 13,149,517                            |                                                                                               | 8,862,047                                                 | 4,287,470                                          |
| Mutual funds — closed end              | 16,468                                | 16,468                                                                                        |                                                           |                                                    |
| Corporate bonds                        | 2,073,312                             |                                                                                               | 2,073,312                                                 |                                                    |
| Foreign corporate bonds                | 256,294                               |                                                                                               | 256,294                                                   |                                                    |
| Asset-backed corporate bonds           | 668,668                               |                                                                                               | 668,668                                                   |                                                    |
| Residential mortgage government agency | 97,169                                | 97,169                                                                                        |                                                           |                                                    |
| Real estate investment trusts          | 284,696                               | 284,696                                                                                       |                                                           |                                                    |
| Municipal obligations                  | 84,468                                |                                                                                               | 84,468                                                    |                                                    |
| Total                                  | <u>\$ 43,959,169</u>                  | <u>\$ 25,318,744</u>                                                                          | <u>\$ 14,352,955</u>                                      | <u>\$ 4,287,470</u>                                |

The Level 3 activity for the year ended December 31, 2011, is as follows:

|                                             | <b>Fair Value Measurements Using<br/>Significant Unobservable Inputs<br/>(Level 3)</b> |                     |
|---------------------------------------------|----------------------------------------------------------------------------------------|---------------------|
|                                             | <b>Equity</b>                                                                          | <b>Total</b>        |
| Balance — January 1, 2011                   | \$ 4,287,470                                                                           | \$ 4,287,470        |
| Total gains or losses (realized/unrealized) | (254,987)                                                                              | (254,987)           |
| Included in earning                         |                                                                                        |                     |
| Included in changes in net assets           |                                                                                        |                     |
| Purchases                                   | 7,061,663                                                                              | 7,061,663           |
| Sales and settlements                       | <u>(4,287,470)</u>                                                                     | <u>(4,287,470)</u>  |
| Ending balance                              | <u>\$ 6,806,676</u>                                                                    | <u>\$ 6,806,676</u> |

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access. Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Investments are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of transparency. The types of instruments based on quoted market prices in active markets include most U.S. government and agency securities, active-listed equities, and most money market securities. Such instruments are generally classified within Level 1 of the fair value hierarchy. The Hospital does not adjust the quoted price for such instruments. Any assets not classified as Level 1 or Level 3 are classified as Level 2.

Certain types of instruments are classified within Level 3 of the fair value hierarchy because they trade infrequently and, therefore, have little or no price transparency. Such instruments include limited partnership investments. The transaction price is initially used as the best estimate of fair value. Accordingly, when a pricing model is used to value such an instrument, the model is adjusted so that the model value at inception equals the transaction price. This valuation is adjusted when changes to inputs and assumptions are corroborated by evidence, such as transactions in similar instruments, completed or pending third-party transactions in the underlying instrument or comparable entities, offerings in the capital markets, and changes in financial results, data, or cash flows. For positions that are not traded in active markets or are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or nontransferability and such adjustments are generally based in available market evidence. In the absence of such evidence, management's best estimate is used.

In addition, CDC has a noncontributory profit-sharing 401(k) plan covering substantially all full-time eligible employees of the home health agency. Employer contributions are discretionary and were \$55,732 in 2011 and \$63,132 in 2010.

## 8. PROFESSIONAL LIABILITY INSURANCE COVERAGE

The Hospital has established an offshore captive insurance company to provide professional and general liability coverage to the Hospital, certain medical staff members, and other affiliates. Under these insurance programs, a portion of the risk of loss from professional liability claims is retained by SAAC. The Hospital has accrued its best estimate of the ultimate cost of losses payable by the captive insurance company and the retained portion of losses under other insurance arrangements.

The Hospital established a self-insurance program for professional liability claims reported after May 31, 1986, and prior to December 31, 2003, and arising from services to patients after May 31, 1985. A trust was established for the payment of covered losses and related expenses, as specified under the Hospital's insurance program. The irrevocable trust is funded based on recommendations of a consulting actuary. Assets of the trust are reported in the consolidated balance sheets and income on trust assets is reported as operating revenue. The Hospital accrues its best estimate of self-insured losses as they occur, based upon recommendations by the consulting actuary. The discount rate used in estimating the liability was 3% and 4% in 2011 and 2010. The malpractice expense was \$1,163,557 and \$(1,888,743) for the years ended December 31, 2011 and 2010, respectively.

## 9. INVESTMENT IN CORPORATE JOINT VENTURES

The Hospital invested \$100,000 for a 33 1/3% equity interest in a magnetic resonance imaging center (the "Center"). The Center reported operating gains of \$1,273,165 and \$1,886,939 during the years ended December 31, 2011 and 2010, respectively, of which the Hospital's share was approximately \$500,000 and \$598,000 and in 2011 and 2010, respectively. The investment in the joint venture is accounted for on the equity method.

The condensed financial information for the Center as of and for the years ended December 31, 2011 and 2010, is as follows:

|                                                | 2011                 | 2010                 |
|------------------------------------------------|----------------------|----------------------|
| At December 31 — total assets                  | <u>\$ 10,947,203</u> | <u>\$ 12,334,396</u> |
| Total liabilities                              | \$ 5,698,678         | \$ 7,896,579         |
| Capital                                        | <u>5,248,525</u>     | <u>4,437,817</u>     |
| At December 31 — total liabilities and capital | <u>\$ 10,947,203</u> | <u>\$ 12,334,396</u> |
| Net income for the year ended December 31      | <u>\$ 1,273,165</u>  | <u>\$ 1,886,939</u>  |

The Hospital purchased the remaining 50% interest in Crittenton-Karmanos Health Services, of which it already had a 50% interest in as of July 1, 2011. This acquisition was treated as an acquisition achieved in stages. The balance sheet was recorded as such and Crittenton Cancer Center is now reported within the consolidated statements of the Hospital for the year 2011. The consolidated income statements represent the last six months of activity for 2011. The first six months were recorded under the equity method with the Hospital's share of the loss of approximately \$(542,478). The Hospital's share of the loss was \$(938,750) for 2010.

On November, 30, 2007, the Hospital invested \$2,880,000 for a 20% equity interest in USC, LLC. USC, LLC is engaged in the business of owning and operating an ambulatory surgery center in Troy, Michigan. In 2009, the ownership interest increased to 28.7%. The surgical center reported an operating

income of approximately \$1,520,000 and \$1,660,000 for the years ended December 31, 2011 and 2010, respectively, of which the Hospital's share of the income was approximately \$275,000 and \$276,000 in 2011 and 2010, respectively. The investment in the joint venture is accounted for on the equity method. During the years ended December 31, 2011 and 2010, the Hospital incurred expenses related to the surgical center of \$5,348,847 and \$5,519,593, respectively.

The condensed unaudited financial information for the Surgical Center as of and for the years ended December 31, 2011 and 2010, is as follows:

|                                                | 2011                | 2010                |
|------------------------------------------------|---------------------|---------------------|
| At December 31 — total assets                  | <u>\$ 4,679,822</u> | <u>\$ 4,501,296</u> |
| Total liabilities                              | \$ 1,155,031        | \$ 1,122,496        |
| Capital                                        | <u>3,524,791</u>    | <u>3,378,800</u>    |
| At December 31 — total liabilities and capital | <u>\$ 4,679,822</u> | <u>\$ 4,501,296</u> |
| Net income for the year ended December 31      | <u>\$ 1,517,219</u> | <u>\$ 1,659,965</u> |

The Hospital had other joint ventures accounted for on the equity method. The Hospital's share was approximately \$578,000 and \$220,000 in 2011 and 2010, respectively.

**Acquisition of Crittenton-Karmanos Health Services** — On June 30, 2011, the Hospital replaced Karmanos as the sole member of the Cancer Center. Prior to June 30, 2011, the Hospital had a 50% interest in Crittenton-Karmanos Health Services.

The Hospital acquired the Cancer Center by assuming the loan outstanding with Bank of America for the building of the Cancer Center of \$12,532,430 at June 30, 2011, and amending the promissory note that the Hospital has with Barbara Ann Karmanos Cancer Center, a reduction of \$997,658. The Hospital recorded assets, of \$18.7 million in the consolidated balance sheet at the acquisition date. Based on the purchase price allocation, the fair value of identifiable assets acquired and liabilities assumed exceeded the fair value of consideration paid and accrued. The transaction resulted in a recognized gain of \$2.4 million in nonoperating items in the consolidated statement of operations and changes in net assets for the year ending December 31, 2011. The summarized balance sheet information for the Cancer Center at June 30, 2011, is as follows:

|                                   |                      |                                       |                      |
|-----------------------------------|----------------------|---------------------------------------|----------------------|
| Cash and investments              | \$ 180,877           | Current portion of long-term debt     | \$ 525,836           |
| Patient accounts receivable — net | 494,060              | Accounts payable and accrued expenses | 541,572              |
| Other current assets              | 352,245              | Other current liabilities             | 194,688              |
| Property and equipment            | <u>17,692,651</u>    | Long-term debt                        | <u>12,006,594</u>    |
| Total assets acquired             | <u>\$ 18,719,833</u> | Total liabilities acquired            | <u>\$ 13,268,690</u> |

## 10. LEASES

The Hospital leases various equipment and facilities under operating leases. Total rental expense in 2011 and 2010 for all operating leases was approximately \$5,015,865 and \$3,807,000, respectively.

A schedule by year of future minimum lease payments under operating leases as of December 31, 2011, that have initial or remaining lease terms in excess of one year is as follows:

**December 31**

|            |                     |
|------------|---------------------|
| 2012       | \$ 4,474,616        |
| 2013       | 4,180,535           |
| 2014       | 3,620,648           |
| 2015       | 2,805,612           |
| 2016       | 2,664,439           |
| Thereafter | <u>5,711,416</u>    |
| Total      | <u>\$23,457,266</u> |

The Hospital has facilities leases under rental income. Total rental income in 2011 and 2010 for all rental leases was approximately \$985,000 and \$668,000, respectively.

A schedule by year of future rental income as of December 31, 2011, that have initial or remaining lease terms in excess of one year is as follows:

**December 31**

|            |                    |
|------------|--------------------|
| 2012       | \$1,026,719        |
| 2013       | 945,552            |
| 2014       | 728,277            |
| 2015       | 673,349            |
| 2016       | 686,107            |
| Thereafter | <u>2,398,803</u>   |
| Total      | <u>\$6,458,807</u> |

## 11. FUNCTIONAL EXPENSES

The Hospital fulfills the health care requirements of residents in the community it serves by providing, as its principal function, a complete array of necessary health care services. Expenses classified by function for the year ended December 31, 2011 and 2010, are as follows:

|                        | 2011                 | 2010                 |
|------------------------|----------------------|----------------------|
| Health care services   | \$219,666,967        | \$214,036,366        |
| Management and general | <u>35,763,623</u>    | <u>33,811,721</u>    |
| Total                  | <u>\$255,430,590</u> | <u>\$247,848,087</u> |

## 12. COMMITMENTS AND CONTINGENCIES

**Construction in Progress** — In 2010, the Hospital entered into an agreement to construct a patient tower. The outstanding commitment at December 31, 2011, is \$54,755,000.

### 13. NET ASSETS

**Unrestricted Net Assets** — Changes in consolidated unrestricted net assets attributable to the Hospital and noncontrolling interest in joint ventures for the years ended December 31, 2011 and 2010, are as follows:

|                                                              | Parent                | Noncontrolling<br>Interest | Consolidated          |
|--------------------------------------------------------------|-----------------------|----------------------------|-----------------------|
| Unrestricted net assets — January 1, 2010                    | <u>\$ 217,738,687</u> | <u>\$ 185,523</u>          | <u>\$ 217,924,210</u> |
| Excess of revenues over expenses                             | 1,836,051             | 31,053                     | 1,867,104             |
| Other changes in unrestricted net assets:                    |                       |                            |                       |
| Pension and postretirement adjustments                       | (3,465,705)           |                            | (3,465,705)           |
| Distributions to noncontrolling interests in joint ventures  |                       | (114,135)                  | (114,135)             |
| Net assets released from restrictions — capital acquisitions | <u>194,734</u>        | <u></u>                    | <u>194,734</u>        |
| Decrease in unrestricted net assets                          | <u>(1,434,921)</u>    | <u>(83,082)</u>            | <u>(1,518,003)</u>    |
| Unrestricted net assets — December 31, 2010                  | <u>216,303,767</u>    | <u>102,441</u>             | <u>216,406,208</u>    |
| (Deficiency) excess of revenues over expenses                | (8,412,648)           | 86,136                     | (8,326,512)           |
| Other changes in unrestricted net assets:                    |                       |                            |                       |
| Pension and postretirement adjustments                       | (7,002,913)           |                            | (7,002,913)           |
| Distributions to noncontrolling interests in joint ventures  |                       | (228,849)                  | (228,849)             |
| Net assets released from restrictions — capital acquisitions | <u>3,177,201</u>      | <u></u>                    | <u>3,177,201</u>      |
| Decrease in unrestricted net assets                          | <u>(12,238,360)</u>   | <u>(142,713)</u>           | <u>(12,381,073)</u>   |
| Unrestricted net assets — December 31, 2011                  | <u>\$ 204,065,407</u> | <u>\$ (40,272)</u>         | <u>\$ 204,025,135</u> |

### 14. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to December 31, 2011 through May 31, 2012, the date these consolidated financial statements were issued and has determined that there are no subsequent events that require recording or disclosure.

\* \* \* \* \*

## **SUPPLEMENTARY CONSOLIDATING INFORMATION**



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## **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY CONSOLIDATING INFORMATION**

To the Board of Trustees of  
Crittenton Hospital Medical Center:

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. This supplementary consolidating information is the responsibility of Crittenton Hospital Medical Center's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such supplementary consolidating information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary consolidating 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, such supplementary consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

May 31, 2012

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET — INFORMATION AS OF DECEMBER 31, 2011

| ASSETS                                                 | Consolidated         | Consolidation<br>Adjustments | CHMC                 | Foundation          | Crittenton<br>Cancer<br>Center | SAAC                | CDC                 |
|--------------------------------------------------------|----------------------|------------------------------|----------------------|---------------------|--------------------------------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                                  |                      |                              |                      |                     |                                |                     |                     |
| Cash and Investments                                   | \$ 4 610,325         | \$ -                         | \$ 1,311,207         | \$ 598,548          | \$ 788,319                     | \$ 538,418          | \$ 1,373,833        |
| Investments                                            | 54,152,583           |                              | 19,378,469           | 32,777,711          |                                |                     | 1,996,403           |
| Accounts receivable — net of allowance                 | 43,462,037           |                              | 41,188,685           |                     | 491,903                        |                     | 1,781,449           |
| Inventories                                            | 4,453,983            |                              | 3,881,900            |                     |                                |                     | 572,083             |
| Prepaid expenses                                       | 3,463,530            |                              | 2,471,594            |                     | 297,456                        | 10,366              | 684,114             |
| Funds held by trustee — current portion                | 2,085,033            |                              | 2,085,033            |                     |                                |                     |                     |
| Due from third party                                   | 1,067,458            |                              | 1,067,458            |                     |                                |                     |                     |
| Other current assets                                   | <u>1,762,382</u>     | <u>(1,290,153)</u>           | <u>2,672,225</u>     |                     | <u>211,957</u>                 |                     | <u>168,353</u>      |
| Total current assets                                   | <u>115,057,331</u>   | <u>(1,290,153)</u>           | <u>74 056 571</u>    | <u>33,376,259</u>   | <u>1,789 635</u>               | <u>548,784</u>      | <u>6,576,235</u>    |
| <b>ASSETS WHOSE USE IS LIMITED<br/>OR RESTRICTED</b>   |                      |                              |                      |                     |                                |                     |                     |
| Funds held by trustee — less<br>current portion        | 2,262,946            |                              | 2,262 946            |                     |                                |                     |                     |
| Board-designated assets                                | 61,540,484           |                              | 61,540,484           |                     |                                |                     |                     |
| Professional liability fund                            | 22,018,820           |                              | 11,595,003           |                     |                                | 10,423,817          |                     |
| Donor-restricted assets                                | 3,696,356            |                              | 690,692              | 3,005,664           |                                |                     |                     |
| Pledges receivable                                     | <u>909,785</u>       |                              |                      | <u>909,785</u>      |                                |                     |                     |
|                                                        | <u>90,428,391</u>    | <u>-</u>                     | <u>76,089,125</u>    | <u>3 915,449</u>    | <u>-</u>                       | <u>10,423,817</u>   | <u>-</u>            |
| <b>OTHER ASSETS</b>                                    |                      |                              |                      |                     |                                |                     |                     |
| Investment in corporate joint ventures                 | 6,914,831            | (6,085,904)                  | 11,297,318           |                     |                                |                     | 1 703,417           |
| Debt issuance costs — less<br>accumulated amortization | 749,915              |                              | 749,915              |                     |                                |                     |                     |
| Other assets                                           | <u>6,608,295</u>     | <u>(9,647,351)</u>           | <u>16,255,646</u>    |                     |                                |                     |                     |
|                                                        | <u>14,273,041</u>    | <u>(15,733,255)</u>          | <u>28,302,879</u>    | <u>-</u>            | <u>-</u>                       | <u>-</u>            | <u>1,703,417</u>    |
| <b>PROPERTY AND EQUIPMENT</b>                          |                      |                              |                      |                     |                                |                     |                     |
| Land and improvements                                  | 10,836,937           |                              | 8,395,695            |                     |                                |                     | 2,441,242           |
| Buildings and improvements                             | 208,364,675          |                              | 183,286,349          |                     | 16,800,000                     |                     | 8,278,326           |
| Equipment                                              | 113,684,966          |                              | 109,864,737          |                     | 951,740                        |                     | 2,868,489           |
| Construction in progress                               | <u>11,846,643</u>    |                              | <u>11,846,643</u>    |                     |                                |                     |                     |
|                                                        | <u>344,733,221</u>   | <u>-</u>                     | <u>313,393,424</u>   | <u>-</u>            | <u>17,751,740</u>              | <u>-</u>            | <u>13,588,057</u>   |
| Less accumulated depreciation                          | <u>171,334,941</u>   |                              | <u>167,677,643</u>   |                     | <u>308,258</u>                 |                     | <u>3,349,040</u>    |
| Net property and equipment                             | <u>173,398,280</u>   | <u>-</u>                     | <u>145,715,781</u>   | <u>-</u>            | <u>17,443,482</u>              | <u>-</u>            | <u>10,239,017</u>   |
| <b>TOTAL</b>                                           | <u>\$393,157,043</u> | <u>\$ (17,023,408)</u>       | <u>\$324,164,356</u> | <u>\$37,291,708</u> | <u>\$19,233,117</u>            | <u>\$10,972,601</u> | <u>\$18,518,669</u> |

(Continued)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING BALANCE SHEET — INFORMATION AS OF DECEMBER 31, 2011

|                                                  | Consolidated         | Consolidation<br>Adjustments | CHMC                 | Foundation          | Crittenton<br>Cancer<br>Center | SAAC                | CDC                 |
|--------------------------------------------------|----------------------|------------------------------|----------------------|---------------------|--------------------------------|---------------------|---------------------|
| <b>LIABILITIES AND NET ASSETS</b>                |                      |                              |                      |                     |                                |                     |                     |
| <b>CURRENT LIABILITIES</b>                       |                      |                              |                      |                     |                                |                     |                     |
| Accounts payable                                 | \$ 14,983,928        | \$ -                         | \$ 12,861,498        | \$ -                | \$ 934,096                     | \$ 42,106           | \$ 1,146,228        |
| Accrued liabilities                              |                      |                              |                      |                     |                                |                     |                     |
| Salaries and wages                               | 3,812,837            |                              | 3,580,224            |                     |                                |                     | 232,613             |
| Vacation and sick pay                            | 4,702,765            |                              | 4,702,765            |                     |                                |                     |                     |
| Interest                                         | 737,799              |                              | 737,799              |                     |                                |                     |                     |
| Other                                            | 3,159,098            | 147,610                      | 2,025,033            | 50,000              |                                | 448,927             | 487,528             |
| Due to third parties                             | 4,902,649            |                              | 4,552,388            |                     |                                |                     | 350,261             |
| Accounts payable — affiliates                    | -                    | (1,437,763)                  | 324,597              | 225,394             | 811,535                        |                     | 76,237              |
| Current portion of long-term debt                | 6,450,060            | (1,086,210)                  | 4,290,005            |                     | 482,016                        |                     | 2,764,249           |
| <b>Total current liabilities</b>                 | <b>38,749,136</b>    | <b>(2,376,363)</b>           | <b>33,074,309</b>    | <b>275,394</b>      | <b>2,227,647</b>               | <b>491,033</b>      | <b>5,057,116</b>    |
| <b>PENSION LIABILITY</b>                         | <b>29,639,015</b>    |                              | <b>29,639,015</b>    |                     |                                |                     |                     |
| <b>PROFESSIONAL LIABILITY</b>                    | <b>7,286,798</b>     | <b>(6,287,318)</b>           | <b>3,212,548</b>     |                     |                                | <b>10,361,568</b>   |                     |
| <b>OTHER LIABILITIES</b>                         | <b>1,129,986</b>     |                              | <b>579,986</b>       |                     |                                |                     | <b>550,000</b>      |
| <b>LONG-TERM DEBT — Less<br/>current portion</b> | <b>107,720,832</b>   | <b>(2,273,823)</b>           | <b>95,933,336</b>    |                     | <b>11,787,496</b>              |                     | <b>2,273,823</b>    |
| <b>Total liabilities</b>                         | <b>184,525,767</b>   | <b>(10,937,504)</b>          | <b>162,439,194</b>   | <b>275,394</b>      | <b>14,015,143</b>              | <b>10,852,601</b>   | <b>7,880,939</b>    |
| <b>NET ASSETS</b>                                |                      |                              |                      |                     |                                |                     |                     |
| Unrestricted                                     | 204,065,407          | (6,085,904)                  | 161,034,470          | 33,100,865          | 5,217,974                      | 120,000             | 10,678,002          |
| Noncontrolling interest                          | (40,272)             |                              |                      |                     |                                |                     | (40,272)            |
| <b>Total unrestricted</b>                        | <b>204,025,135</b>   | <b>(6,085,904)</b>           | <b>161,034,470</b>   | <b>33,100,865</b>   | <b>5,217,974</b>               | <b>120,000</b>      | <b>10,637,730</b>   |
| <b>Temporarily restricted</b>                    | <b>4,606,141</b>     |                              | <b>690,692</b>       | <b>3,915,449</b>    |                                |                     |                     |
| <b>Total net assets</b>                          | <b>208,631,276</b>   | <b>(6,085,904)</b>           | <b>161,725,162</b>   | <b>37,016,314</b>   | <b>5,217,974</b>               | <b>120,000</b>      | <b>10,637,730</b>   |
| <b>TOTAL</b>                                     | <b>\$393,157,043</b> | <b>\$(17,023,408)</b>        | <b>\$324,164,356</b> | <b>\$37,291,708</b> | <b>\$19,233,117</b>            | <b>\$10,972,601</b> | <b>\$18,518,669</b> |

(Concluded)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS — INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

|                                                                                            | Consolidated          | Consolidation<br>Adjustments | CHMC                  | Foundation            | Crittenton<br>Cancer<br>Center | SAAC             | CDC               |
|--------------------------------------------------------------------------------------------|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------------|------------------|-------------------|
| UNRESTRICTED REVENUE,<br>GAINS, AND OTHER SUPPORT                                          |                       |                              |                       |                       |                                |                  |                   |
| Net patient service revenue                                                                | \$ 239,992,516        | \$(1,938,845)                | \$ 224,143,023        | \$ -                  | \$3,343,865                    | \$ -             | \$14,444,473      |
| Other operating revenue                                                                    | 3,570,199             | (2,248,910)                  | 2,686,727             | 27,735                | (7,952)                        | 1,891,567        | 1,221,032         |
| Income from investment in joint<br>ventures                                                | 808,679               |                              | 665,835               |                       |                                |                  | 142,844           |
| Net assets released from restrictions<br>for operations                                    | 83,994                |                              | 83,994                |                       |                                |                  |                   |
| Total unrestricted revenue,<br>gains, and other support                                    | <u>244,455,388</u>    | <u>(4,187,755)</u>           | <u>227,579,579</u>    | <u>27,735</u>         | <u>3,335,913</u>               | <u>1,891,567</u> | <u>15,808,349</u> |
| EXPENSES                                                                                   |                       |                              |                       |                       |                                |                  |                   |
| Salaries and wages                                                                         | 90,106,051            |                              | 83,778,582            | 281,877               | 10,024                         |                  | 6,035,568         |
| Fringe benefits                                                                            | 21,327,462            |                              | 20,074,737            | 58,498                |                                |                  | 1,194,227         |
| Outside professional medical services                                                      | 12,661,225            |                              | 11,824,670            |                       | 782,531                        |                  | 54,024            |
| Administrative and general                                                                 | 58,502,033            | (4,047,049)                  | 55,547,025            | 437,174               | 2,077,599                      | 935,098          | 3,552,186         |
| Supplies                                                                                   | 42,713,323            |                              | 38,919,968            | 7,948                 | 163,051                        |                  | 3,622,356         |
| Provision for uncollectible accounts                                                       | 11,503,116            |                              | 11,426,145            |                       | 54,531                         |                  | 22,440            |
| Depreciation and amortization                                                              | 15,812,103            |                              | 14,766,237            |                       | 308,405                        |                  | 737,461           |
| Interest                                                                                   | 2,805,277             | (140,706)                    | 2,359,132             |                       | 172,941                        |                  | 413,910           |
| Total expenses                                                                             | <u>255,430,590</u>    | <u>(4,187,755)</u>           | <u>238,696,496</u>    | <u>785,497</u>        | <u>3,569,082</u>               | <u>935,098</u>   | <u>15,632,172</u> |
| (LOSS) GAIN FROM OPERATIONS                                                                | <u>(10,975,202)</u>   | <u>-</u>                     | <u>(11,116,917)</u>   | <u>(757,762)</u>      | <u>(233,169)</u>               | <u>956,469</u>   | <u>176,177</u>    |
| NONOPERATING GAINS (LOSSES)                                                                |                       |                              |                       |                       |                                |                  |                   |
| Contributions made                                                                         | -                     | 5,916,746                    |                       | (5,916,746)           |                                |                  |                   |
| Other                                                                                      | 2,648,690             |                              | 2,283,751             | (318,602)             | 1,291,190                      | (956,469)        | 348,820           |
| Total nonoperating gains (losses)                                                          | <u>2,648,690</u>      | <u>5,916,746</u>             | <u>2,283,751</u>      | <u>(6,235,348)</u>    | <u>1,291,190</u>               | <u>(956,469)</u> | <u>348,820</u>    |
| (DEFICIENCY) EXCESS OF REVENUE OVER<br>EXPENSES ATTRIBUTABLE TO<br>CONSOLIDATED OPERATIONS | <u>(8,326,512)</u>    | <u>5,916,746</u>             | <u>(8,833,166)</u>    | <u>(6,993,110)</u>    | <u>1,058,021</u>               | <u>-</u>         | <u>524,997</u>    |
| LESS GAIN ATTRIBUTABLE TO<br>NONCONTROLLING INTERESTS                                      | <u>(86,136)</u>       |                              |                       |                       |                                |                  | <u>(86,136)</u>   |
| (DEFICIENCY) EXCESS OF REVENUE OVER<br>EXPENSES ATTRIBUTABLE<br>TO PARENT                  | <u>\$ (8,412,648)</u> | <u>\$ 5,916,746</u>          | <u>\$ (8,833,166)</u> | <u>\$ (6,993,110)</u> | <u>\$ 1,058,021</u>            | <u>\$ -</u>      | <u>\$ 438,861</u> |

(Continued)

# CRITTENTON HOSPITAL MEDICAL CENTER AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS — INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2011

|                                                                         | Consolidated         | Consolidation<br>Adjustments | CHMC                 | Foundation          | Crittenton<br>Cancer<br>Center | SAAC             | CDC                 |
|-------------------------------------------------------------------------|----------------------|------------------------------|----------------------|---------------------|--------------------------------|------------------|---------------------|
| UNRESTRICTED NET ASSETS                                                 |                      |                              |                      |                     |                                |                  |                     |
| (Deficiency) excess of revenue over expenses                            | \$ (8,326,512)       | \$ 5,916,746                 | \$ (8,833,166)       | \$ (6,993,110)      | \$1,058,021                    | \$ -             | \$ 524,997          |
| Net assets released from restrictions for purchase of long-lived assets | 3,177,201            | (5,916,746)                  | 9,093,947            |                     |                                |                  |                     |
| Distribution to noncontrolling interest                                 | (228,849)            |                              |                      |                     |                                |                  | (228,849)           |
| Pension liability adjustments                                           | (7,002,913)          |                              | (7,002,913)          |                     |                                |                  |                     |
| Other changes                                                           | -                    |                              | (4,159,953)          |                     | 4,159,953                      |                  |                     |
| (Decrease) increase in unrestricted net assets                          | (12,381,073)         | -                            | (10,902,085)         | (6,993,110)         | 5,217,974                      | -                | 296,148             |
| TEMPORARILY RESTRICTED NET ASSETS                                       |                      |                              |                      |                     |                                |                  |                     |
| Contributions for operation, plant, and equipment                       | 2,322,114            |                              | 21,614               | 2,300,500           |                                |                  |                     |
| Net assets released from restrictions                                   | (3,261,195)          |                              | (37,419)             | (3,223,776)         |                                |                  |                     |
| (Decrease) increase in temporarily restricted net assets                | (939,081)            | -                            | (15,805)             | (923,276)           | -                              | -                | -                   |
| (DECREASE) INCREASE IN NET ASSETS                                       | (13,320,154)         | -                            | (10,917,890)         | (7,916,386)         | 5,217,974                      | -                | 296,148             |
| NET ASSETS — Beginning of year                                          | 221,951,430          | (6,085,904)                  | 172,643,052          | 44,932,700          |                                | 120,000          | 10,341,582          |
| NET ASSETS — End of year                                                | <u>\$208,631,276</u> | <u>\$ (6,085,904)</u>        | <u>\$161,725,162</u> | <u>\$37,016,314</u> | <u>\$5,217,974</u>             | <u>\$120,000</u> | <u>\$10,637,730</u> |
|                                                                         |                      |                              |                      |                     |                                |                  | (Concluded)         |