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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

ALTRU HEALTH SYSTEM

Doing Business As

ALTRU HOSPITAL

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

1200 S COLUMBIA RD

Room/suite

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

GRAND FORKS, ND 582014036

F Name and address of principal officer

DAVID MOLMEN

1200 S COLUMBIA RD

GRAND FORKS,ND 582014036

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

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

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

J Website:

ALTRU ORG

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

L Year of formation 1970

M State of legal domicile ND

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	HEALTHCARE DELIVERY	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	11
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	4,162
	6	Total number of volunteers (estimate if necessary)	6	353
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,329,256
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,769,870	2,217,753
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	398,290,568	424,145,122
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,874,572	4,921,726
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	441,490	423,148
			404,376,500	431,707,749
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	68,673	106,934
	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)	235,908,618	249,507,009
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
Net Assets or Fund Balances	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	145,094,004	165,196,637
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	381,071,295	414,810,580
	19	Revenue less expenses Subtract line 18 from line 12	23,305,205	16,897,169
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	371,999,674	380,667,327
	21	Total liabilities (Part X, line 26)	227,020,666	235,692,188
	22	Net assets or fund balances Subtract line 21 from line 20	144,979,008	144,975,139

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

DAVID MOLMEN CEO

Type or print name and title

2012-11-12

Date

Paid Preparer's Use Only

Preparer's signature

MARK MILLER

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

BRADY MARTZ AND ASSOCIATES PC

PO BOX 14296

GRAND FORKS, ND 582084296

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00014209

EIN 45-0310328

Phone no (701) 775-4685

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

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

☐

☒

1

Briefly describe the organization's mission

IMPROVING HEALTH, ENRICHING LIFE WHY WE SERVE TO ACHIEVE OPTIMUM HEALTH FOR ALL RESIDENTS IN OUR REGION HOW WE SERVE BY PROVIDING HEALTH EDUCATION, PREVENTIVE SERVICES, EARLY INTERVENTION, AND APPROPRIATE CARE WHOM WE SERVE THE MORE THAN 200,000 RESIDENTS OF NORTHEAST NORTH DAKOTA AND NORTHWEST MINNESOTA WHO WE ARE A COMMUNITY OF OVER 3,000 HEALTH PROFESSIONALS AND SUPPORT STAFF COMMITTED TO SERVING THE REGION FOR MORE THAN 100 YEARS

2

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

☐ Yes ☒ No

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

3

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

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 18,652,584 including grants of \$) (Revenue \$ 22,086,073)

ORTHOPEDICS - ALTRU'S TEAM OF ORTHOPEDIC SURGEONS PROVIDE INPATIENT AND OUTPATIENT SURGICAL SERVICES TO PATIENTS WITH ISSUES RANGING FROM SIMPLE FRACTURES TO COMPLEX TRAUMATIC INJURIES IN 2011 THERE WERE 1,658 HOSPITAL DISCHARGES

4b

(Code) (Expenses \$ 16,539,952 including grants of \$) (Revenue \$ 18,626,589)

CARDIOLOGY - ALTRU OFFERS COMPREHENSIVE SERVICES INCLUDING INTERVENTIONAL AND MEDICAL CARDIOLOGY ADDITIONAL SERVICES INCLUDE ECHOCARDIOGRAPHY, CARDIAC STRESS TESTS, AND CARDIAC REHAB ALTRU HAS BEEN RECOGNIZED THREE TIMES AS A "100 TOP HOSPITALS" FOR CARDIOVASCULAR CARE OUR CARDIOLOGY TEAM ALSO PROVIDES OUTREACH CLINIC SERVICES TO COMMUNITIES THROUGHOUT OUR SERVICE AREA IN 2011 THERE WERE 1,947 HOSPITAL DISCHARGES

4c

(Code) (Expenses \$ 10,324,126 including grants of \$) (Revenue \$ 14,155,204)

GENERAL SURGERY - ALTRU'S TEAM OF GENERAL SURGEONS PERFORM INPATIENT AND OUTPATIENT SURGERY FROM ELEVEN OPERATING ROOM SUITES IN ALTRU HOSPITAL IN 2011 THERE WERE 920 GENERAL SURGERY HOSPITAL DISCHARGES

(Code) (Expenses \$ 332,278,022 including grants of \$) (Revenue \$ 366,084,337)

OTHER PROGRAM SERVICES INCLUDE OTHER PATIENT CARE PROGRAMS AND GENERAL & ADMINISTRATIVE

4d

Other program services (Describe in Schedule O)


















(Expenses \$ 332,278,022 including grants of \$) (Revenue \$ 366,084,337)

4e

Total program service expenses \$ 377,794,684

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	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Part III and IV		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	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	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
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		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	84
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c
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	2a4,162
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aYes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3bYes
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)?	4aNo
b	If "Yes," enter the name of the foreign country <input type="text"/> 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? . . .	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
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?	6aNo
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?	7aNo
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?	7cNo
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?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7fNo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b
c	Enter the aggregate amount of reserves on hand	13c
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14aNo
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	11		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ▶ _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <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 ▶ DWIGHT THOMPSON 1200 SOUTH COLUMBIA ROAD GRAND FORKS, ND 58201 (701) 780-5203

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LONNIE LAFFEN SECRETARY	1 00	X		X				0	0	0
(2) JOHN SNUSTAD VICE CHAIR	1 00	X		X				0	0	0
(3) DARRELL LARSON ESQ BOARD CHAIR	1 00	X		X				0	0	0
(4) CASEY RYAN MD BOARD MEMBER/PRESIDENT/PHY	40 00	X		X				483,208	0	39,874
(5) DAVID MOLMEN BOARD MEMBER/CEO	40 00	X		X				454,107	0	42,840
(6) TIMOTHY P SAYLER BOARD MEMBER/COO	40 00	X		X				132,907	0	8,823
(7) BRADLEY WEHE BOARD MEMBER/COO	40 00	X		X				254,434	0	43,599
(8) BRADLEY BELLUK MD BOARD MEMBER/PHYSICIAN	40 00	X						489,453	0	38,971
(9) KRIS COMPTON BOARD MEMBER	1 00	X						0	0	0
(10) PHILIP GISI BOARD MEMBER	1 00	X						0	0	0
(11) JAMES HARGREAVES DO BOARD MEMBER/PHYSICIAN	40 00	X						544,925	0	38,835
(12) ALICE BREKKE BOARD MEMBER	1 00	X						0	0	0
(13) MATTHEW ROLLER MD BOARD MEMBER/PHYSICIAN	40 00	X						414,091	0	38,816
(14) DWIGHT THOMPSON CFO/TREASURER	40 00			X				328,185	0	43,505
(15) JAMES VANLOOY MD CHIEF MEDICAL EXECUTIVE	40 00				X			300,787	0	33,720
(16) MARGARET REED RN CHIEF NURSE EXECUTIVE	40 00				X			218,830	0	17,944
(17) RENEE M AXTMAN RN ADMIN DIR PRIMARY CARE	40 00				X			185,825	0	32,456

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) LELAND LINDQUIST ADMINISTRATIVE DIR HUMAN R	40 00				X			227,847	0	30,856
(19) JACQUELYN WALSH ADMIN DIR SURGICAL&CLINICA	40 00				X			168,318	0	27,425
(20) DENNIS REISNOUR ADM DIR CORP DEVELOPMENT	40 00				X			197,687	0	19,757
(21) KENNETH VEIN ADM DIR PLANT SERVICES	40 00				X			176,390	0	33,358
(22) MARK WAIND ADM DIR INFORMATION SERVIC	40 00				X			182,006	0	25,571
(23) KERRY P CARLSON ADM DIR MEDICAL SPECIALTY	40 00				X			162,350	0	29,470
(24) KELLY HAGEN RN ADM DIR CARDIOLOGY & MUSCU	40 00				X			153,515	0	28,548
(25) MICKEY SYRQUIN PHYSICIAN	40 00					X		1,045,651	0	38,979
(26) IKECHUKWU ONYEKA PHYSICIAN	40 00					X		1,036,941	0	43,179
(27) ABDEL AHMED PHYSICIAN	40 00					X		1,729,448	0	43,434
(28) SRINIVAS PULAGAM PHYSICIAN	40 00					X		948,687	0	42,778
(29) RANDALL SMITH PHYSICIAN	40 00					X		911,015	0	38,979
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								10,746,607	0	781,717

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▶263

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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>	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>		No

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
DELPHI HEALTHCARE PARTNERS INC 170 SOUTHPORT DR MORRISVILLE, NC 27560	LOCUM TENENS SERVICES	2,272,352
EPIC SYSTEMS CORPORATION PO BOX 88314 MILWAUKEE, WI 532880314	SERVICES	2,235,736
MAYO COLLABORATIVE SERVICES INC PO BOX 9146 MINNEAPOLIS, MN 554809146	SERVICES	1,475,661
C & R CLEANERS AND LAUNDRY 1010 N 5TH ST GRAND FORKS, ND 58203	SERVICES	1,026,783
CLARITY COVERDALE FURY ADV 120 S 6TH ST STE 1300 MINNEAPOLIS, MN 55402	ADVERTISING	946,289
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 ▶53		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	980,686				
	e	Government grants (contributions)	1e	944,504				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	292,563				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		2,217,753				
Program Service Revenue			Business Code					
	2a	NET SERVICE TO PATIENT	621110	413,564,906	411,658,798	1,906,108		
	b	PROGRAM SERVICE REVENUE	621110	10,093,300	8,693,209		1,400,091	
	c	RESEARCH GRANTS	621500	439,030	439,030			
	d	BIOMED SERVICES/SITE S	900099	47,886			47,886	
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		424,145,122				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		4,760,560			4,760,560	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	Gross rents	(i) Real	(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			53,372,898					
			52,814,160	397,572				
			558,738	-397,572				
	d	Net gain or (loss)		161,166	161,166			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances	a					
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory . .						
	Miscellaneous Revenue		Business Code					
	11a	FITNESS PROGRAM	621990	225,311		225,311		
b	RENTAL OFFICE SPACE/PA	621300	185,940		185,940			
c	TELECOMMUNICATIONS	517000	6,007		6,007			
d	All other revenue		5,890		5,890			
e	Total. Add lines 11a-11d		423,148					
12	Total revenue. See Instructions		431,707,749	420,952,203	2,329,256	6,208,537		

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	103,134	103,134		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	3,800	3,800		
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	5,649,233	1,893,533	3,755,700	
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	200,213,171	184,655,319	15,557,852	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	13,598,355	12,541,675	1,056,680	
9	Other employee benefits	17,947,711	16,553,058	1,394,653	
10	Payroll taxes	12,098,539	10,998,318	1,100,221	
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses	1,177,189	1,177,189		
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel	2,298,299	2,133,144	165,155	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	6,549,920	6,549,920		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	20,250,608	20,250,608		
23	Insurance	2,040,381	2,040,381		
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	SUPPLIES	60,465,492	60,074,421	391,071	
b	BAD DEBTS	29,028,266	29,028,266		
c	PURCHASED SERVICES	27,288,722	18,284,227	9,004,495	
d	FEES	8,438,736	7,630,498	808,238	
e					
f	All other expenses	7,659,024	3,877,193	3,781,831	
25	Total functional expenses. Add lines 1 through 24f	414,810,580	377,794,684	37,015,896	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			11,676	1	11,444
	2	Savings and temporary cash investments			23,407,475	2	19,610,998
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			67,962,023	4	67,851,679
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			489,594	7	510,795
	8	Inventories for sale or use			6,492,670	8	6,106,238
	9	Prepaid expenses and deferred charges			325,706	9	369,785
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	354,294,532			
	b	Less accumulated depreciation	10b	216,534,357	130,833,330	10c	137,760,175
	11	Investments—publicly traded securities			113,283,975	11	131,687,609
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			29,193,225	15	16,758,604
	16	Total assets. Add lines 1 through 15 (must equal line 34)			371,999,674	16	380,667,327
Liabilities	17	Accounts payable and accrued expenses			39,489,667	17	40,435,950
	18	Grants payable				18	
	19	Deferred revenue			347,935	19	385,635
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			166,477,752	23	158,529,275
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			20,705,312	25	36,341,328
	26	Total liabilities. Add lines 17 through 25			227,020,666	26	235,692,188
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			144,979,008	27	144,975,139
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			144,979,008	33	144,975,139
	34	Total liabilities and net assets/fund balances			371,999,674	34	380,667,327

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	431,707,749
2	Total expenses (must equal Part IX, column (A), line 25)	2	414,810,580
3	Revenue less expenses Subtract line 2 from line 1	3	16,897,169
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	144,979,008
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-16,901,038
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	144,975,139

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization ALTRU HEALTH SYSTEM	Employer identification number 45-0310462
---	--

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ALTRU HEALTH SYSTEM

Employer identification number
45-0310462

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

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

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii)

Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

	Yes	No
3a(i)		
3a(ii)		
3b		

(i)

unrelated organizations

(ii)

related organizations

b

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

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		11,008,382		11,008,382
b Buildings		160,788,584	94,433,854	66,354,730
c Leasehold improvements		5,876,380	4,433,430	1,442,950
d Equipment		165,451,163	117,667,073	47,784,090
e Other		11,170,023		11,170,023
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				137,760,175

Schedule D (Form 990) 2011

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES THE ORGANIZATION'S POLICY IS TO EVALUATE THE LIKELIHOOD THAT ITS UNCERTAIN TAX POSITIONS WILL PREVAIL UPON EXAMINATION BASED ON THE EXTENT TO WHICH THOSE POSITIONS HAVE SUBSTANTIAL SUPPORT WITHIN THE INTERNAL REVENUE CODE AND REGULATIONS, REVENUE RULINGS, COURT DECISIONS AND OTHER EVIDENCE. IT IS THE OPINION OF MANAGEMENT THAT THE ORGANIZATION HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS THAT WOULD BE SUBJECT TO CHANGE UPON EXAMINATION. THE FEDERAL INCOME TAX RETURNS OF THE ORGANIZATION ARE SUBJECT TO EXAMINATION BY INTERNAL REVENUE SERVICE GENERALLY FOR THREE YEARS AFTER THEY WERE FILED.

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
ALTRU HEALTH SYSTEM

Employer identification number
45-0310462

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input checked="" type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input checked="" type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____%</div> c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's policy provide free or discounted care to the "medically indigent"?	3a	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)			2,197,074	0	2,197,074	0 530 %
b Medicaid (from Worksheet 3, column a)			18,530,730	0	18,530,730	4 470 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			921,005	0	921,005	0 220 %
d Total Charity Care and Means-Tested Government Programs			21,648,809		21,648,809	5 220 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		698,688	364,790	45	364,745	0 090 %
f Health professions education (from Worksheet 5)		4,813	429,378	0	429,378	0 100 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)		399	203,502	0	203,502	0 050 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		30,139	188,253	0	188,253	0 050 %
j Total Other Benefits		734,039	1,185,923	45	1,185,878	0 290 %
k Total. Add lines 7d and 7j		734,039	22,834,732	45	22,834,687	5 510 %

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	Yes
2	Enter the amount of the organization's bad debt expense	2	29,028,266
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	94,054,708
6	Enter Medicare allowable costs of care relating to payments on line 5	6	272,945,327
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-178,890,619
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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" 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 IV

Management Companies and Joint Ventures

(see instructions)

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

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 2

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)

ALTRU HOSPITAL

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

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

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input checked="" type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input checked="" type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

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)

ALTRU REHABILITATION CENTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150 0000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

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

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input checked="" type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input checked="" type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

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? 53

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

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		PART I, LINE 6A PREPARATION OF ANNUAL COMMUNITY BENEFIT REPORT ALTRU HEALTH SYSTEM PREPARES ANNUALLY A COMMUNITY BENEFIT REPORT BASED ON FORMS DESIGNED BY THE CATHOLIC HEALTH ORGANIZATION ONCE ALL REPORTING FORMS HAVE BEEN COMPILED FOR THE YEAR, THE CATHOLIC HEALTH ORGANIZATION'S REFERENCE GUIDE FROM "A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT" IS USED TO DETERMINE WHAT ITEMS SHOULD BE REPORTED INTO WHAT CATEGORY THE COMMUNITY BENEFIT REPORT IS PUBLISHED AS A PART OF THE CORPORATION'S ANNUAL REPORT, WHICH IS PLACED ON OUR WEB SITE FOR PUBLIC ACCESS

Identifier	ReturnReference	Explanation
		PART I, LINE 7 COLUMN (F) - PERCENT OF TOTAL EXPENSES IN DETERMINING THE DENOMINATOR FOR THE PERCENT OF TOTAL EXPENSE CALCULATION, THE AMOUNT REPORTED ON FORM 990, PART IX, LINE 25, COLUMN (A) WAS REDUCED BY BAD DEBTS EXPENSE OF \$26,028,266 CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST THE METHODOLOGY USED TO DETERMINE THE REPORTED AMOUNTS FOR THE CHARITY CARE IS A COST-TO-CHARGE RATIO BASED ON GROSS CHARGES WRITTEN OFF PURSUANT TO OUR CHARITY CARE AND MEANS-TESTED PROGRAMS ELIGIBILITY CRITERIA OTHER COMMUNITY BENEFIT IS DETERMINED FROM INFORMATION THAT WAS COMPILED ON FORMS DESIGNED BY THE CATHOLIC HEALTH ORGANIZATION AND USING THEIR REFERENCE GUIDE, "A GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT," TO DETERMINE WHICH CATEGORY THE AMOUNTS ARE PROPERLY REPORTED UNDER

Identifier	ReturnReference	Explanation
		PART II NONE DOCUMENTED ON FORM 990

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 FOOTNOTE DISCLOSURE REGARDING BAD DEBTS EXPENSE NOTES 1 AND 13 TO THE AUDITED FINANCIAL STATEMENTS REPORT ON BAD DEBT EXPENSE NOTE 1 - CHANGE IN ACCOUNTING PRINCIPLES "ALTRU HEALTH SYSTEM EARLY ADOPTED THE PROVISIONS OF ACCOUNTING STANDARDS UPDATE NO 2011-07, HEALTHCARE ENTITIES (TOPIC 954) PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTHCARE ENTITIES IS ALLOWABLE IN ACCORDANCE WITH THE IMPLEMENTATION GUIDANCE, ALTRU HEALTH SYSTEM APPLIED THE PRESENTATION REQUIREMENTS TO 2011 AND 2010 THE IMPACT ON 2011 WAS A DECREASE TO UNRESTRICTED OPERATING REVENUE OF \$29,151,584 AND A DECREASE TO TOTAL EXPENSE OF \$29,151,584 THE IMPACT OF 2010 WAS A DECREASE TO UNRESTRICTED OPERATING REVENUE OF \$18,618,905 AND A DECREASE TO TOTAL EXPENSE OF \$18,618,905 THERE WAS NO IMPACT ON OPERATING INCOME OR NET ASSETS " ACCOUNTS RECEIVABLE "PATIENT RECEIVABLE ARE UNCOLLATERALIZED PATIENT AND THIRD-PARTY PAYOR OBLIGATIONS PAYMENTS OF PATIENT RECEIVABLES ARE ALLOCATED TO THE SPECIFIC CLAIMS IDENTIFIED IN THE REMITTANCE ADVICE OR, IF UNSPECIFIED, ARE APPLIED TO THE EARLIEST UNPAID CLAIM PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, ALTRU HEALTH SYSTEM ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, ALTRU RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS ALTRU'S PROCESS FOR CALCULATING THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR SELF-PAY PATIENTS HAS NOT SIGNIFICANTLY CHANGED FROM DECEMBER 31, 2010 TO DECEMBER 31, 2011 ALTRU DOES NOT MAINTAIN A MATERIAL ALLOWANCE FOR DOUBTFUL ACCOUNTS FROM THIRD-PARTY PAYORS, NOR DID IT HAVE SIGNIFICANT WRITE OFFS FROM THIRD-PARTY PAYORS ALTRU HAS NOT SIGNIFICANTLY CHANGED ITS CHARITY CARE OR UNINSURED DISCOUNT POLICIES DURING FISCAL YEARS 2010 OR 2011 NOTE 13 - " NEITHER THE CHARITY CARE NOR THE UNCOMPENSATED CARE AMOUNTS INCLUDE BAD DEBTS AS SHOWN IN THE STATEMENT OF OPERATIONS "</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 NONE OF THE SHORTFALL SHOWN ON PART III, LINE 7 OF \$178,890,619 HAS BEEN TREATED AS COMMUNITY BENEFIT AS REPORTED ON SCHEDULE H THE SOURCE OF THE AMOUNT SHOWN ON PART III, LINE 6 COMES FROM THE MEDICARE ALLOWABLE COSTS REPORTED IN ALTRU'S MEDICARE COST REPORT SUBMITTED FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011, UTILIZING THE FOLLOWING WORKSHEETS WORKSHEETS B PART I, H-7 PARTS 1&2, I-4, AND K-6

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PROVISION FOR COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE ARE FOUND IN ALTRU'S POLICIES 2611 "DEDUCTIONS FROM REVENUES" AND 2614 "CHARITY CARE " ALTRU'S COMMUNITY CARE PROGRAM IS DESIGNED TO PROVIDE FINANCIAL ASSISTANCE TO THOSE WHO HAVE NO INSURANCE AND/OR LIMITED MEANS TO PAY FOR THEIR MEDICAL SERVICES AND DO NOT QUALIFY FOR OTHER PROGRAMS IN ADDITION TO QUALITY HEALTHCARE, PATIENTS OF ALTRU HEALTH SYSTEM ARE PROVIDED FINANCIAL COUNSELING REGARDING THEIR MEDICAL BILLS, BY SOMEONE WHO CAN UNDERSTAND AND OFFER POSSIBLE SOLUTIONS FOR THOSE WHO CANNOT PAY IN FULL PROGRAMS ARE ALSO AVAILABLE FOR UNINSURED PATIENTS, AND FOR THOSE FOUND TO BE IN MEDICAL HARDSHIP

Identifier	ReturnReference	Explanation
ALTRU HOSPITAL		PART V, SECTION B, LINE 19D N/A - GROSS CHARGES ARE NOT ADJUSTED FOR UNINSURED PATIENTS IN ER UNLESS THEY APPLY FOR AND QUALIFY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
ALTRU REHABILITATION CENTER		PART V, SECTION B, LINE 19D N/A - GROSS CHARGES ARE NOT ADJUSTED FOR UNINSURED PATIENTS IN ER UNLESS THEY APPLY FOR AND QUALIFY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
ALTRU HOSPITAL		PART V, SECTION B, LINE 21 ALL PATIENTS ARE CHARGED THE GROSS CHARGE REGARDLESS OF INSURANCE STATUS ADJUSTMENTS MAY BE APPLIED PROVIDING THE PATIENTS APPLY FOR AND QUALIFY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
ALTRU REHABILITATION CENTER		PART V, SECTION B, LINE 21 ALL PATIENTS ARE CHARGED THE GROSS CHARGE REGARDLESS OF INSURANCE STATUS ADJUSTMENTS MAY BE APPLIED PROVIDING THE PATIENTS APPLY FOR AND QUALIFY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NEEDS ASSESSMENT ALTRU HEALTH SYSTEM'S MISSION - IMPROVING HEALTH, ENRICHING LIFE - CONFIRMS THAT OUR RESPONSIBILITY TO THE REGION GOES BEYOND PROVIDING QUALITY HEALTHCARE SERVICES ALL OF OUR RESOURCES ARE DEVOTED TO IMPROVING HEALTH IN THE COMMUNITIES WE SERVE AT ALTRU, GOOD HEALTH MEANS THAT EVERY INDIVIDUAL SHOULD ENJOY THE BEST ACHIEVABLE AND SO SHOULD OUR COMMUNITIES MOVING FORWARD, BECAUSE OF STIPULATIONS DEFINED IN THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, ALTRU WILL DEVELOP A FORMAL PROCESS FOR PERFORMING A COMMUNITY HEALTH NEEDS ASSESSMENT BASED ON OUR MISSION

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE ALTRU HAS SEVERAL AVENUES IN WHICH INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS COMMUNICATED TO PATIENTS UNINSURED AND SELF-PAY PATIENTS IN THE HOSPITAL RECEIVE A VISIT FROM PATIENT REPRESENTATIVES AFTER INTAKE DURING THIS MEETING, THEY ARE INFORMED OF VARIOUS FEDERAL, STATE AND COMMUNITY-BASED PROGRAMS THAT MAY PROVIDE ASSISTANCE UNINSURED OR SELF-PAY PATIENTS FROM OUTPATIENTS RECEIVE CONTACT FROM PATIENT REPRESENTATIVES BY PHONE OR EMAIL INFORMING THEM OF POTENTIAL SOURCES OF FINANCIAL ASSISTANCE BOTH SETS OF PATIENTS ARE ALSO PROVIDED INFORMATION ON HOW TO MOVE FORWARD IN APPLYING FOR THE PROGRAMS IF PATIENTS ARE FOUND TO BE STRUGGLING WITH MEDICAL EXPENSES, OUR CREDIT AND COLLECTIONS REPRESENTATIVES UTILIZE LETTERS AND PHONE CALLS TO INFORM THEM OF VARIOUS RESOURCES THAT MAY PROVIDE ASSISTANCE FINANCIAL ASSISTANCE INFORMATION IS ALSO AVAILABLE TO THE PUBLIC AS A WHOLE ALTRU'S WEBSITE, ALTRU.ORG, INCLUDES FINANCIAL ASSISTANCE CONTACT INFORMATION AND ELIGIBILITY GUIDELINES PATIENTS MAY REVIEW THIS ON THEIR OWN AND CONTACT AGENCIES THAT MAY PROVIDE ASSISTANCE BASED ON THEIR CIRCUMSTANCES ALSO, ALTRU DISTRIBUTES BROCHURES FEATURING OUR COMMUNITY CARE PROGRAM AND OTHER FEDERAL AND STATE PROGRAMS THESE BROCHURES ARE AVAILABLE TO BOTH PATIENTS AND VISITORS IN WAITING ROOMS OF OUR INPATIENT AND OUTPATIENT FACILITIES AS WELL AS IN ALL BUSINESS OFFICE LOCATIONS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 COMMUNITY INFORMATION ALTRU HEALTH SYSTEM SERVES A 17-COUNTY AREA THAT IS DIVIDED INTO THREE DISTINCT SERVICE AREAS (PRIMARY, SECONDARY, AND REFERRAL) AND HAS A POPULATION OF 219,405 PERSONS (2011 ESTIMATE) WHO RESIDE IN A DIVERSE AREA OF AGRICULTURE AND INDUSTRY THE SERVICE AREA STRETCHES 265 MILES EAST AND WEST AND 120 MILES NORTH AND SOUTH GRAND FORKS SITS IN THE MIDDLE OF THE RED RIVER VALLEY, ONE OF THE WORLD'S RICHEST AGRICULTURAL AREAS PRINCIPAL CROPS INCLUDE SUGAR BEETS, POTATOES, EDIBLE BEANS, AND SMALL GRAINS SUCH AS WHEAT AND BARLEY MUCH OF THE INDUSTRY IN THE AREA IS RELATED TO AGRICULTURE AND FOOD PROCESSING THE PRIMARY SERVICE AREA, COMPRISED OF GRAND FORKS COUNTY (NORTH DAKOTA) AND EAST GRAND FORKS (MINNESOTA), IS HOME TO 77,215 PEOPLE (2011 ESTIMATE) LOCATED IN THIS MARKET IS ALTRU HOSPITAL, ALTRU REHABILITATION CENTER, ALTRU CANCER CENTER, AND SIX OTHER LOCATIONS THAT ARE HOME TO OUR PROVIDERS' CLINIC PRACTICES AND OTHER SERVICES OFFERED BY ALTRU ALTRU HOSPITAL SERVES AS THE MAJOR REFERRAL CENTER FOR THE PEOPLE OF THE REGION AS SUCH, IT PROVIDES A BROAD SPECTRUM OF PROGRAMS AND SERVICES A FULL RANGE OF SERVICES ARE AVAILABLE FOR PATIENTS SUFFERING FROM CANCER, HEART DISEASE, END-STAGE RENAL DISEASE, NEUROLOGICAL DISORDERS, ALCOHOL OR CHEMICAL DEPENDENCY, HIGH RISK OBSTETRICAL COMPLICATIONS, AND PSYCHIATRIC DISORDERS ALTRU HOSPITAL'S INPATIENT MARKET SHARE IN 2011 FOR OUR PRIMARY MARKET WAS 83 PERCENT BASED ON CLAIMS DATA FROM BLUE CROSS BLUE SHIELD OF NORTH DAKOTA ABOUT 80 PERCENT OF THE PHYSICIANS IN THE PRIMARY AREA ARE EMPLOYED BY ALTRU HEALTH SYSTEM ALSO LOCATED IN GRAND FORKS COUNTY IS NORTHWOOD COMMUNITY HEALTH CENTER (IN NORTHWOOD, ND) A COUPLE NOTABLE POPULATIONS ALTRU SERVES THAT ARE LOCATED IN OUR PRIMARY SERVICE AREA INCLUDE THE UNIVERSITY OF NORTH DAKOTA AND GRAND FORKS AIR FORCE BASE THE UNIVERSITY OF NORTH DAKOTA IS THE STATE'S OLDEST INSTITUTION OF HIGHER LEARNING WITH AN ENROLLMENT OF ABOUT 14,100 STUDENTS (FALL 2011) THE NUMBER OF RESIDENTS AT GRAND FORKS AIR FORCE BASE WAS COUNTED AT 2,367 IN THE 2010 CENSUS WITH A POPULATION OF 57,111 (2011 ESTIMATE), THE SECONDARY SERVICE AREA IS COMPRISED OF SIX COUNTIES TO THE WEST, NORTH, AND EAST OF GRAND FORKS COUNTY NELSON, WALSH, AND PEMBINA COUNTIES IN NORTH DAKOTA, AND POLK, MARSHALL, AND KITTSON COUNTIES IN MINNESOTA, THIS AREA IS LARGELY RURAL AND AGRICULTURAL WITHIN THIS AREA, ALTRU HAS FIVE REGIONAL CLINIC LOCATIONS, IT IS ALSO HOME TO SEVERAL SMALL HOSPITALS AS LISTED BELOW SECONDARY SERVICE AREA HOSPITALS LOCATIONUNITY MEDICAL CENTER GRAFTON, ND FIRST CARE HEALTH CENTER PARK RIVER, NDPEMBINA COUNTY MEMORIAL HOSPITAL CAVALIER, NDNELSON COUNTY HEALTH SYSTEM MCVILLE, NDKITTSON MEMORIAL HOSPITAL HALLOCK, MNNORTH VALLEY HEALTH CENTER WARREN, MNRIVERVIEW HOSPITAL CROOKSTON, MNESSENTIA HEALTH FOSSTON, MNIN 2011, ALTRU'S HOSPITAL INPATIENT MARKET SHARE IN THIS SERVICE AREA WAS AROUND 58 PERCENT ACCORDING TO CLAIMS PAID BY BLUE CROSS BLUE SHIELD OF NORTH DAKOTA THE SYSTEM EMPLOYS MANY OF THE PHYSICIANS IN THE SECONDARY SERVICE AREA ALL OF THESE PHYSICIANS ARE ON MEDICAL STAFFS OF COMMUNITY HOSPITALS THROUGHOUT THE REGION, AND REFER PATIENTS TO GRAND FORKS AND ELSEWHERE FOR SPECIALTY CARE THE SYSTEM'S REFERRAL AREA IS COMPRISED OF TEN COUNTIES ENCIRCLING THE PRIMARY AND SECONDARY SERVICE AREAS (ROLETTE, TOWNER, BENSON, RAMSEY, CAVALIER, AND TRAILL COUNTIES IN NORTH DAKOTA AND ROSEAU, LAKE OF THE WOODS, PENNINGTON, AND RED LAKE COUNTIES IN MINNESOTA) THIS REGION IS ALSO MOSTLY RURAL AND AGRICULTURAL AND INCLUDES SEVERAL SMALLER HOSPITALS AS LISTED SERVING THE PRIMARY CARE NEEDS OF THEIR COMMUNITIES ALTRU HAS FIVE REGIONAL CLINICS IN THIS SERVICE AREA AND ALTRU HOSPITAL'S INPATIENT MARKET SHARE IN THIS REGION IS ABOUT 25 PERCENT ACCORDING TO 2011 CLAIMS PAID BY BLUE CROSS BLUE SHIELD OF NORTH DAKOTA ALTRU, ONCE AGAIN, EMPLOYS MANY OF THE PHYSICIANS IN THIS AREA, AND THESE PHYSICIANS HAVE PRACTICE PATTERNS SIMILAR TO THOSE OF THE PHYSICIANS IN OUR SECONDARY SERVICE AREA REFERRAL SERVICE AREA HOSPITALS LOCATIONCAVALIER COUNTY MEMORIAL HOSPITAL LANGDON, NDHILLSBORO MEDICAL CENTER HILLSBORO, NDLAKEWOOD HEALTH CENTER BAUDETTE, MNMERCY HOSPITAL DEVILS LAKE, NDSANFORD-THIEF RIVER FALLS MEDICAL CENTER THIEF RIVER FALLS, MNPRESENTATION MEDICAL CENTER ROLLA, NDTOWNER COUNTY MEDICAL CENTER CANDO, NDSANFORD MAYVILLE MEDICAL CENTER MAYVILLE, NDLIFECARE MEDICAL CENTER ROSEAU, MNQUENTIN N BURDICK MEMORIAL HOSPITAL BELCOURT, NDAS PREVIOUSLY MENTIONED, ALTRU'S 17-COUNTY SERVICE AREA HAS A POPULATION OF APPROXIMATELY 219,000 USING DATA FROM THOMSON REUTERS (A VENDOR SPECIALIZING IN HEALTH CARE PLANNING INFORMATION), THE INSURANCE COVERAGE FOR COMMUNITIES IN OUR SERVICE AREA IS ESTIMATED TO BE AS FOLLOWS COVERAGE ESTIMATES AS A PERCENTMEDICAID 22,978 11%MEDICARE 31,437 15%DUAL ELIGIBLE 4,145 2% PRIVATE EMPLOYER SPONSORED 108,122 51%PRIVATE DIRECT 18,342 9%UNINSURED 28,749 13%APERCENTAGE BREAKDO</p>

Identifier	ReturnReference	Explanation
		WN OF INPATIENT UTILIZATION FOR ALTRU HOSPITAL BASED ON DISCHARGES BY TYPE OF PAYER IN 201 1 SHOWS APPROXIMATELY 11 PERCENT OF DISCHARGES WERE FOR MEDICAID AND 3 PERCENT WERE SELF P AY (UNINSURED) ALSO FROM THOMSON REUTERS, OUR TOTAL SERVICE AREA'S INCOME BY HOUSEHOLD IS AS FOLLOWS INCOME RANGE 2011 HOUSEHOLDS\$ 0 - \$ 9,999 8,101\$ 10,000 - \$ 14,999 4,975\$ 15,0 00 - \$ 19,999 5,556\$ 20,000 - \$ 24,999 5,436\$ 25,000 - \$ 29,999 6,013\$ 30,000 - \$ 34,999 5 ,807\$ 35,000 - \$ 39,999 5,512\$ 40,000 - \$ 44,999 5,141\$ 45,000 - \$ 49,999 4,874\$ 50,000 - \$ 59,999 8,907\$ 60,000 - \$ 74,999 9,975\$ 75,000 - \$ 99,999 8,772\$100,000 - \$124,999 4,155\$ 125,000 - \$149,999 1,588\$150,000 - \$199,999 1,123\$200,000 - \$249,999 615\$250,000 - \$499,99 9 412\$500,000 + 170ACCORDING TO THE WEBSITE FOR HEALTH RESOURCES AND SERVICES ADMINISTRATI ON, THE FOLLOWING AREAS IN OUR SERVICE AREA ARE MUA'S NORTH DAKOTA BENSON COUNTY BENSON S ERVICE AREACAVALIER COUNTY CAVALIER SERVICE AREAGRAND FORKS COUNTY NORTHWOOD SERVICE ARE A, GRAND FORKS SERVICE AREANELSON COUNTY NELSON SERVICE AREAPEMBINA COUNTY WALHALLA SERV ICE AREAROLETTE COUNTY ROLETTE SERVICE AREATOWNER COUNTY CANDO CITY SERVICE AREATRAILL C OUNTY TRAILL SERVICE AREAWALSH COUNTY PARK RIVER CITY SERVICE AREAMINNESOTA KITTSON COUNTY KITTSON SERVICE AREAMARSHALL COUNTY MARSHALL SERVICE AREAPOLK COUNTY POLK SERVICE AREARED LAKE COUNTY RED LAKE SERVICE AREAROSEAU COUNTY ROSEAU SERVICE AREA

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 ALL OF ALTRU'S RESOURCES ARE DEVOTED TO IMPROVING HEALTH IN THE COMMUNITIES WE SERVE TO DO SO, WE KNOW THAT NOT ALL MEDICAL SERVICES WILL COME FROM STAFF EMPLOYED BY ALTRU HEALTH SYSTEM ALTRU EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN OUR COMMUNITY FOR NEARLY ALL DEPARTMENTS ALSO, OUR BOARD OF DIRECTORS IS MADE UP OF INDIVIDUALS FROM OUTSIDE ALTRU HEALTH SYSTEM THESE PEOPLE ARE VOLUNTEERS WHO HAVE THE SAME DEDICATION AND FOCUS ON ALTRU'S MISSION AS OUR OWN STAFF

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 ALTRU HEALTH SYSTEM IS PART OF AN AFFILIATED HEALTH CARE SYSTEM IN SEPTEMBER 2011, ALTRU HEALTH SYSTEM BECAME THE FIRST MEMBER OF THE MAYO CLINIC CARE NETWORK THIS IS A NON-OWNERSHIP RELATIONSHIP THAT BENFITS THE ORGANIZATION'S PHYSICIANS AND PATIENTS FROM ENHANCED ACCESS TO MAYO PHYSICIANS AND CLINICAL RESOURCES MORE SPECIFICALLY, PHYSICIANS HAVE ACCESS TO MAYO CLINIC'S EVIDENCE-BASED DISEASE MANAGEMENT PROTOCOLS, CLINIC CARE GUIDELINES, AND TREATMENT RECOMMENDATIONS AND REFERENCE MATERIALS FOR COMPLEX MEDICAL CONDITIONS PART VI, LINE 7 ALTRU HEALTH SYSTEM IS NOT REQUIRED TO FILE OUR COMMUNITY BENEFIT REPORT WITH ANY OUTSIDE ORGANIZATIONS BUT HAS MADE OUR REPORT AVAILABLE TO ANYONE ON OUR WEB SITE

Additional Data

Software ID:
Software Version:
EIN: 45-0310462
Name: ALTRU HEALTH SYSTEM

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

[illegible]

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ALTRU HEALTH SYSTEM

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Employer identification number

45-0310462

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

Yes

No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) COMMUNITY VIOLENCE INTERVENTION CENTER211 S 4TH ST STE 207 GRAND FORKS,ND 58201	45-0359167	501(C)(3)	10,000				PLEDGE FOR DREAM MAKER SOCIETY
(2) NORTHLAND COMMUNITY & TECHNICAL COLLEGE FOUNDATION 1101 HWY 1 EAST THIEF RIVER FALLS,MN 56701	41-1287038	501(C)(3)	10,000				STUDENT SCHOLARSHIP FUND
(3) UNIVERSITY OF MINNESOTA FOUNDATION 200 OAK ST SE STE 500 MINNEAPOLIS,MN 55455	41-6042488	501(C)(3)	10,000				STUDENT SCHOLARSHIP FUND
(4) RE ARENA INCONE RALPH ENGLESTAD DR GRAND FORKS,ND 58203	11-3666663		10,000				GAME DAY SPONSORSHIPS

2

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

3

3

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

1

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 NORTHLAND COMMUNITY & TECHNICAL COLLEGE FOUNDATION - SCHOLARSHIPS ARE DIRECTED BY THE NORTHLAND COMMUNITY & TECHNICAL COLLEGE FOUNDATION AS PART OF THE SCHOLARSHIP PROGRAM AND ALTRU DOES NOT DIRECTLY DESIGNATE SCHOLARSHIP RECIPIENTS UNIVERSITY OF MINNESOTA FOUNDATION - SCHOLARSHIPS ARE DIRECTED BY THE UNIVERSITY OF MINNESOTA FOUNDATION AS PART OF THE SCHOLARSHIP PROGRAM AND ALTRU DOES NOT DIRECTLY DESIGNATE SCHOLARSHIP RECIPIENTS COMMUNITY VIOLENCE INTERVENTION CENTER - FUNDS WERE GRANTED WITH THE DIRECTION THAT CVIC WAS ABLE TO USE FUNDS AS NEEDED CVIC DETERMINES THE RECIPIENTS OF THE ASSISTANCE PROVIDED THROUGH THOSE FUNDS RE ARENA, INC - ALTRU REVIEWS THE SPONSORSHIPS WITH RE ARENA/UNIVERSITY OF NORTH DAKOTA OFFICIALS PRIOR TO THE EVENTS AND HAS REPRESENTATIVES ATTEND THE EVENTS TO ACKNOWLEDGE THE PROPRIETY OF THE ANNOUNCEMENTS MADE REGARDING THE SPONSORSHIP OF THE DAY'S EVENT

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 ALTRU HEALTH SYSTEM	Employer identification number 45-0310462
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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		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement 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		
<input checked="" type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input checked="" type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	5a	No
b Any related organization?	5b	No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6a	No
b Any related organization?	6b	No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8 Were any amounts reported in Form 990, Part VII, paid or 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	

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.

[illegible]

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 45-0310462
Name: ALTRU HEALTH SYSTEM

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
CASEY RYAN MD	(i) (ii)	441,698 0	0 0	41,510 0	22,387 0	17,487 0	523,082 0	0 0
DAVID MOLMEN	(i) (ii)	413,765 0	0 0	40,342 0	22,387 0	20,453 0	496,947 0	0 0
BRADLEY WEHE	(i) (ii)	237,597 0	0 0	16,837 0	23,242 0	20,357 0	298,033 0	0 0
BRADLEY BELLUK MD	(i) (ii)	472,152 0	0 0	17,301 0	22,387 0	16,584 0	528,424 0	0 0
JAMES HARGREAVES DO	(i) (ii)	503,623 0	0 0	41,302 0	22,387 0	16,448 0	583,760 0	0 0
MATTHEW ROLLER MD	(i) (ii)	380,723 0	0 0	33,368 0	22,387 0	16,429 0	452,907 0	0 0
DWIGHT THOMPSON	(i) (ii)	288,309 0	0 0	39,876 0	22,387 0	21,118 0	371,690 0	0 0
JAMES VANLOOY MD	(i) (ii)	276,919 0	0 0	23,868 0	22,387 0	11,333 0	334,507 0	0 0
MARGARET REED RN	(i) (ii)	201,917 0	0 0	16,913 0	15,189 0	2,755 0	236,774 0	0 0
RENEE M AXTMAN RN	(i) (ii)	176,345 0	0 0	9,480 0	13,442 0	19,014 0	218,281 0	0 0
LELAND LINDQUIST	(i) (ii)	204,423 0	0 0	23,424 0	16,225 0	14,631 0	258,703 0	0 0
JACQUELYN WALSH	(i) (ii)	160,804 0	0 0	7,514 0	12,021 0	15,404 0	195,743 0	0 0
DENNIS REISNOUR	(i) (ii)	178,302 0	0 0	19,385 0	14,009 0	5,748 0	217,444 0	0 0
KENNETH VEIN	(i) (ii)	155,204 0	0 0	21,186 0	12,879 0	20,479 0	209,748 0	0 0
MARK WAIND	(i) (ii)	174,245 0	0 0	7,761 0	12,956 0	12,615 0	207,577 0	0 0
KERRY P CARLSON	(i) (ii)	150,826 0	0 0	11,524 0	11,687 0	17,783 0	191,820 0	0 0
KELLY HAGEN RN	(i) (ii)	152,961 0	0 0	554 0	8,251 0	20,297 0	182,063 0	0 0
MICKEY SYRQUIN	(i) (ii)	1,022,409 0	0 0	23,242 0	22,387 0	16,592 0	1,084,630 0	0 0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
IKECHUKWU ONYEKA	(i) (ii)	1,003,101 0	0 0	33,840 0	22,387 0	20,792 0	1,080,120 0	0 0
ABDEL AHMED	(i) (ii)	1,689,706 0	0 0	39,742 0	22,387 0	21,047 0	1,772,882 0	0 0
SRINIVAS PULAGAM	(i) (ii)	915,201 0	0 0	33,486 0	22,387 0	20,391 0	991,465 0	0 0
RANDALL SMITH	(i) (ii)	887,773 0	0 0	23,242 0	22,387 0	16,592 0	949,994 0	0 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ALTRU HEALTH SYSTEM

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Employer identification number
45-0310462

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 CITY OF GRAND FORKS	45-6002085	38546WAW0	12-01-2005	40,000,000	CAPITAL EXPENDITURES, FUND DEBT SERVICE FUND		X		X		X
B CITY OF GRAND FORKS	45-6002085	38546WAZ3	08-15-2007	30,755,173	REFUND BONDS ISSUED JUNE 17, 1997 AND MARCH 23, 2000		X		X		X
C CITY OF GRAND FORKS	45-6002085		08-20-2010	30,000,000	CAPITAL EXPENDITURES, FUND DEBT SERVICE FUND		X		X		X
D CITY OF GRAND FORKS	45-6002085		08-02-2011	23,620,000	REFUND BONDS ISSUED MAY 19, 1994 AND JUNE 17, 1997		X		X		X

Part II

Proceeds

1	Amount of bonds retired	A		B		C		D	
2	Amount of bonds defeased								
3	Total proceeds of issue	40,000,000		30,755,173		30,000,000		23,620,000	
4	Gross proceeds in reserve funds	3,530,596		3,075,517					
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow			27,283,893				23,487,901	
7	Issuance costs from proceeds	425,000		395,763		203,750		103,099	
8	Credit enhancement from proceeds	1,506,870							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	34,537,534				29,796,250			
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2007		2007		2011			
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X			X	X	
			X		X		X		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X			X	X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

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?		X		X		X		X
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?		X		X		X		X
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 <div>▶</div>	0 %		0 %		0 %		0 %	
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 <div>▶</div>	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X		X		X		X

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		X		X
2	Is the bond issue a variable rate issue?		X		X	X		X	
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X		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		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		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
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ALTRU HEALTH SYSTEM

Employer identification number

45-0310462

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV

Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DARRELL LARSON ESQ	BOARD CHAIR	12,338	PROFESSIONAL SERVICES PROVIDED TO THE ORGANIZATION THROUGH A BUSINESS RELATIONSHIP - LEGAL FILE #1187		No
(2) DARRELL LARSON ESQ	BOARD CHAIR	4,618	PROFESSIONAL SERVICES PROVIDED TO THE ORGANIZATION THROUGH A BUSINESS RELATIONSHIP - LEGAL FILE #0676		No
(3) DARRELL LARSON ESQ	BOARD CHAIR	104,593	PROFESSIONAL SERVICES PROVIDED TO THE ORGANIZATION THROUGH A BUSINESS RELATIONSHIP - LEGAL FILE #1183		No

Part V

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

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011**Open to Public
Inspection**Name of the organization
ALTRU HEALTH SYSTEM**Employer identification number**

45-0310462

Identifier	Return Reference	Explanation
NEW TOOLS TO AID IN DELIVERY OF PROGRAM SERVICES	FORM 990, PART III,	ALTRU HEALTH SYSTEM BECAME THE INAUGURAL MEMBER OF THE MAYO CLINIC CARE NETWORK IN SEPTEMBER 2011, FORMALIZING A LONG-STANDING RELATIONSHIP WITH MAYO CLINIC AND GAINING ACCESS TO TOOLS THAT WILL HELP KEEP PATIENTS CLOSER TO HOME DURING TREATMENT. WE HAVE TWO WAYS TO CONNECT ALTRU PHYSICIANS TO MAYO CLINIC. THE FIRST, ECONSULTS, ALLOWS OUR PHYSICIANS TO CONSULT WITH A MAYO CLINIC SPECIALIST FOR INPUT ON A PATIENT'S CARE PLAN. THIS IS DONE THROUGH A SECURE ONLINE NETWORK, KEEPING INFORMATION SAFE AND CONFIDENTIAL. THE SECOND, ASKMAYOEXPERT, IS A STATE-OF-THE-ART ELECTRONIC TOOL THAT PROVIDES ACCESS TO MAYO CLINIC'S KNOWLEDGE IN DISEASE MANAGEMENT, CLINICAL CARE GUIDELINES, TREATMENT RECOMMENDATIONS AND REFERENCE MATERIALS FOR A VARIETY OF MEDICAL CONDITIONS. ALTRU PHYSICIANS CAN ACCESS THIS DATABASE OF INFORMATION AT ANY TIME.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	CFO/TREASURER, DWIGHT THOMPSON, HAS A FAMILY RELATIONSHIP WITH KEY EMPLOYEE, ROBERT THOMPSON, MD MBA

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	FORM 990 IS REVIEWED FOR ACCURACY BY THE BOARD OF DIRECTORS AND APPROVED PRIOR TO FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST POLICY IS REVIEWED AND SIGNED OFF ANNUALLY BY ALL MEMBERS OF THE BOARD OF DIRECTORS THESE FORMS ARE COLLECTED AND REVIEWED BY THE SECRETARY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	DETERMINATION OF THE COMPENSATION FOR THE PRESIDENT AND CEO ARE DETERMINED BY THE BOARD SUBSTANTIATION OF THESE DISCUSSIONS APPEAR IN THE BOARD MINUTES COMPENSATION OF KEY EMPLOYEES ARE DETERMINED BY A COMPENSATION COMMITTEE FORMED OF PHYSICIANS THAT REPORT TO THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATIONS 990 AND 990-T PUBLIC INSPECTION COPIES ARE AVAILABLE UPON REQUEST FORM 1023 IS AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC THROUGH PUBLISHED ANNUAL REPORTS AND VIA ITS WEB SITE. GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -1,687,038 APPLICATION OF FASB ASC TOPIC 715 -15,214,000 TOTAL TO FORM 990, PART XI, LINE 5 -16,901,038

Identifier	Return Reference	Explanation
"DOING BUSINESS AS" CONTINUATION	HEADING ITEM C	ALTRU CLINIC-MAIN, ALTRU REHAB CENTER, ALTRU CANCER CENTER, ALTRU FAMILY MEDICINE CENTER, ALTRU FAMILY MEDICINE RESIDENCY, TRUYU AESTHETIC CENTER, ALTRU CLINIC-LAKE REGION, ALTRU CLINIC-CAVALIER, ALTRU CLINIC-DRAYTON, ALTRU CLINIC-CROOKSTON, ALTRU CLINIC-RED LAKE FALLS, ALTRU CLINIC-FERTILE, ALTRU CLINIC-ERSKINE, ALTRU CLINIC-ROSEAU, ALTRU CLINIC-WARROAD, ALTRU CLINIC-GREENBUSH, ALTRU CLINIC-KARLSTAD

Identifier	Return Reference	Explanation
SCHEDULE 1 - PROGRAM SERVICE REVENUE DETAIL	FORM 990, PART VIII, LINE 2B & 2D	EXCLUSION AMOUNT BIOMED SERVICES \$41,996 SITE SERVICE FEES \$5,890 SUBTOTAL \$47,886 CAFETERIA RECEIPTS \$1,168,029 PHARMACY SALES TO EMPLOYEES \$1,435 HOUSING/SPACE RENTALS \$195,679 VENDING MACHINE INCOME \$34,323 SALE OF SCRAP \$625 SUBTOTAL \$1,400,091 TOTAL EXCLUSION AMOUNT \$1,447,977 RELATED OR EXEMPT FUNCTION INCOME CEPT REVENUE \$127,890 HEARING CENTER \$673,768 OCCUPATIONAL HEALTH \$430,952 VHA SUPPLY CO - DISTRIBUTION \$589,393 PURCHASE DISCOUNTS \$66,486 REBATES \$50,316 CONTRACT SERVICES, OUTREACH, EDUCATION \$3,395,170 CPE FUND \$5,477 MEDICAL RECORDS TRANSCRIPT FEES \$236,642 AFFILIATED OTHER REVENUE \$364,964 MISCELLANEOUS REVENUE \$2,752,151 TOTAL RELATED/EXEMPT INCOME \$8,693,209

Identifier	Return Reference	Explanation
SCHEDULE 2-PROGRAM SERVICE REVENUE DESCRIPTIONS	FORM 990, PART VIII, LINE 2B & 2D	<p>1 CAFETERIA RECEIPTS REVENUE INCURRED THROUGH THE PROVISION OF MEALS FOR EMPLOYEES WHO HAVE TO BE IN THE BUILDING DURING THEIR REGULAR WORKDAY PURPOSE PROVIDE THESE EMPLOYEES WITH A PLACE TO ACQUIRE AND CONSUME THEIR MEALS, NO ALTERNATIVES ARE AVAILABLE 2 BIOMED SERVICES REVENUE EARNED THROUGH THE PROVISION OF SERVICES TO AREA HEALTH CARE FACILITIES NEEDING TO KEEP THEIR EQUIPMENT IN OPERATION IN ORDER TO PROVIDE THEIR PATIENTS WITH THEIR SERVICE THE BIOMED PROGRAM PROVIDES SMALL REGIONAL HOSPITALS WITH A SERVICE OTHERWISE UNOBTAINABLE FROM ANY ONE IN THE LOCAL AREA, IT IS OFTEN ON A PRIORITY BASIS 3 PHARMACY SALES TO EMPLOYEES REVENUE INCURRED IN SALES STRICTLY FOR THE CONVENIENCE OF EMPLOYEES 4 HOUSING/SPACE RENTALS INCOME INCURRED THROUGH THE RENTAL OF SPACE TO THE AREA HEALTH EDUCATION CENTER WHICH IS REQUIRED TO BE ON-SITE TO WORK WITH OUR PHYSICIANS PROVIDING HEALTH CARE TO PATIENTS 5 CEPT REVENUE REVENUE EARNED FROM THE EVALUATION AND TREATMENT OF ADOLESCENTS THROUGH A MULTI-DISCIPLINARY APPROACH INCLUDING PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH PATHOLOGY, AND PSYCHOLOGY 6 HEARING CENTER REVENUE FROM THE PROVISION OF AUDIOLOGICAL SERVICES AND HEARING AIDS TO PATIENTS 7 OCCUPATIONAL HEALTH FEES FOR PROVIDING DRUG SCREENINGS FOR REGIONAL EMPLOYERS 8 VHA SUPPLY DISTRIBUTION REBATE RECEIVED BASED ON VOLUME OF SUPPLY PURCHASES 9 PURCHASE DISCOUNTS THIS FIGURE REPRESENTS COST SAVINGS ON PURCHASES FROM SUPPLIERS FOR GOODS USED IN THE PROVISION OF HEALTH CARE SERVICES 10 REBATES REBATES RECEIVED BASED ON VOLUME OF PHARMACY PURCHASES 11 SITE SERVICE FEES FEES CHARGED FOR PROVIDING GROUNDS AND MAINTENANCE FOR THE AREA SURROUNDING THE UNITED HOSPITAL, INCLUDING FEES FOR SUCH SERVICES AS MAINTENANCE OF HOSPITAL PARKING LOT, SNOW SHOVELING, AND SNOW REMOVAL 12 VENDING MACHINE INCOME INCOME EARNED THROUGH THE OPERATION OF VENDING MACHINES IN THE BUILDINGS 13 CONTRACT SERVICES, OUTREACH, EDUCATION REVENUES EARNED IN THE PROVISION OF COMMUNITY EDUCATIONWELLNESS PROGRAMS, PASTORAL COUNSELING SERVICES, AND CONTRACTED SERVICES WITH REGIONAL HEALTHCARE SYSTEMS TO BRING OUTREACH SERVICES INTO THEIR COMMUNITIES 14 CPE FUND CLINICAL PASTORAL EDUCATION INCOME FROM PASTORAL RESIDENTS PROGRAM SPONSORED BY THE ASSOCIATION OF CLINICAL PASTORAL EDUCATION 15 MEDICAL RECORD TRANSCRIPTION FEES INCOME EARNED THROUGH THE CHARGING OF VARIOUS THIRD PARTY PAYERS FOR THE PHOTOCOPYING OF PATIENT RECORDS INSURANCE COMPANIES AND PAYERS ARE CHARGED TO OFFSET THE COST OF COPYING 16 SALE OF SCRAP INCOME EARNED THROUGH THE SALE OF ITEMS THAT ARE NOT FIXED ASSETS AND ARE OF DIMINISHED USE TO THE ORGANIZATION 17 OTHER REVENUE CHARGED TO AFFILIATED CORPORATIONS REVENUE FROM THE PROVISION OF PATIENT SERVICES, SUCH AS PSYCH OR LABORATORY, TO THE PATIENTS OF OTHER CORPORATIONS, WHICH ARE AFFILIATED TO ALTRU HEALTH SYSTEM 18 MISCELLANEOUS INCOME INCLUDES PRINCIPALLY A RETURN OF EXPENSES FROM AN INSURANCE POOL ALSO INCLUDES INCOME EARNED THROUGH THE PROVISION OF SERVICES THAT ARE OPERATING IN THE HOSPITAL IN NATURE, BUT HAVE NO SPECIFIC COST CENTER IDENTIFICATIONS AN EXAMPLE OF THIS WOULD BE IF THE DIRECTOR OF THE COMMUNICATIONS DEPARTMENT RECEIVED A SMALL TOKEN AMOUNT FOR FILLING OUT A SURVEY FROM SOME HEALTH CARE ORGANIZATION</p>

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
ALTRU HEALTH SYSTEM

Employer identification number
45-0310462

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ALTRU HEALTH FOUNDATION 2501 DEMERS AVE GRAND FORKS, ND 58201 45-0368330	FUNDRAISING	ND	501(C)(3)	LINE 11A, I	N/A		No
(2) ALTRU HEALTH RESOURCES 1200 S COLUMBIA RD GRAND FORKS, ND 58201 45-0368332	CONGREGATE HOUSING, ASSISTED LIVING	ND	501(C)(3)	LINE 11A, I	N/A		No
(3) DAK-MINN BLOOD BANK 1200 S COLUMBIA RD GRAND FORKS, ND 58201 36-3453164	BLOOD BANK	ND	501(C)(3)	LINE 11D, III-O	N/A		No
(4) ALTRU ALLIANCE 1200 S COLUMBIA RD GRAND FORKS, ND 58201 23-7389089	SUPPORT HOSPITAL AND AFFILIATES	ND	501(C)(3)	LINE 11B, II	N/A		No

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ALTRU SPECIALTY SERVICES INC 1200 S COLUMBIA RD GRAND FORKS, ND 58201 45-0395652	DME SALES, RETAIL PHARMACY	ND	N/A	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

Yes

1b

No

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

No

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

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

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: 45-0310462
Name: ALTRU HEALTH SYSTEM

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) ALTRU HEALTH FOUNDATION	C	914,053	CASH DONATED
(2) ALTRU HEALTH RESOURCES	D	124,536	LOAN OUTSTANDING
(3) ALTRU SPECIALTY SERVICES	A	185,940	RENT PAYMENT RECEIVED
(4) DAK-MINN BLOOD BANK	C	66,633	CASH DONATED
(5) DAK-MINN BLOOD BANK	N	393,878	COMPENSATION TO RELATED ORG
(6) ALTRU ALLIANCE	P	71,234	AMOUNT REIMBURSED
(7) ALTRU HEALTH RESOURCES	A	2,795	INTEREST PAYMENT RECEIVED
(8) ALTRU HEALTH RESOURCES	P	159,677	AMOUNT REIMBURSED
(9) ALTRU HEALTH RESOURCES	O	103,943	AMOUNT REIMBURSED
(10) ALTRU HEALTH RESOURCES	N	585,686	COMPENSATION TO RELATED ORG

Form

4562

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2011

Attachment
Sequence No 179

Department of the Treasury
Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Name(s) shown on return ALTRU HEALTH SYSTEM	Business or activity to which this form relates FORM 990 PAGE 10	Identifying number 45-0310462
--	---	--------------------------------------

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost	
7 Listed property Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the smaller of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A		
17 MACRS deductions for assets placed in service in tax years beginning before 2011	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	20,250,608
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No						24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No			
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost	
25Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25		
26 Property used more than 50% in a qualified business use									
		%							
		%							
		%							
27 Property used 50% or less in a qualified business use									
		%				S/L -			
		%				S/L -			
		%				S/L -			
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						28			
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions)					
43 Amortization of costs that began before your 2011 tax year				43	
44 Total. Add amounts in column (f) See the instructions for where to report				44	

**ALTRU HEALTH SYSTEM
AND AFFILIATES
GRAND FORKS, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Altru Health System and Affiliates
Grand Forks, North Dakota

We have audited the combined balance sheet of Altru Health System and Affiliates as of December 31, 2011 and 2010, and the related combined statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Altru Health System and Affiliates as of December 31, 2011 and 2010, and the results of its operations, change in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Brady Martz".

BRADY, MARTZ & ASSOCIATES, P.C.

March 23, 2012

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINED BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010

ASSETS	2011	2010
Current		
Cash & cash equivalents	\$ 24,500,554	\$ 28,359,644
Investments	137,015,236	117,965,959
Due From restricted assets	39,720	169,333
Receivables - net	69,838,953	69,953,403
Notes receivable	386,259	345,649
Inventories	6,991,761	7,264,620
Prepaid expense	602,151	490,658
Assets whose use is limited - held by trustee	1,235,774	2,123,152
Total	<u>240,610,408</u>	<u>226,672,418</u>
Assets whose use is limited		
Held by trustee under trust agreements	4,262,749	3,337,372
Held by trustee under bond indenture agreements	6,665,649	19,439,743
By donors	7,439,861	7,599,186
Total	<u>18,368,259</u>	<u>30,376,301</u>
Property, plant, and equipment		
Land and improvements	18,228,935	17,595,799
Buildings	169,258,720	163,407,788
Leasehold improvements	316,306	316,306
Equipment	168,709,828	159,575,346
Construction in progress	11,170,023	1,428,533
Total	367,683,812	342,323,772
Accumulated depreciation	(225,157,002)	(206,765,771)
Total	<u>142,526,810</u>	<u>135,558,001</u>
Other assets		
Unamortized bond issue and other costs	4,267,867	4,035,096
Other	283,652	209,721
Total	<u>4,551,519</u>	<u>4,244,817</u>
Total assets	<u>\$ 406,056,996</u>	<u>\$ 396,851,537</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 14,082,475	\$ 13,139,067
Estimated third party payable	4,029,513	3,354,220
Deferred revenue	656,221	588,336
Accrued expenses	27,517,203	27,841,900
Current portion of long-term debt	8,014,639	7,563,673
Total	<u>54,300,051</u>	<u>52,487,196</u>
Long term liabilities		
Special assessments payable	333,719	-
Revenue bonds payable	150,514,636	158,914,079
Pension & post retirement/employment benefit	28,124,902	12,309,451
Other	5,611,088	6,048,270
Total	<u>184,584,345</u>	<u>177,271,800</u>
Total liabilities	<u>238,884,396</u>	<u>229,758,996</u>
Net assets		
Unrestricted	159,771,701	159,530,489
Temporarily restricted	5,025,934	5,314,481
Permanently restricted	2,374,965	2,247,571
Total	<u>167,172,600</u>	<u>167,092,541</u>
Total liabilities and net assets	<u>\$ 406,056,996</u>	<u>\$ 396,851,537</u>

See Notes to Financial Statements and Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
UNRESTRICTED OPERATING REVENUE		
Patient service revenue	\$ 414,545,592	\$ 390,262,581
Provision for bad debts	<u>(29,151,584)</u>	<u>(18,618,905)</u>
Net patient service revenue less provision for bad debts	385,394,008	371,643,676
Other operating revenue	<u>22,001,873</u>	<u>19,734,977</u>
Total unrestricted operating revenue	<u>407,395,881</u>	<u>391,378,653</u>
UNRESTRICTED OPERATING EXPENSES		
Patient care services	55,609,884	51,332,616
Clinic professional services	123,798,591	113,260,706
Other professional services	79,307,432	79,538,883
Other services	4,333,329	4,729,977
General services	19,435,031	18,104,304
Administrative services	35,961,439	32,119,365
Bond issue carrying costs	609,858	687,734
Real estate taxes	673,660	602,360
Interest	6,549,921	6,530,463
Depreciation	20,792,774	18,630,076
Insurance	2,082,579	2,941,450
Employee benefits and payroll taxes	<u>46,045,786</u>	<u>42,901,413</u>
Total Expense	<u>395,200,284</u>	<u>371,379,347</u>
Net income from operations	12,195,597	19,999,306
Other income - investments	5,899,511	4,615,985
Other expense - other than temporary impairment loss	<u>(1,086)</u>	<u>(44,531)</u>
Excess of revenue over expense	18,094,022	24,570,760
Unrealized gain (loss) on investments	<u>(1,908,999)</u>	<u>6,666,992</u>
Increase in unrestricted net assets	<u>\$ 16,185,023</u>	<u>\$ 31,237,752</u>

See Notes to Financial Statements and Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
UNRESTRICTED NET ASSETS		
Unrestricted operating revenue	\$ 407,395,881	\$ 391,378,653
Unrestricted operating expense	(395,200,284)	(371,379,347)
Other revenue - investments	5,899,511	4,615,985
Other expense - other than temporary impairment loss	(1,086)	(44,531)
Unrealized gain on investments	(1,908,999)	6,666,992
Transfer to temporarily and permanently restricted net assets	(4,533)	-
Application of FASB ASC Topic 715	(15,939,278)	99,815
Change in unrestricted net assets	<u>241,212</u>	<u>31,337,567</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	964,575	983,972
Unrealized gain and impairment of investments	(354,535)	372,962
Investment income	120,109	122,014
Assets transferred from unrestricted	533	-
Assets transferred from permanently restricted	1,230	-
Assets released from restriction	(1,020,459)	(749,002)
Change in temporarily restricted net assets	<u>(288,547)</u>	<u>729,946</u>
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	124,624	600
Assets released from restriction	(1,230)	(15,506)
Assets transferred from unrestricted	4,000	-
Change in permanently restricted net assets	<u>127,394</u>	<u>(14,906)</u>
CHANGE IN NET ASSETS	80,059	32,052,607
NET ASSETS BEGINNING OF YEAR	<u>167,092,541</u>	<u>135,039,934</u>
NET ASSETS END OF YEAR	<u>\$ 167,172,600</u>	<u>\$ 167,092,541</u>

See Notes to Financial Statements and Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in unrestricted net assets	\$ 16,185,023	\$ 31,237,752
adjustments to reconcile change in net assets		
to net cash from operating activities		
Depreciation and amortization	21,331,976	19,006,569
Provision for bad debts	29,151,584	18,613,691
Impairment of unrestricted investments	1,086	44,531
Loss on disposal of assets	555,927	352,962
Excess of revenue over expenses - limited use assets	(200,947)	(224,223)
Loss (gain) on investments	67,909	(53,880)
Unrealized (gain) loss	1,908,999	(6,675,500)
Noncash assets released from restriction	(691)	(9,721)
Donated asset	-	(1,000)
Effect on operating cash flows from changes in		
Receivables	(27,928,365)	(27,469,609)
Inventories	272,859	(842,484)
Prepaid expense	(956,478)	(754,403)
Accounts payable	2,831,121	1,244,676
Estimated third party payable	675,293	2,854,220
Accrued expenses	(559,323)	2,286,775
Unearned income	67,885	65,481
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>43,403,858</u>	<u>39,675,837</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(30,990,199)	(25,065,591)
Investments in assets whose use is limited	(34,022,086)	(41,500,929)
Transfers from assets whose use is limited	47,884,505	29,444,502
Purchases of investments	(75,839,380)	(48,861,667)
Sales of investments	54,740,501	20,548,279
Advances on notes receivable	(1,115,668)	(1,236,061)
Payments received on notes receivable	95,907	275,152
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(39,246,420)</u>	<u>(66,396,315)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of long-term debt	(31,516,232)	(6,507,755)
Payments for financing costs	(120,296)	(181,380)
Bond proceeds from sale of bonds	23,620,000	30,000,000
CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(8,016,528)</u>	<u>23,310,865</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,859,090)	(3,409,613)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	<u>28,359,644</u>	<u>31,769,257</u>
CASH AND CASH EQUIVALENTS END OF PERIOD	<u>\$ 24,500,554</u>	<u>\$ 28,359,644</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest (net of amount capitalized)	\$ 6,870,540	\$ 6,587,056
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS		
Notes forgiven (see Note 5)	748,273	1,405,869

See Notes to Financial Statements and Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying combined financial statements include the accounts of Altru Health System and its affiliates, Altru Health Resources and Altru Health Foundation. All significant inter-company accounts and transactions have been eliminated from the combined financial statements. The above mentioned entities are North Dakota non-profit corporations providing general clinical and acute patient care, rehabilitation services, congregate housing and fundraising. The total patient service revenue represents approximately 60 percent hospital services and 40 percent clinic services.

In May of 2011, Altru Health System became the first member of the Mayo Clinic Care Network. This is a non-ownership relationship that benefits System physicians patients from enhanced access to Mayo physicians and clinical resources. More specifically, physicians have access to Mayo Clinic's evidence-based disease management protocols, clinic care guidelines, and treatment recommendations and reference materials for complex medical conditions.

Change in Accounting Principles

Altru Health System early adopted the provisions of Accounting Standards Update No. 2011-07, Healthcare Entities (Topic 954) Presentation and disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities is allowable. In accordance with the implementation guidance, Altru Health System applied the presentation requirements to 2011 and 2010. The impact on 2011 was a decrease to unrestricted operating revenue of \$29,151,584 and a decrease to total expense of \$29,151,584. The impact of 2010 was a decrease to unrestricted operating revenue of \$18,618,905 and a decrease to total expense of \$18,618,905. There was no impact on operating income or net assets.

Accounts Receivable

Patient receivable are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, Altru Health System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with self-pay patients, Altru records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Altru's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from December 31, 2010 to December 31, 2011. Altru does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. Altru has not significantly changed its charity care or uninsured discount policies during fiscal years 2010 or 2011.

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Net Patient Service Revenue

Altru Health System has agreements with third-party payors that provide for payments to Altru at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Altru recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. Altru also provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Altru does not pursue collection of amounts determined to qualify as charity care, and they are not reported as revenue.

For uninsured patients that do not qualify for charity care, Altru recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of Altru's uninsured patients will be unable or unwilling to pay for services provided. Thus, Altru records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Net Assets

Assets, liabilities and related revenues and expenses are segregated into unrestricted and restricted net assets. Unrestricted net assets include general operating and other designated net assets and gifts, grants and bequests that are not donor-restricted. Restricted net assets include gifts, grants and bequest and other funds that are restricted as to their use by donors and other third parties. Assets released from restrictions are included in other operating revenue.

Assets Whose Use is Limited

Assets whose use is limited include assets held by trustees under bond indenture agreements and trust agreements and by donors.

Investments

Marketable equity securities and non equity securities are stated at fair value. Fair value is based on quoted market prices, or significant other observable inputs. Realized gains and losses are included in the statement of operations under the caption other revenue - investments, on a gross basis. Prior reported unrealized gains and losses on investments sold are included in the statement of operations as a component of unrealized gain on investments.

Inventories

Inventories are valued at the lower of cost or market on a first-in, first-out basis.

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Property, Plant, and Equipment

Property, plant and equipment are recorded at cost or at fair value when received as gifts. Depreciation is determined on a straight-line basis primarily utilizing useful life guidelines published by the American Hospital Association. The Organization's capitalization threshold is \$1,000.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Bond Issue Costs

Bond issue costs are deferred and amortized using the straight-line method over the life of the bonds.

Tax Status

The Organization is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the code. In addition, the Organization is exempt from state income taxes under corresponding provisions of the North Dakota Century Code.

Accounting for Uncertainty in Income Taxes

The Organization's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions and other evidence. It is the opinion of management that the Organization has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Organization are subject to examination by Internal Revenue Service generally for three years after they were filed.

Compensated Absences

Employees are compensated upon termination for unused paid time off hours.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, excluding amounts whose use is limited by board designation or other arrangements under trust agreements or by donors.

Fair Value Measurements

The Organization follows FASB ASC Topic 820, Fair Value Measurements. This standard applies to all assets and liabilities that are being measured and reported on a fair value basis. It defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles in the United States of America and expands disclosure about fair value measurements. The implementation of the standard did not change amounts reported in the financial statements, however, additional disclosures are required.

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used:

- Level 1 Quoted market prices in active markets for identical assets or liabilities
- Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data
- Level 3 Unobservable inputs that are not corroborated by market data

The application of valuation techniques applied to similar assets and liabilities has been consistently applied. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument. See Note 17.

Advertising Costs

Advertising costs have been expensed as incurred. Advertising costs were \$1,209,476 and \$1,117,563 for the years ended December 31, 2011 and 2010.

Sales Tax

Sales taxes collected from customers and remitted to taxing authorities are excluded from revenues and cost of sales, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at December 31, 2011 and 2010 and revenues and expenses during the years then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board.

NOTE 2 COST REIMBURSEMENT AGREEMENT

Revenues under cost reimbursement agreements (Medicare) are subject to audit and retroactive adjustment. Subsequent adjustments arising from the audits of cost reports are reflected as adjustments to third party contractual allowances in the year such amounts are determined.

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

The Medicare cost reimbursement reports have been settled on a final basis through December 31, 2006. The accompanying financial statements reflect management's estimated settlements on a cost reimbursement basis for the years which have not been settled.

NOTE 3 UNRESTRICTED INVESTMENTS

Investments, at market, held at December 31, 2011 and 2010 consist of the following

	<u>2011</u>	<u>2010</u>
Government Bonds	\$ 34,191,757	\$ 29,212,547
Non-Government Bonds and Fixed Income Mutual Funds	75,592,725	26,341,734
Stocks and Equity Mutual Funds	<u>27,230,754</u>	<u>62,411,678</u>
Total	<u>\$ 137,015,236</u>	<u>\$ 117,965,959</u>

Investment income, gains and losses from unrestricted investments are comprised of the following for the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Interest Income	\$ 2,899,967	\$ 2,411,009
Dividend Income	1,914,969	1,507,209
Gains (Losses) on Investments	662,136	(10,680)
Other Than Temporary Impairment Loss	(1,086)	(44,531)
Unrealized Gains (Losses)	<u>(1,908,999)</u>	<u>6,664,369</u>
Total	<u>\$ 3,566,987</u>	<u>\$ 10,527,376</u>

The following table shows the gross unrealized losses and fair value of the Altru Health System and Affiliates investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the securities have been in a continuous unrealized loss position at December 31, 2011

Description of Securities	Less Than 12 Months		Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 4,957,779	\$ (548,190)	\$ 6,294,788	\$ (697,951)	\$ 11,252,567	\$ (1,246,141)
Government Bonds	4,626,994	(50,234)	2,165,243	(95,087)	6,792,237	(145,321)
Non-Government Bonds	12,431,143	(325,476)	10,459,316	(1,303,076)	22,890,459	(1,628,552)
Total	<u>\$22,015,916</u>	<u>\$ (923,900)</u>	<u>\$18,919,347</u>	<u>\$ (2,096,114)</u>	<u>\$ 40,935,263</u>	<u>\$ (3,020,014)</u>

See Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

The following table shows the gross unrealized losses and fair value of the Altru Health System and Affiliates' investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the securities have been in a continuous unrealized loss position at December 31, 2010

Description of Securities	Less Than 12 Months		Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 1,167,167	\$ (94,286)	\$ 3,140,951	\$ (256,583)	\$ 4,308,118	\$ (350,869)
Government Bonds	9,311,215	(184,378)	3,677,595	(67,796)	12,988,810	(252,174)
Non-Government Bonds	15,802,714	(342,975)	8,475,813	(1,401,660)	24,278,527	(1,744,635)
Total	<u>\$26,281,096</u>	<u>\$ (621,639)</u>	<u>\$15,294,359</u>	<u>\$ (1,726,039)</u>	<u>\$ 41,575,455</u>	<u>\$ (2,347,678)</u>

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the Organization's intent to sell and whether it is more likely than not that the Organization will be required to sell.

Government Bonds The unrealized losses on the Organization's investments in U S government and direct obligations of U S government agencies were caused by interest rate increases. Because the Organization has the intent to hold these investments until a recovery of fair value, which may be maturity, the Organization does not consider these investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

Non-Government Bonds and Fixed Income Mutual Funds The unrealized losses on the Organization's investment in corporate bonds were caused by interest rate increases. Because the decline in fair market value is attributable to changes in interest rates and not credit quality and because the Organization has the intent to hold these investments until a recovery of fair value, which may be maturity, the Organization does not consider these investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

Stocks and Equity Mutual Funds The Organization's investments in marketable equity securities consist primarily of investments in U S domestic common stock and international equity securities. Within the overall equity portfolio, one holding at December 31, 2011 was in an unrealized loss position that exceeds management's fair value criteria for severity of impairment. The criteria is defined as having a 25% or greater fair value less than cost and duration of fair value greater than 9 months. Based on that evaluation and the Organization's intent to hold securities for a reasonable period of time sufficient for a forecasted recovery of fair value, the Organization does not consider most equity investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

NOTE 4 ACCOUNTS RECEIVABLE

Following is a summary of accounts receivable composition as of December 31

	<u>2011</u>	<u>2010</u>
Accounts Receivable - Patients, Medicare and Other	\$ 139,111,765	\$ 142,708,143
Allowance for Doubtful Accounts and Discounts	<u>(69,272,812)</u>	<u>(72,754,740)</u>
	<u>\$ 69,838,953</u>	<u>\$ 69,953,403</u>

NOTE 5 NOTES RECEIVABLE

Notes receivable at December 31 is summarized below

	<u>2011</u>	<u>2010</u>
Note Receivable from Physicians and Employees, Interest at 4 25% to 9 25%, Due through January 2020	\$ 4,575,913	\$ 4,068,660
Less Allowance for Doubtful Accounts and Anticipated Note Forgiveness	<u>(4,189,654)</u>	<u>(3,723,011)</u>
Total	<u>\$ 386,259</u>	<u>\$ 345,649</u>

Altru Health System forgave notes receivable due from certain physicians and employees in the amount of \$748,273 in 2011 and \$1,405,869 in 2010, in exchange for services provided by these individuals in the community

Amounts forgiven were originally advanced as part of an effort on behalf of the community to attract physicians and other skilled employees in underserved specialties

NOTE 6 ASSETS WHOSE USE IS LIMITED OR RESTRICTED

Assets whose use is limited that are required for obligations classified as current liabilities are reported as current assets The composition of assets whose use is limited is as follows

Held by Trustee Under Bond Indenture Agreements:

Under the terms of the long-term debt agreements, various amounts are on deposit with the trustee and certain specified payments are required for bond redemption, interest payments and asset replacement

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

The funds on deposit with the trustee at December 31, 2011 and 2010 are as follows

	<u>2011</u>	<u>2010</u>
Bond Funds	<u>\$ 7,901,423</u>	<u>\$ 21,562,895</u>
Current	\$ 1,235,774	\$ 2,123,152
Non-Current	<u>6,665,649</u>	<u>19,439,743</u>
Total	<u>\$ 7,901,423</u>	<u>\$ 21,562,895</u>

Investment income, gains and losses for assets whose use is limited are comprised of the following for the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Interest Income	<u>\$ 200,946</u>	<u>\$ 224,223</u>

Held by Trustee Under 457(b) Plan:

Assets whose use is limited also includes assets held under a 457(b) plan described in Note 11
The composition of these investments is as follows at December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Mutual Fund - Bonds	\$ 1,240,783	\$ 843,025
Mutual Fund - Equity	1,789,737	1,556,603
Mutual Fund - Balanced	674,756	404,990
Mutual Fund - International	<u>557,473</u>	<u>532,754</u>
Total	<u>\$ 4,262,749</u>	<u>\$ 3,337,372</u>

Investment income, gains and losses for 457(b) plan investments are comprised of the following for the years ended December 31, 2011 and 2010

Dividend Income	\$ 47,835	\$ 37,377
Realized Gain/(Loss)	211,828	45,636
Unrealized Gain (Loss)	<u>(337,669)</u>	<u>248,425</u>
Total	<u>\$ (78,006)</u>	<u>\$ 331,438</u>

Income on 457(b) plan assets is recorded as an addition to assets and to the corresponding liability and not included in the statement of operations

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Assets restricted by donors consist of the following:

	2011	2010
Cash and Cash Equivalents	\$ 953,746	\$ 1,240,853
Stocks and Other Equity Mutual Funds	2,734,732	3,360,723
Government Bonds	1,368,683	879,206
Non-Govt Bonds & Fixed Income Mutual Funds	2,179,473	2,034,856
Pledges Receivable - Net	161,872	194,059
Charitable Gift Annuities	48,709	28,555
Other	(7,354)	(139,066)
Total	<u>\$ 7,439,861</u>	<u>\$ 7,599,186</u>

Fair value of these investments is measured by quoted market prices or significant other observable inputs. These assets consist of various debt and equity securities and mutual funds as summarized below. Fair value of these investments is measured by Level 1, quoted market prices or Level 2, significant other observable inputs. Valuation techniques for Fair Value hierarchy Level 2 include Interactive Data standard market inputs such as benchmark yields, reported trades, collateral performance and monthly payment information. There were no significant transfers between the Level 1 and Level 2 measurement hierarchy. The fair value measurements at December 31, 2011 and 2010 are as follows:

<u>Fair Value Measurements at Reporting Date Using</u>				
<u>Description</u>	2011	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Asset Backed	\$ 174,790	\$ -	\$ 174,790	\$ -
CMO's	164,535	-	164,535	-
Mortgage Backed	149,754	-	149,754	-
Corporate Bonds	523,361	-	523,361	-
Mutual Fund Bonds	328,189	328,189	-	-
Government Securities	1,353,028	-	1,353,028	-
US Treasuries	854,499	854,499	-	-
Equities	1,651,410	1,651,410	-	-
Mutual Fund Equities	1,083,322	1,083,322	-	-
Total	<u>\$ 6,282,888</u>	<u>\$ 3,917,420</u>	<u>\$ 2,365,468</u>	<u>\$ -</u>

<u>Fair Value Measurements at Reporting Date Using</u>				
<u>Description</u>	2010	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Asset Backed	\$ 294,444	\$ -	\$ 294,444	\$ -
CMO's	232,901	-	232,901	-
Mortgage Backed	151,934	-	151,934	-
Corporate Bonds	503,723	-	503,723	-
Mutual Fund Bonds	550,469	550,469	-	-
Government Securities	845,053	-	845,053	-
US Treasuries	335,538	-	335,538	-
Equities	1,956,521	1,956,521	-	-
Mutual Fund Equities	1,404,202	1,404,202	-	-
Total	<u>\$ 6,274,785</u>	<u>\$ 3,911,192</u>	<u>\$ 2,363,593</u>	<u>\$ -</u>

See Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Income and gains from restricted investments are comprised of the following for the years ended December 31, 2011 and 2010

	2011	2010
Interest Income	\$ 98,252	\$ 103,050
Dividend Income	118,910	98,207
Gain (Loss) on Investments	162,741	170,620
Unrealized Gain (Loss)	(354,535)	375,585
Total	<u>\$ 25,368</u>	<u>\$ 747,462</u>

Effective January 1, 1999, the Altru Health Foundation's Board of Directors approved classification of certain Foundation restricted investment earnings as unrestricted in the accompanying financial statements. The restricted investment earnings classified as unrestricted includes realized income and gains/losses aggregating \$259,794 for 2011 and \$252,680 for 2010.

The following table shows the gross unrealized losses and fair value of Altru Health Foundation's restricted investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the securities have been in a continuous unrealized loss position at December 31, 2011.

Description of Securities	Less Than 12 Months		Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 869,926	\$ (113,701)	\$ 77,509	\$ (18,969)	\$ 947,435	\$ (132,670)
Government Bonds	14,109	(21)	-	-	14,109	(21)
Non-Government Bonds	201,380	(4,559)	173,571	(20,523)	374,951	(25,082)
Total	<u>\$ 1,085,415</u>	<u>\$ (118,281)</u>	<u>\$ 251,080</u>	<u>\$ (39,492)</u>	<u>\$ 1,336,495</u>	<u>\$ (157,773)</u>

The following table shows the gross unrealized losses and fair value of the Altru Health Foundation's restricted investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the securities have been in a continuous unrealized loss position at December 31, 2010.

Description of Securities	Less Than 12 Months		Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 209,898	\$ (22,146)	\$ 443,987	\$ (37,643)	\$ 653,885	\$ (59,789)
Non-Government Bonds	70,794	(2,382)	319,719	(36,966)	390,513	(39,348)
Total	<u>\$ 280,692</u>	<u>\$ (24,528)</u>	<u>\$ 763,706</u>	<u>\$ (74,609)</u>	<u>\$ 1,044,398</u>	<u>\$ (99,137)</u>

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the

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ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Organization's intent to sell and whether it is more likely than not that the Organization will be required to sell

Government Bonds The unrealized losses on the Organization's investments in U S government and direct obligations of U S government agencies were caused by interest rate increases. Because the Organization has the intent to hold these investments until a recovery of fair value, which may be maturity, the Organization does not consider these investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

Non-Government Bonds and Fixed Income Mutual Funds The unrealized losses on the Organization's investment in corporate bonds were caused by interest rate increases. Because the decline in fair market value is attributable to changes in interest rates and not credit quality and because the Organization has the intent to hold these investments until a recovery of fair value, which may be maturity, the Organization does not consider these investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

Stocks and Equity Mutual Funds The Organization's investments in marketable equity securities consist primarily of investments in U S domestic common stock and international equity securities. Within the overall equity portfolio, one holding at December 31, 2011 was in an unrealized loss position that exceeds management's fair value criteria for severity of impairment. The criteria is defined as having a 25% or greater fair value less than cost and duration of fair value greater than 9 months. Based on that evaluation and the Organization's intent to hold securities for a reasonable period of time sufficient for a forecasted recovery of fair value, the Organization does not consider most equity investments to be other-than-temporarily impaired at December 31, 2011 and 2010.

NOTE 7 OTHER INVESTMENTS

During 1998, Altru Health System purchased common stock of VHA, Inc (VHA) aggregating \$200,000. The System records this investment at cost. VHA is a performance improvement company that serves selected health care organizations (HCO's). VHA is an owner in a joint venture that will provide a portfolio of medical-surgical and pharmaceutical supplies, capital equipment and distribution services to HCO's. Altru can sell the stock subject to certain restrictions, as defined in the stock purchase agreement. As a condition to purchasing the common stock, the System agreed to commit up to \$100,000 to VHA for future capital contributions.

On January 1, 2011, Altru Health System acquired forty-nine percent of the stock of the Altru Clinic Pharmacy and the Altru Clinic Pharmacy and the Altru Pharmacy-Family Medicine Center. These investments are accounted for under the equity method.

NOTE 8 NOTE PAYABLE AND OTHER COMMITMENTS

On August 1, 2001, Altru Health System entered into a line of credit arrangement with US Bank. This line of credit for \$5,000,000 bears a variable rate of interest of 2.5% above one month LIBOR, but not less than 4.00%. The effective rate at December 31, 2011 is 4.00%, is unsecured, and matures on August 1, 2012. There is no outstanding balance related to lines of credit at December 31, 2011 and 2010.

Altru Health System has also entered a letter of credit arrangement with US Bank drafted in favor of the State of North Dakota Workforce Safety & Insurance in the amount of \$203,697, which

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expired December 31, 2011. No amount is outstanding under this arrangement as of December 31, 2011. This letter of credit was renewed January 1, 2012 in the amount of \$151,180 and expires December 31, 2012.

NOTE 9 LONG TERM DEBT

Long-term debt at December 31, 2011 and 2010 is summarized below

	2011	2010
City of Grand Forks Healthcare Facilities Revenue Bonds, Series 1992B, Daily Variable Interest, Due Annually in Varying Amounts to December 1, 2016	\$ 7,700,000	\$ 8,900,000
City of Grand Forks Healthcare Facilities Revenue Bonds, Series 1994, Interest 6 125% to 6 25%, Due Annually in Varying Amounts to December 1, 2024	-	13,545,000
City of Grand Forks Healthcare Facilities Revenue Bond, Series 1996, Daily Variable Interest, Due Annually in Varying Amounts to December 1, 2025	11,500,000	12,100,000
City of Grand Forks Healthcare System Revenue Bonds, Series 1997, Interest 5 40% to 5 625%, Due Annually in Varying Amounts from August 15, 2019 to August 15, 2027	21,905,000	33,175,000
City of Grand Forks Healthcare System Revenue Bonds, Series 2005, interest 4 00% to 5 00%, Due Annually in Varying Amounts to December 1, 2026, including Unamortized Bond Premium of \$279,423	37,079,423	38,773,154
City of Grand Forks Health Care System Revenue Bonds, Series 2007, Interest at 5 50%, Due in Varying Amounts Starting December 1, 2010, to December 1, 2024, Including Unamortized Bond Premium of \$758,322	29,508,322	30,337,031
City of Grand Forks Health Facilities Revenue Note, Series 2010A, Interest at 3 30%, Due in Monthly Installments Starting October 1, 2010 to September 1, 2014	8,422,163	8,894,125
City of Grand Forks Health Facilities Revenue Note, Series 2010B, Interest at 3 30%, Due in Monthly Installments Starting October 1, 2010 to September 1, 2014	19,654,171	20,753,442
City of Grand Forks Health Facilities Revenue Note, Series 2011, Interest at 3 32%, Due in Monthly Installments Starting September 1, 2011 to August 1, 2019	22,735,000	-
Special Assessments, Due in Installments Over Periods up to 18 Years	358,915	-
Total Long-Term Debt	\$ 158,862,994	\$ 166,477,752
Less- Current Maturities	(8,014,639)	(7,563,673)
Long-Term Debt	<u>\$ 150,848,355</u>	<u>\$ 158,914,079</u>

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The maturities of long-term debt for each of the next five years and thereafter are as follows

2012	\$ 8,014,639
2013	8,357,363
2014	10,982,595
2015	18,953,865
2016	16,241,057
Thereafter	<u>96,313,475</u>
	<u><u>\$ 158,862,994</u></u>

In February 1992, the City issued bonds in the amount of \$20,000,000. These proceeds were used to finance construction projects and renovations and to finance capital equipment purchases of the group.

The 1992B Bonds are secured by the terms of a loan agreement, an indenture of trust and an irrevocable letter of credit dated June 18, 2010, which expires April 10, 2014. The outstanding amount at December 31, 2011, is \$7,889,863.

In May 1994, the City issued bonds in the amount of \$20,325,000. The proceeds were used to finance construction projects, renovation, and purchase of equipment. The timely payment of principal and interest on the 1994 bonds is insured by Municipal Bond Investors Assurance Corporation. These bonds were retired August 2, 2011 with the proceeds from the 2011 Series Bonds.

In April 1996, the City issued Series 1996A Bonds in the amount of \$18,200,000. The proceeds were used to finance construction projects, renovation and equipment purchases. These Bonds are secured by a letter of credit and liquidity facility agreement dated June 18, 2010, which expires April 10, 2014. The outstanding amount at December 31, 2011, is \$11,783,562.

In June 1997, the City issued Series 1997 bonds in the amount of \$45,000,000. The proceeds were used to purchase real property and other assets of the Grand Forks Clinic and to finance construction projects and purchases of equipment. The timely payment of principal and interest on these bonds is insured by Municipal Bond Investors Assurance Corporation. The 2012 through 2018 maturities of these bonds were retired August 2, 2011 with the proceeds from the 2011 Series Bonds.

In December 2005, the City issued Series 2005 Bonds in the amount of \$40,000,000. The proceeds were used to finance construction projects, renovation and equipment purchases. The timely payment of principal and interest on these bonds is insured by Assured Guaranty Corp. On April 22, 2008, the 2005 Series bonds were converted to a fixed rate mode.

In August 2007, the City issued the Series 2007 Bonds in the amount of \$29,740,000. The bonds are secured by the gross receivables and mortgage on certain property of the corporation. The proceeds were used to defease the 2000 Series Bonds by establishing an escrow to pay the principal and interest as it comes due, and retire untendered bonds in conjunction with the August 15, 2007, Total Return Swap transaction. The outstanding principal amount of the 2000 Series Bonds was paid in full August 15, 2010.

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In August, 2010, the City issued the Series 2010A Health Facilities Revenue Note in the amount of \$9,000,000 and the Series 2010B Health Facilities Revenue Note in the amount of \$21,000,000. These notes are subject to the terms of the Master Trust Indenture, and the Ninth and Tenth Supplemental Master Indentures respectively, dated August 1, 2010. The note agreement has a provision to extend the debt for 2 years through September 1, 2016. The proceeds were used to finance construction projects, renovations and equipment purchases.

In August, 2011, the City issued the Series 2011 Health Facilities Revenues Bonds in the amount of \$23,620,000. These bonds are subject to the terms of the Master Trust Indenture and the Eleventh Supplemental Indenture dated August 1, 2011. The proceeds were used to retire the outstanding 1994 Series Bonds and the 2013 through 2018 maturities of the 1997 Series Bonds.

NOTE 10 INTEREST COST

The Organization follows the policy of capitalizing interest as a component of the cost of property and equipment constructed for its own use. In 2011, total interest incurred was \$6,813,901, of which \$263,980 was capitalized and \$6,549,921 was charged to operations. In 2010, total interest incurred was \$6,721,655, of which \$191,192 was capitalized and \$6,530,463 was charged to operations.

NOTE 11 BENEFIT PLANS

Altru Health System and Affiliates sponsor a defined benefit pension plan covering substantially all employees. As a result of integration, the United Hospital Retirement Income Plan (Prior Plan) was converted to a cash balance plan on July 1, 1997. Benefits are based on organization contributions determined by a percentage of compensation plus interest credits. Prior to September 1, 2008, employees of Altru Health System that were age 40 or older prior to integration and who participated in the Prior Plan were permitted to elect the greater of the benefit derived from the Altru Cash Balance Pension Plan or the Prior Plan. After September 1, 2008, this "greater" option was converted to a replacement Cash Balance Plan. This replacement plan benefits this group in a close approximation to the Prior Plan, only under a Cash Balance provision versus the Prior Plan's defined benefit framework. The funding policy is to contribute the total cost of the plan annually.

Altru Health System and its affiliates also sponsor a defined benefit post retirement health care plan that covers substantially all full-time employees that meet certain age and years of service requirements. The plan permits eligible post-retirees healthcare coverage at percentages of full premium, varying from 102% to 115%.

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The following table sets forth the funded status and amounts recognized in the Organization's statement of financial position for the pension benefit plan, and also provides a reconciliation of the accumulated postretirement benefit obligation to the liabilities reflected in the accompanying statement of position at December 31, 2011 and 2010. The post retirement benefit plan is not funded currently.

	Pension Benefits		Postretirement Medical Benefits	
	2011	2010	2011	2010
Change in Benefit Obligation				
Benefit obligation at beginning of Year	\$ 130,379,798	\$ 115,401,814	\$ 2,474,628	\$ 2,447,920
Service cost	9,719,166	9,341,210	99,419	94,100
Interest cost	6,503,685	6,408,597	109,207	115,271
Actuarial loss (gain)	13,498,705	6,438,673	160,948	(122,559)
Benefits paid	(5,989,976)	(7,210,496)	(95,606)	(60,104)
Benefit obligation at end of year	154,111,378	130,379,798	2,748,596	2,474,628
Change in Plan Assets				
Fair value of plan assets at beginning of year	120,558,975	104,649,633	-	-
Actual return on plan assets	5,170,073	14,119,838	-	-
Employer contribution	9,000,000	9,000,000	95,606	60,104
Benefits paid	(5,989,976)	(7,210,496)	(95,606)	(60,104)
Fair value of plan assets at end of year	128,739,072	120,558,975	-	-
Funded Status of Plan				
Funded status as of Fiscal Year End	(25,372,306)	(9,820,823)	(2,748,596)	(2,474,628)
Amounts Recognized in the Statement of Financial Position Consist of				
Current Liabilities	-	-	126,000	96,000
Noncurrent Liabilities	25,372,306	9,820,823	2,622,596	2,378,628
	<u>\$ 25,372,306</u>	<u>\$ 9,820,823</u>	<u>\$ 2,748,596</u>	<u>\$ 2,474,628</u>
Accumulated Benefit Obligation and Fair Value of Plan Assets				
Projected and Accumulated Benefit Obligation	\$154,111,378	\$130,379,798	N/A	N/A
Fair Value of Plan Assets	128,739,072	120,558,975	N/A	N/A
Weighted-average assumptions as of December 31				
Discount rate	4.25%	5.20%	3.45%	4.50%
Rate of compensation increase	4.00%	4.00%	N/A	N/A

The amounts of net actuarial loss and prior service cost expected to be amortized in net periodic pension cost in 2012 are \$3,136,911 and \$(938,300) respectively for the pension plan and \$61,542 and \$(150,264) respectively for the postretirement medical plan.

For purposes of determining the 2011 postretirement medical net periodic benefit cost, the weighted-average assumed annual rate of future increase in the per capita cost of covered health care benefits was 8.38% for 2011, declining gradually to 4.50% in 2031 and after. For purposes of determining the December 31, 2011 accumulated postretirement benefit obligation, the weighted-average assumed annual rate of future increases in the per capita cost of covered health care benefits was 7.38% for 2012, declining gradually to 4.50% in 2031 and after.

Altru Health System and Affiliates review the latest ten-year rate of return on the cash balance plan to develop the expected return on plan assets.

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	Pension Benefits		Postretirement Medical Benefits	
	2011	2010	2011	2010
Components of net periodic benefit cost				
Service cost	\$ 9,719,166	\$ 9,341,210	\$ 99,419	\$ 94,100
Interest cost	6,503,685	6,408,597	109,207	115,271
Expected return on plan assets	(8,442,929)	(8,697,829)	-	-
Amortization of Net (Gain)/ Loss	-	-	39,283	24,188
Amortization of prior service cost	(938,300)	(938,300)	(150,264)	(150,264)
Recognized actuarial loss/(gain)	2,042,512	2,058,296	-	-
Net periodic benefit cost	<u>\$ 8,884,134</u>	<u>\$ 8,171,974</u>	<u>\$ 97,645</u>	<u>\$ 83,295</u>

Weighted-average assumptions for determining net periodic benefit cost

-Discount Rate	5.20%	5.80%	4.50%	5.40%
-Expected Return on Plan Assets	7.00%	8.25%	N/A	N/A
-Rate of Compensation Increase	4.00%	4.00%	N/A	N/A

A one-percentage-point change in assumed health care trend rates would have the following effects on the FASB ASC Topic 715-60 liabilities

	Change in Assumed Healthcare Trend Rates	
	1 Percentage Point Increase	1 Percentage Point Decrease
Increase (decrease) in total of fiscal 2011 service and interest cost components	\$ 19,215	\$ (17,347)
Percent change	9.2%	-8.3%
Increase (decrease) in December 31, 2011 postretirement benefit obligation	\$ 230,882	\$ (208,893)
Percent change	8.4%	-7.6%

Estimated Future Benefit Payments

Year	Pension Plan	Postretirement Medical Plan
2012	\$ 5,749,000	\$ 126,000
2013	7,451,000	165,000
2014	8,954,000	184,000
2015	10,228,000	204,000
2016	12,612,000	207,000
2017-2021	89,899,000	1,862,000

Expected Contributions During Fiscal 2012

Altru expects to contribute approximately \$10,000,000 to its pension plan and approximately \$126,000 to its postretirement medical plan during 2012

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Plan Assets- Percentage of Fair Value By Category

	Pension Plan Assets at December 31,		Postretirement Medical Plan Assets at December 31,	
	2011	2010	2011	2010
Equity Securities	27.0%	37.0%	N/A	N/A
Debt Securities	72.0%	62.0%	N/A	N/A
Cash and Cash Equivalents	1.0%	1.0%	N/A	N/A
Other	0.0%	0.0%	N/A	N/A
Total	100.0%	100.0%	N/A	N/A

Investment managers are authorized to invest up to 40 percent of assets in equities

Altru Health System and Affiliates also sponsor a retirement savings plan, a money purchase pension plan, and a 403(b) plan for the benefit of its employees. The retirement savings plan provides that Altru contributes 50 percent of the first 4 percent of base compensation that a non-physician or specified administrative participant contributes to the Plan. The retirement savings plan also provides that Altru contributes 5 percent of physician and specified administrative participant's eligible compensation up to \$185,000. Eligible employees include those having completed one year of service, having attained the age of twenty-one years and are employed on the last day of the plan year. The retirement savings plan also has a 401(k) feature whereby employees may elect to make salary reduction contributions up to 50% of annual salaries. Total employer contributions to the retirement savings plan for the years ended December 31, 2011 and 2010 totaled \$3,375,867 and \$3,267,045, respectively.

The money purchase plan provides that Altru contributes 5.05 percent of total participants' wages up to \$185,000. An additional contribution of 4.85 percent is made on participants' wages that exceed the social security wage base up to \$185,000. Eligible employees include physicians and specified administrative personnel that have completed one year of service, have attained the age of twenty-one years and are employed on the last day of the plan year. Total employer contributions to the money purchase plan for the years ended December 31, 2011 and 2010 were \$2,003,648 and \$2,043,564, respectively.

Altru does not contribute to the 403(b) plan. Eligible employees include those that work a minimum of 20 hours a week. They may enter the plan on the first day of the month following their date of hire. Employees may elect to make salary reduction contributions up to 50% of annual salaries not to exceed \$16,500. This maximum includes any contributions made to the Altru retirement savings 401(k) plan.

Altru also offers a 457(b) Top Hat deferred compensation plan. This plan is available to our physician and officer group and allows for current salary to be deferred and invested for disbursement at a later date. Altru does not contribute to this plan. The fair value of the plan assets and liabilities reported in the accompanying balance sheet is \$4,262,749 and \$3,337,372 at December 31, 2011 and 2010, respectively.

FASB ASC Topic 715-30, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, requires employers to recognize, on a prospective basis, the funded status of their defined benefit pension and other postretirement plans on their consolidated balance sheet. The application of this standard at December 31, 2011, resulted in an increase in the pension benefit and other post retirement liability of \$15,823,412, a decrease in prepaid pension asset of \$115,866 and a decrease in net assets of \$15,939,278. At December 31, 2010, the application resulted in a decrease in the pension benefit and other postretirement liability of \$927,841, a decrease in the prepaid pension asset of \$828,026, and an increase in net assets of \$99,815.

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NOTE 12 COMMITMENTS AND CONTINGENCIES

The Organization is a defendant in several lawsuits and although the outcome of these lawsuits cannot be predicted, management believes the ultimate disposition of these matters will not have a material effect on the Organization's financial position

Altru Health System has a contingent liability for claims payable under its self-insured group health plan before reinsurance coverage becomes effective. This contingency totaled \$1,989,699 and \$2,266,239 at December 31, 2011 and 2010, respectively. Altru has stop-loss coverage for claims in excess of \$175,000.

Altru Health System, to formally advance the similarity of purpose and values, has entered into a Letter of Understanding with the Grand Forks Park District and the YMCA of Grand Forks. This agreement is to purchase the naming rights, signage and other considerations of the new wellness campus and the YMCA facilities refurbishing through annual cash payments and in-kind services totaling \$260,000 per year through 2034.

Altru Health System is the guarantor on certain loans. Management believes no payments will be required and no losses will be incurred under these guarantees.

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. During fiscal year 2007, the RAC's identified and corrected a significant amount of improper overpayments to providers. The Center for Medicare and Medicaid Services (CMS) is in the process of rolling out this program nationally. Altru Health System is currently under such an audit. As of December 31, 2011 and 2010 a provision of \$2,358,676 and \$1,286,620, respectively, has been made for any potential liability as a result of such audit and are included in the estimated third party liability on the balance sheet. At December 31, 2011, a provision for recoverables in the amount of \$4,519,365 is included in accounts receivable.

Altru Health System has a lease with Lifecare Medical Center in Roseau, Minnesota. The lease effective January, 1998, is for 20 years. The annual rent is based on existing debt service, real estate taxes and maintenance costs. Altru Health System has a lease with Mercy Hospital in Devils Lake, North Dakota. This lease is effective March 1, 2011 and is for three years. The rent is based upon square footage. Altru Health System has a lease with the University of North Dakota effective July 1, 2011. The lease is for three years and rent is based upon square footage and maintenance costs.

Rent expense for the year ended December 31, 2011 and 2010 was \$761,988 and \$733,964. Future minimum lease payments are as follows:

2012	761,988
2013	761,988
2014	483,452
2015	225,972
2016	225,972
After	451,944

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NOTE 13 CHARITY AND OTHER UNCOMPENSATED CARE

Altru Health System is committed to improving the health of our patients and the health of the region it serves. In support of our social mission, Altru Health System strives to reduce barriers and to improve access to care for all.

In coordination with other community programs, Altru Health System provides temporary financial assistance to patients with demonstrated and documented financial need, who receive primary health care services at an Altru Health System facility and/or provider.

The community programs we deliver are an outward and tangible expression of our values. Charity is to help provide healthcare to disadvantaged people in our communities as well as encouraging underserved populations to obtain the healthcare they need.

Criteria based guidelines are utilized to assist in determining eligibility. In determining the patient's ability to pay, Altru Health System will take into consideration a number of factors including income, net worth, employment status, family size, financial obligations, and healthcare service needs. Discounts are provided on a sliding scale based on net income as a percentage of the Federal Poverty Level.

Altru Health System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under this charity care policy, and an estimated cost (based on the cost-to-charge ratio) of those services and supplies. In addition, Altru publishes an Annual Report which describes the healthcare benefit and charity care provided to the communities we serve. The following information measures the level of charity care provided during the years ended December 31, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Estimated Costs and Expenses Incurred to Provide Charity Care	<u>\$ 21,648,809</u>	<u>\$ 19,645,412</u>

In addition to the charity care disclosed above, Altru provided other uncompensated care for which no future payment is expected of at an estimated cost (based on the cost-to-charge ratio) of \$95,261,851 for 2011 and \$95,653,803 for 2010. Neither the charity care nor the uncompensated care amounts include bad debts as shown in the Statement of Operations.

NOTE 14 CONCENTRATIONS

Altru Health System serves as a regional medical center for Northeastern North Dakota and Northwestern Minnesota. Therefore, the accounts receivable present a geographic concentration of credit in this area. The risk of loss on these concentrations is the total accounts receivable shown in Note 4.

Altru Health System maintains cash and cash equivalents at various banks and trust departments of a local bank. The total cash on deposit with banks at December 31, 2011 exceeded Federal Deposit Insurance Corporation coverage by \$13,759,658. Cash invested with the trust department of local banks aggregated \$7,007,997 and was uninsured.

Most of the Altru Health System's revenues are derived from reimbursement from third party payors. The percent of gross patient service revenues derived from the various payors are listed in

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the table below As a result, the application of reimbursement programs and changes therein could significantly affect the revenues of Altru Health System and Affiliates

	<u>2011</u>	<u>2010</u>
Medicare	41%	42%
Medicaid	11%	9%
Blue Cross	28%	28%
Other Third Party	17%	17%
Patients	3%	4%

Net patient service revenue, but before the provision for bad debts, recognized for the years ended December 31, 2011 and 2010 from these major payor sources, is as follows

Net patient service revenue:	<u>2011</u>	<u>2010</u>
Third party payors	\$ 385,964,818	\$ 359,842,751
Self-pay	<u>28,580,774</u>	<u>30,419,987</u>
Net patient service revenue before bad debts	<u><u>\$ 414,545,592</u></u>	<u><u>\$ 390,262,738</u></u>

NOTE 15 FUNCTIONAL EXPENSE

Functional expenses are presented in the combined statement of operations

NOTE 16 ENDOWMENT

Altru Health Foundation's endowment consists of nine individual funds established for a variety of purposes Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments

UPMIFA was adopted by the State of North Dakota and became effective April 21, 2009 Altru Health Foundation has interpreted the North Dakota state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, Altru Health Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets

Altru Health Foundation's investment goals are based upon a long-term investment horizon with the following priorities principle preservation while acknowledging risk inherent in asset allocation, liquidity to the degree necessary to achieve the Foundation's budget and spending policy, and a return comparable to the indexes identified for the components of the asset allocation

Altru Health Foundation's Board of Directors has discretion to determine appropriate expenditures of donor-restricted endowment funds in accordance with guidelines about what constitutes prudent spending, including preservation of funds The Board is permitted to determine and continue a prudent payout amount even if the market value of the fund is below historic-dollar-value This is

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based on the expectation that over time, the permanently restricted amount will remain intact
 Budgeted expenditures from the endowment funds for 2012 are \$200,000

Endowment net assets composition by type of fund as of December 31, 2011 and 2010

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds	<u>\$ (533)</u>	<u>\$ 929,844</u>	<u>\$ 2,374,965</u>	<u>\$ 3,304,276</u>

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 1,061,011</u>	<u>\$ 2,247,571</u>	<u>\$ 3,308,582</u>

Changes in endowment net assets for the years ended December 31, 2011 and 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets - December 31, 2009	\$ (2,623)	\$ 981,491	\$ 2,262,477	\$ 3,241,345
Investment Income	-	122,014	-	122,014
Change in Value	2,623	133,080	-	135,703
Assets Released from Restriction	-	(175,574)	(15,506)	(191,080)
Contributions	-	-	600	600
Net Assets - December 31, 2010	-	1,061,011	2,247,571	3,308,582
Investment Income	-	120,109	-	120,109
Change in Value	(533)	(91,936)	-	(92,469)
Assets Transferred from Unrestricted	-	-	4,000	4,000
Assets Released from Restriction	-	(159,340)	(1,230)	(160,570)
Contributions	-	-	124,624	124,624
Net Assets - December 31, 2011	<u>\$ (533)</u>	<u>\$ 929,844</u>	<u>\$ 2,374,965</u>	<u>\$ 3,304,276</u>

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NOTE 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and cash equivalents The carrying amount reported on the balance sheet for cash and cash equivalents approximates the fair value

Investments These assets consist of various debt and equity securities and mutual funds as summarized below Fair value of these investments is measured by Level 1, quoted market prices or Level 2, significant other observable inputs Valuation techniques for Fair Value Hierarchy Level 2 include Interactive Data standard market inputs such as benchmark yields, reported trades, collateral performance and monthly payment information There were no significant transfers between Level 1 and Level 2 measurement hierarchy The fair value measurements at December 31, 2011 and 2010 are as follows

<u>Description</u>	<u>2011</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Common Stocks	\$ 14,092,905	\$ 14,092,905	\$ -	\$ -
Equity Mutual Funds	13,137,849	13,137,849	-	-
US Treasuries	18,263,329	18,263,329	-	-
US Government Securities	16,080,310	-	16,080,310	-
Mortgage Backed Securities	16,537,925	-	16,537,925	-
Asset Backed Securites	6,803,392	-	6,803,392	-
Collateralized Mortgage Obligations	5,305,370	-	5,305,370	-
Corporate Bonds	23,432,284	-	23,432,284	-
Bond Mutual Funds	23,361,872	23,361,872	-	-
Total	<u>\$ 137,015,236</u>	<u>\$ 68,855,955</u>	<u>\$ 68,159,281</u>	<u>\$ -</u>

<u>Description</u>	<u>2010</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Common Stocks	\$ 13,189,430	\$ 13,189,430	\$ -	\$ -
Equity Mutual Funds	17,181,197	17,181,197	-	-
US Treasuries	14,111,054	14,111,054	-	-
US Government Securities	11,487,311	-	11,487,311	-
Mortgage Backed Securities	5,126,801	-	5,126,801	-
Asset Backed Securites	7,154,989	-	7,154,989	-
Collateralized Mortgage Obligations	7,416,035	-	7,416,035	-
Corporate Bonds	15,485,167	-	15,485,167	-
Bond Mutual Funds	26,813,975	26,813,975	-	-
Total	<u>\$ 117,965,959</u>	<u>\$ 71,295,656</u>	<u>\$ 46,670,303</u>	<u>\$ -</u>

Accounts Receivable The carrying amount reported on the balance sheet for receivables and due from affiliates, which is net of allowance for uncollectibles, approximates the fair value (See Note 4)

Notes Receivable These notes are due from physicians, employees and others The carrying value approximates fair value (See Note 5)

See Independent Auditor's Report

ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

Assets Whose Use is Limited These assets include bond funds held by the trustee that are invested in cash and cash equivalents and the fair value of funds held by the trustee for the 457(b) Top Hat deferred compensation plan. Fair value of these investments is measured by quoted market prices or significant other observable inputs. (See Note 6 and 11)

Trust assets for the 457(b) plan consist of investments in four mutual fund categories described below. The fair value measurements at December 31, 2011 and 2010 are as follows:

<u>Description</u>	Fair Value Measurements at December 31, 2011			
	Total	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Fund				
Bonds	\$ 981,446	\$ 981,446	\$ -	\$ -
Equity	1,003,357	1,003,357	-	-
Balanced	674,755	674,755	-	-
International	330,363	330,363	-	-
Alerus Financial Collective Investment Funds				
Diversified Bond Fund	259,337	-	259,337	-
Common Stock Fund	583,497	-	583,497	-
Global Strategies Fund	202,883	-	202,883	-
International Stock Fund	227,111	-	227,111	-
Total	\$ 4,262,749	\$ 2,989,921	\$ 1,272,828	\$ -

<u>Description</u>	Fair Value Measurements at December 31, 2010			
	12/31/2010	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual Fund				
Bonds	\$ 612,184	\$ 612,184	\$ -	\$ -
Equity	868,294	868,294	-	-
Balanced	404,990	404,990	-	-
International	302,319	302,319	-	-
Alerus Financial Collective Investment Funds				
Diversified Bond Fund	230,841	-	230,841	-
Common Stock Fund	522,372	-	522,372	-
Global Strategies Fund	165,937	-	165,937	-
International Stock Fund	230,435	-	230,435	-
Total	\$ 3,337,372	\$ 2,187,787	\$ 1,149,585	\$ -

Other Investments Consist of investments in VHA, Inc. The carrying value approximates the fair value. (See Note 7)

Accounts Payable and Accrued Expenses The carrying value reported on the balance sheet for accounts payable and accrued expenses approximates fair value.

Long-Term Debt Fair values of the revenue bonds are estimated using discounted cash flow analysis based on the borrowing rates for similar types of borrowing arrangements. The fair value

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ALTRU HEALTH SYSTEM AND AFFILIATES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
AS OF DECEMBER 31, 2011 AND 2010

of the long term debt is estimated to be \$161,811,433 and \$162,844,633 at December 31, 2011 and 2010, respectively

Other Liabilities Other liabilities include \$4,262,749 for the 457(b) deferred compensation plan and \$1,167,958 for the Epic System installation. The fair value of the 457(b) liability is determined by the fair value of the plan assets which is based on quoted market prices. The carrying value of the Epic System liability is based on the contract terms and approximates fair value.

NOTE 18 RECLASSIFICATIONS

Certain items in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

NOTE 19 SUBSEQUENT EVENTS

On February 24, 2012, Altru Health System entered into lease agreements for a hospital building, medical office building, and a medical retail building located at Aurora Medical Park in Grand Forks. Each lease is for a term of ten years. Altru Health System has the option to purchase these buildings anytime during the lease. On March 1, 2012, Altru Specialty Services, Inc., an affiliate of Altru Health System, exercised the option to purchase the medical retail building.

On March 5, 2012, the Altru Health System Board of Directors approved the issuance of up to \$130,000,000 in tax exempt bonds for acquisition of these properties, purchase of other assets, and for the refinancing of the 1992B Series, 1996A Series, 1997 Series, 2010A Series and 2010B Series Bonds.

Subsequent events have been evaluated through March 23, 2012, which is the date these financial statements were available to be issued.



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION**

To the Board of Directors
Altru Health System and Affiliates
Grand Forks, North Dakota

Our report on our audit of the basic consolidated financial statements of Altru Health System and Affiliates for 2011 and 2010 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining balance sheet, combining statement of operations, combining statement of changes in net assets and combining statement of cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, reading "Brady Martz".

BRADY, MARTZ & ASSOCIATES, P.C.

March 23, 2012

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING BALANCE SHEET - ASSETS
AS OF DECEMBER 31, 2011

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 19,622,442	\$ 3,033,830	\$ 1,557,745	\$ -	\$ 24,214,017	\$ 286,537	\$ -	\$ 24,500,554
Investments	131,687,609	883,246	2,177,541	-	134,748,396	2,266,840	-	137,015,236
Due From Restricted Assets	-	-	-	-	-	39,720	-	39,720
Receivables - Net	67,851,679	1,551,057	412,459	-	69,815,195	23,758	-	69,838,953
Notes Receivable	407,285	-	-	(21,026)	386,259	-	-	386,259
Due from Affiliates	53,325	51,110	7,999	(110,282)	2,152	-	(2,152)	-
Inventories	6,106,238	885,523	-	-	6,991,761	-	-	6,991,761
Prepaid Expenses	369,785	223,841	8,165	-	601,791	360	-	602,151
Assets Whose Use is Limited	1,235,774	-	-	-	1,235,774	-	-	1,235,774
Total	227,334,137	6,628,607	4,163,909	(131,308)	237,995,345	2,617,215	(2,152)	240,610,408
ASSETS WHOSE USE IS LIMITED								
Held by Trustee Under Trust Agreements	4,262,749	-	-	-	4,262,749	-	-	4,262,749
Held by Trustee Under Bond Indenture Agreements	6,665,649	-	-	-	6,665,649	-	-	6,665,649
By Donors	-	-	-	-	-	7,439,861	-	7,439,861
Total	10,928,398	-	-	-	10,928,398	7,439,861	-	18,368,259
PROPERTY PLANT & EQUIP								
Land and Improvements	16,884,762	-	1,344,173	-	18,228,935	-	-	18,228,935
Buildings	160,788,584	-	8,470,136	-	169,258,720	-	-	169,258,720
Leasehold Improvements	-	316,306	-	-	316,306	-	-	316,306
Equipment	165,451,163	2,269,585	868,145	-	168,588,893	120,935	-	168,709,828
Construction in Progress	11,170,023	-	-	-	11,170,023	-	-	11,170,023
Total	354,294,532	2,585,891	10,682,454	-	367,562,877	120,935	-	367,683,812
Accumulated Depreciation	(216,534,357)	(1,489,320)	(7,080,517)	-	(225,104,194)	(52,808)	-	(225,157,002)
Total	137,760,175	1,096,571	3,601,937	-	142,458,683	68,127	-	142,526,810
OTHER ASSETS								
Unamortized Bond Issue and Other Costs	4,267,867	-	-	-	4,267,867	-	-	4,267,867
Note Receivable - Noncurrent	103,510	-	-	(103,510)	-	-	-	-
Other	273,240	-	5,656,491	(5,656,491)	273,240	10,412	-	283,652
Total	4,644,617	-	5,656,491	(5,760,001)	4,541,107	10,412	-	4,551,519
TOTAL ASSETS	\$ 380,667,327	\$ 7,725,178	\$ 13,422,337	\$ (5,891,309)	\$ 395,923,533	\$ 10,135,615	\$ (2,152)	\$ 406,056,996

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING BALANCE SHEET – LIABILITIES AND NET ASSETS
AS OF DECEMBER 31, 2011

Altru Health System Obligated Group

	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	Altru Health System and Affiliates
CURRENT LIABILITIES								
Accounts Payable	\$ 13,568,790	\$ 347,769	\$ 146,273	\$ -	\$ 14,062,832	\$ 19,643	\$ -	\$ 14,082,475
Due to Affiliates	59,052	35,594	15,636	(110,282)	-	2,152	(2,152)	-
Estimated Third Party Payable	4,029,513	-	-	-	4,029,513	-	-	4,029,513
Deferred Revenue	385,635	-	270,586	-	656,221	-	-	656,221
Accrued Expenses	26,867,160	391,146	214,642	-	27,472,948	44,255	-	27,517,203
Current Portion of Long-term Debt	8,014,639	-	21,026	(21,026)	8,014,639	-	-	8,014,639
Total	<u>52,924,789</u>	<u>774,509</u>	<u>668,163</u>	<u>(131,308)</u>	<u>54,236,153</u>	<u>66,050</u>	<u>(2,152)</u>	<u>54,300,051</u>
LONG TERM LIABILITIES								
Special Assessments Payable	333,719	-	-	-	333,719	-	-	333,719
Revenue Bonds Payable	150,514,636	-	-	-	150,514,636	-	-	150,514,636
Pension & Post Retirement/Employment Benefit	26,588,337	1,051,262	253,418	-	27,893,017	231,885	-	28,124,902
Other	5,330,707	242,916	103,510	(103,510)	5,573,623	37,465	-	5,611,088
Total	<u>182,767,399</u>	<u>1,294,178</u>	<u>356,928</u>	<u>(103,510)</u>	<u>184,314,995</u>	<u>269,350</u>	<u>-</u>	<u>184,584,345</u>
Total Liabilities	<u>235,692,188</u>	<u>2,068,687</u>	<u>1,025,091</u>	<u>(234,818)</u>	<u>238,551,148</u>	<u>335,400</u>	<u>(2,152)</u>	<u>238,884,396</u>
NET ASSETS								
Unrestricted	144,975,139	5,656,491	12,397,246	(5,656,491)	157,372,385	2,399,316	-	159,771,701
Temporarily Restricted	-	-	-	-	-	5,025,934	-	5,025,934
Permanently Restricted	-	-	-	-	-	2,374,965	-	2,374,965
Total	<u>144,975,139</u>	<u>5,656,491</u>	<u>12,397,246</u>	<u>(5,656,491)</u>	<u>157,372,385</u>	<u>9,800,215</u>	<u>-</u>	<u>167,172,600</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 380,667,327</u>	<u>\$ 7,725,178</u>	<u>\$ 13,422,337</u>	<u>\$ (5,891,309)</u>	<u>\$ 395,923,533</u>	<u>\$ 10,135,615</u>	<u>\$ (2,152)</u>	<u>\$ 406,056,996</u>

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF OPERATIONS (UNRESTRICTED)
FOR THE YEAR ENDED DECEMBER 31, 2011

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
UNRESTRICTED OPERATING REVENUE								
Patient Service Revenue	\$ 414,545,592	\$ -	\$ -	\$ -	\$ 414,545,592	\$ -	\$ -	\$ 414,545,592
Provision for Bad Debts	(29,028,266)	(123,318)	-	-	(29,151,584)	-	-	(29,151,584)
Net Patient Service Revenue Less Provision for Bad Debts	385,517,326	(123,318)	-	-	385,394,008	-	-	385,394,008
Other Operating Revenue	11,947,868	6,873,925	3,344,610	(1,008,523)	21,157,880	1,197,897	(353,904)	22,001,873
Total	397,465,194	6,750,607	3,344,610	(1,008,523)	406,551,888	1,197,897	(353,904)	407,395,881
UNRESTRICTED OPERATING EXPENSES								
Patient Care Services	55,504,295	-	-	(61,814)	55,442,481	-	167,403	55,609,884
Clinic Professional Services	123,778,794	-	-	(67,921)	123,710,873	-	87,718	123,798,591
Other Professional Expense	78,278,421	1,095,999	-	(234,403)	79,140,017	-	167,415	79,307,432
Other Services	2,011,518	1,682,282	656,501	(16,972)	4,333,329	-	-	4,333,329
General Services	18,217,432	-	1,268,685	(67,987)	19,418,130	-	16,901	19,435,031
Administrative Services	33,789,327	1,892,315	401,268	(566,571)	35,516,339	1,533,721	(1,088,621)	35,961,439
Bond Issue Carrying Costs	609,858	-	-	-	609,858	-	-	609,858
Real Estate Taxes	572,205	-	101,455	-	673,660	-	-	673,660
Interest	6,549,920	-	2,796	(2,795)	6,549,921	-	-	6,549,921
Depreciation	20,250,608	279,149	257,148	-	20,786,905	5,869	-	20,792,774
Insurance	2,040,381	12,599	27,991	-	2,080,971	1,608	-	2,082,579
Employee Benefits and Payroll taxes	44,577,127	844,129	541,676	-	45,962,932	82,854	-	46,045,786
Total	386,179,886	5,806,473	3,257,520	(1,018,463)	394,225,416	1,624,052	(649,184)	395,200,284
NET INCOME FROM OPERATIONS	11,285,308	944,134	87,090	9,940	12,326,472	(426,155)	295,280	12,195,597
Other Income - Primarily Investments	5,611,861	34,756	151,864	(9,940)	5,788,541	406,250	(295,280)	5,899,511
Other Expense - Other than Temporary Impairment Loss	-	-	(1,086)	-	(1,086)	-	-	(1,086)
EXCESS OF REVENUE OVER EXPENSE	16,897,169	978,890	237,868	-	18,113,927	(19,905)	-	18,094,022
Unrealized Gain/(Loss) on Investments	(1,687,037)	2,494	(73,545)	-	(1,758,088)	(150,911)	-	(1,908,999)
Earnings of Subsidiary	-	-	981,384	(981,384)	-	-	-	-
INCREASE IN UNRESTRICTED NET ASSETS	\$ 15,210,132	\$ 981,384	\$ 1,145,707	\$ (981,384)	\$ 16,355,839	\$ (170,816)	\$ -	\$ 16,185,023

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

Altru Health System Obligated Group

	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	Altru Health System and Affiliates
UNRESTRICTED NET ASSETS								
Unrestricted Operating Revenue	\$ 397,465,194	\$ 6,750,607	\$ 3,344,610	\$ (1,008,523)	\$ 406,551,888	\$ 1,197,897	\$ (353,904)	\$ 407,395,881
Unrestricted Operating Expense	(386,179,886)	(5,806,473)	(3,257,520)	1,018,463	(394,225,416)	(1,624,052)	649,184	(395,200,284)
Other Revenue - Investments	5,611,861	34,756	151,864	(9,940)	5,788,541	406,250	(295,280)	5,899,511
Other Expense - Other Than Temporary Impairment Loss	-	-	(1,086)	-	(1,086)	-	-	(1,086)
Unrealized Gain(Loss)on Investments	(1,687,037)	2,494	(73,545)	-	(1,758,088)	(150,911)	-	(1,908,999)
Earnings of Subsidiary	-	-	981,384	(981,384)	-	-	-	-
Transfer to temporarily restricted assets	-	-	-	-	-	(4,533)	-	(4,533)
Application of FASB ASC Topic 715	(15,214,000)	(504,519)	(600,429)	504,519	(15,814,429)	(124,849)	-	(15,939,278)
Change in Unrestricted Net Assets	<u>(3,868)</u>	<u>476,865</u>	<u>545,278</u>	<u>(476,865)</u>	<u>541,410</u>	<u>(300,198)</u>	<u>-</u>	<u>241,212</u>
TEMPORARILY RESTRICTED NET ASSETS								
Contributions	-	-	-	-	-	964,575	-	964,575
Unrealized Gain (Loss) and Impairment of Investments	-	-	-	-	-	(354,535)	-	(354,535)
Investment Income	-	-	-	-	-	120,109	-	120,109
Assets Transferred from Unrestricted	-	-	-	-	-	533	-	533
Assets Transferred from Permanently Restricted	-	-	-	-	-	1,230	-	1,230
Assets Released from Restriction	-	-	-	-	-	(1,020,459)	-	(1,020,459)
Change in Temporarily Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(288,547)</u>	<u>-</u>	<u>(288,547)</u>
PERMANENTLY RESTRICTED NET ASSETS								
Contributions	-	-	-	-	-	124,624	-	124,624
Assets Transferred from Unrestricted	-	-	-	-	-	4,000	-	4,000
Assets Released from Restriction	-	-	-	-	-	(1,230)	-	(1,230)
Change in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,394</u>	<u>-</u>	<u>127,394</u>
CHANGE IN NET ASSETS	<u>(3,868)</u>	<u>476,865</u>	<u>545,278</u>	<u>(476,865)</u>	<u>541,410</u>	<u>(461,351)</u>	<u>-</u>	<u>80,059</u>
NET ASSETS BEGINNING OF YEAR	<u>144,979,008</u>	<u>5,179,626</u>	<u>11,851,967</u>	<u>(5,179,626)</u>	<u>156,830,975</u>	<u>10,261,566</u>	<u>-</u>	<u>167,092,541</u>
NET ASSETS END OF YEAR	<u>\$ 144,975,140</u>	<u>\$ 5,656,491</u>	<u>\$ 12,397,245</u>	<u>\$ (5,656,491)</u>	<u>\$ 157,372,385</u>	<u>\$ 9,800,215</u>	<u>\$ -</u>	<u>\$ 167,172,600</u>

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,2011

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
CASH FLOW FROM OPERATING ACTIVITIES								
Increase in Unrestricted Net Assets	\$ 15,210,132	\$ 981,384	\$ 164,323	\$ -	\$ 16,355,839	\$ (170,816)	\$ -	\$ 16,185,023
Adjustments to Reconcile Change in Net Assets to Net Cash Flow from Operating Activities								
Depreciation and Amortization	20,789,811	279,148	257,148	-	21,326,107	5,869	-	21,331,976
Provision for Bad Debts	29,028,266	123,318	-	-	29,151,584	-	-	29,151,584
Impairment of Unrestricted Investments	-	-	1,086	-	1,086	-	-	1,086
Loss on Disposal of Equipment	397,572	158,355	-	-	555,927	-	-	555,927
Excess of Revenue Over Expenses - Limited Use Assets	(200,947)	-	-	-	(200,947)	-	-	(200,947)
(Gain)/Loss on Investments	176,760	-	(49,309)	-	127,451	(59,542)	-	67,909
Unrealized (Gain)/Loss	1,687,037	(2,494)	73,545	-	1,758,088	150,911	-	1,908,999
Noncash Asset Released from Restriction	-	-	-	-	-	(691)	-	(691)
Donated Asset	-	-	-	-	-	-	-	-
Effect on Operating Cash Flows from Changes in								
Receivables	(27,919,362)	(44,467)	(85,033)	(19,409)	(28,068,271)	139,906	-	(27,928,365)
Due from Affiliates	4,537	(32,015)	(3,302)	30,766	(14)	-	14	-
Inventories	386,432	(113,573)	-	-	272,859	-	-	272,859
Prepaid Expense	(889,065)	(67,666)	253	-	(956,478)	-	-	(956,478)
Accounts Payable	3,098,540	(158,283)	(107,393)	-	2,832,864	(1,743)	-	2,831,121
Due to Affiliates	35,472	(2,195)	(2,511)	(30,766)	-	14	(14)	-
Estimated Third Party Payable	675,293	-	-	-	675,293	-	-	675,293
Accrued Expenses	(552,632)	(20,534)	24,092	-	(549,074)	(10,249)	-	(559,323)
Deferred Revenue	37,700	-	30,185	-	67,885	-	-	67,885
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	41,965,546	1,100,978	303,084	(19,409)	43,350,199	53,659	-	43,403,858
CASH FLOW FROM INVESTING ACTIVITIES								
Acquisitions of Property and Equipment	(30,247,714)	(426,809)	(315,676)	-	(30,990,199)	-	-	(30,990,199)
Investments in Assets Whose Use is Limited	(34,022,086)	-	-	-	(34,022,086)	-	-	(34,022,086)
Transfers from Assets Whose Use is Limited	47,884,505	-	-	-	47,884,505	-	-	47,884,505
Purchases of Investments	(73,154,831)	(1,019,099)	(606,925)	-	(74,780,855)	(1,058,525)	-	(75,839,380)
Sales of Investments	52,814,160	204,491	519,302	-	53,537,953	1,202,548	-	54,740,501
Advances on Notes Receivable	(1,115,668)	-	-	-	(1,115,668)	-	-	(1,115,668)
Payments Received on Notes Receivable	95,907	-	-	-	95,907	-	-	95,907
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(37,745,727)	(1,241,417)	(403,299)	-	(39,390,443)	144,023	-	(39,246,420)
CASH FLOW FROM FINANCING ACTIVITIES								
Payments of Long-Term Debt	(31,516,232)	-	(19,409)	19,409	(31,516,232)	-	-	(31,516,232)
Payments for Financing Costs	(120,296)	-	-	-	(120,296)	-	-	(120,296)
Proceeds from Sale of Bonds	23,620,000	-	-	-	23,620,000	-	-	23,620,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(8,016,528)	-	(19,409)	19,409	(8,016,528)	-	-	(8,016,528)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,796,709)	(140,439)	(119,624)	-	(4,056,772)	197,682	-	(3,859,090)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	23,419,151	3,174,269	1,677,369	-	28,270,789	88,855	-	28,359,644
CASH AND CASH EQUIVALENTS END OF PERIOD	\$ 19,622,442	\$ 3,033,830	\$ 1,557,745	\$ -	\$ 24,214,017	\$ 286,537	\$ -	\$ 24,500,554

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING BALANCE SHEET - ASSETS
AS OF DECEMBER 31, 2010

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 23,419,151	\$ 3,174,269	\$ 1,677,369	\$ -	\$ 28,270,789	\$ 88,855	\$ -	\$ 28,359,644
Investments	113,283,975	66,144	2,115,240	-	115,465,359	2,500,600	-	117,965,959
Due From Restricted Assets	-	-	-	-	-	169,333	-	169,333
Receivables - Net	67,962,023	1,629,907	327,425	-	69,919,355	34,048	-	69,953,403
Notes Receivable	365,058	-	-	(19,409)	345,649	-	-	345,649
Due from Affiliates	57,862	19,095	4,697	(79,516)	2,138	-	(2,138)	-
Inventories	6,492,670	771,950	-	-	7,264,620	-	-	7,264,620
Prepaid Expenses	325,706	156,174	8,418	-	490,298	360	-	490,658
Assets Whose Use is Limited	2,123,152	-	-	-	2,123,152	-	-	2,123,152
Total	214,029,597	5,817,539	4,133,149	(98,925)	223,881,360	2,793,196	(2,138)	226,672,418
ASSETS WHOSE USE IS LIMITED								
Held by Trustee Under Trust Agreements	3,337,372	-	-	-	3,337,372	-	-	3,337,372
Held by Trustee Under Bond Indenture Agreements	19,439,743	-	-	-	19,439,743	-	-	19,439,743
By Donors	-	-	-	-	-	7,599,186	-	7,599,186
Total	22,777,115	-	-	-	22,777,115	7,599,186	-	30,376,301
PROPERTY PLANT & EQUIP								
Land and Improvements	16,291,446	-	1,304,353	-	17,595,799	-	-	17,595,799
Buildings	155,187,540	-	8,220,248	-	163,407,788	-	-	163,407,788
Leasehold Improvements	-	316,306	-	-	316,306	-	-	316,306
Equipment	156,422,016	2,190,218	842,177	-	159,454,411	120,935	-	159,575,346
Construction in Progress	1,428,533	-	-	-	1,428,533	-	-	1,428,533
Total	329,329,535	2,506,524	10,366,778	-	342,202,837	120,935	-	342,323,772
Accumulated Depreciation	(198,496,205)	(1,399,257)	(6,823,369)	-	(206,718,831)	(46,940)	-	(206,765,771)
Total	130,833,330	1,107,267	3,543,409	-	135,484,006	73,995	-	135,558,001
OTHER ASSETS								
Unamortized Bond Issue and Other Costs	4,035,096	-	-	-	4,035,096	-	-	4,035,096
Note Receivable - Noncurrent	124,536	-	-	(124,536)	-	-	-	-
Other	200,000	-	5,179,626	(5,179,626)	200,000	9,721	-	209,721
Total	4,359,632	-	5,179,626	(5,304,162)	4,235,096	9,721	-	4,244,817
TOTAL ASSETS	\$ 371,999,674	\$ 6,924,806	\$ 12,856,184	\$ (5,403,087)	\$ 386,377,577	\$ 10,476,098	\$ (2,138)	\$ 396,851,537

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING BALANCE SHEET – LIABILITIES AND NET ASSETS
AS OF DECEMBER 31, 2010

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
CURRENT LIABILITIES								
Accounts Payable	\$ 12,351,096	\$ 506,052	\$ 253,666	\$ -	\$ 13,110,814	\$ 28,253	\$ -	\$ 13,139,067
Due to Affiliates	23,580	37,789	18,147	(79,516)	-	2,138	(2,138)	-
Estimated Third Party Payable	3,354,220	-	-	-	3,354,220	-	-	3,354,220
Deferred Revenue	347,935	-	240,401	-	588,336	-	-	588,336
Accrued Expenses	27,138,571	465,476	190,575	-	27,794,622	47,278	-	27,841,900
Current Portion of Long-term Debt	7,563,673	-	19,409	(19,409)	7,563,673	-	-	7,563,673
Total	<u>50,779,075</u>	<u>1,009,317</u>	<u>722,198</u>	<u>(98,925)</u>	<u>52,411,665</u>	<u>77,669</u>	<u>(2,138)</u>	<u>52,487,196</u>
LONG TERM LIABILITIES								
Special Assessments Payable	-	-	-	-	-	-	-	-
Revenue Bonds Payable	158,914,079	-	-	-	158,914,079	-	-	158,914,079
Pension & Post Retirement/Employment Benefit	11,498,238	546,698	157,483	-	12,202,419	107,032	-	12,309,451
Other	5,829,274	189,165	124,536	(124,536)	6,018,439	29,831	-	6,048,270
Total	<u>176,241,591</u>	<u>735,863</u>	<u>282,019</u>	<u>(124,536)</u>	<u>177,134,937</u>	<u>136,863</u>	<u>-</u>	<u>177,271,800</u>
Total Liabilities	<u>227,020,666</u>	<u>1,745,180</u>	<u>1,004,217</u>	<u>(223,461)</u>	<u>229,546,602</u>	<u>214,532</u>	<u>(2,138)</u>	<u>229,758,996</u>
NET ASSETS								
Unrestricted	144,979,008	5,179,626	11,851,967	(5,179,626)	156,830,975	2,699,514	-	159,530,489
Temporarily Restricted	-	-	-	-	-	5,314,481	-	5,314,481
Permanently Restricted	-	-	-	-	-	2,247,571	-	2,247,571
Total	<u>144,979,008</u>	<u>5,179,626</u>	<u>11,851,967</u>	<u>(5,179,626)</u>	<u>156,830,975</u>	<u>10,261,566</u>	<u>-</u>	<u>167,092,541</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 371,999,674</u>	<u>\$ 6,924,806</u>	<u>\$ 12,856,184</u>	<u>\$ (5,403,087)</u>	<u>\$ 386,377,577</u>	<u>\$ 10,476,098</u>	<u>\$ (2,138)</u>	<u>\$ 396,851,537</u>

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF OPERATIONS (UNRESTRICTED)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
UNRESTRICTED OPERATING REVENUE								
Patient Service Revenue	\$ 390,262,738	\$ -	\$ -	\$ (157)	\$ 390,262,581	\$ -	\$ -	\$ 390,262,581
Provision for Bad Debts	(18,475,082)	(138,609)	-	-	(18,613,691)	(5,214)	-	(18,618,905)
Net Patient Service Revenue Less Provision for Bad Debts	371,787,656	(138,609)	-	(157)	371,648,890	(5,214)	-	371,643,676
Other Operating Revenue	10,088,203	6,595,930	3,165,914	(784,573)	19,065,474	945,456	(275,953)	19,734,977
Total	381,875,859	6,457,321	3,165,914	(784,730)	390,714,364	940,242	(275,953)	391,378,653
UNRESTRICTED OPERATING EXPENSES								
Patient Care Services	51,237,314	-	-	(14,774)	51,222,540	-	110,076	51,332,616
Clinic Professional Services	113,184,677	-	-	(9,769)	113,174,908	-	85,798	113,260,706
Other Professional Expense	78,451,543	1,083,876	-	(202,763)	79,332,656	-	206,227	79,538,883
Other Services	2,605,338	1,497,877	643,482	(16,720)	4,729,977	-	-	4,729,977
General Services	16,990,017	-	1,162,374	(62,286)	18,090,105	-	14,199	18,104,304
Administrative Services	29,946,350	1,846,409	391,489	(478,418)	31,705,830	1,196,466	(782,931)	32,119,365
Bond Issue Carrying Costs	679,946	-	7,788	-	687,734	-	-	687,734
Real Estate Taxes	506,778	-	95,582	-	602,360	-	-	602,360
Interest	6,514,114	-	19,260	(2,911)	6,530,463	-	-	6,530,463
Depreciation	18,133,868	248,218	242,333	-	18,624,419	5,657	-	18,630,076
Insurance	2,902,168	10,134	27,540	-	2,939,842	1,608	-	2,941,450
Employee Benefits and Payroll taxes	41,625,834	724,723	479,070	-	42,829,627	71,786	-	42,901,413
Total	362,777,947	5,411,237	3,068,918	(787,641)	370,470,461	1,275,517	(366,631)	371,379,347
NET INCOME FROM OPERATIONS	19,097,912	1,046,084	96,996	2,911	20,243,903	(335,275)	90,678	19,999,306
Other Income - Primarily Investments	4,207,293	25,182	64,038	(2,911)	4,293,602	413,061	(90,678)	4,615,985
Other Expense - Other than Temporary Impairment Loss	(44,531)	-	-	-	(44,531)	-	-	(44,531)
EXCESS OF REVENUE OVER EXPENSE	23,260,674	1,071,266	161,034	-	24,492,974	77,786	-	24,570,760
Unrealized Gain/(Loss) on Investments	6,352,734	(225)	161,652	-	6,514,161	152,831	-	6,666,992
Earnings of Subsidiary	-	-	1,071,041	(1,071,041)	-	-	-	-
INCREASE IN UNRESTRICTED NET ASSETS	\$ 29,613,408	\$ 1,071,041	\$ 1,393,727	\$ (1,071,041)	\$ 31,007,135	\$ 230,617	\$ -	\$ 31,237,752

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Altru Health System Obligated Group							Altru Health System and Affiliates
	Altru Health System	Altru Specialty Services	Altru Health Resources	Elimination Entries	Total	Altru Health Foundation	Elimination Entries	
UNRESTRICTED NET ASSETS								
Unrestricted Operating Revenue	\$ 381,875,859	\$ 6,457,321	\$ 3,165,914	\$ (784,730)	\$ 390,714,364	\$ 940,242	\$ (275,953)	\$ 391,378,653
Unrestricted Operating Expense	(362,777,947)	(5,411,237)	(3,068,918)	787,641	(370,470,461)	(1,275,517)	366,631	(371,379,347)
Other Revenue - Investments	4,207,293	25,182	64,038	(2,911)	4,293,602	413,061	(90,678)	4,615,985
Other Expense - Other Than Temporary Impairment Loss	(44,531)	-	-	-	(44,531)	-	-	(44,531)
Unrealized Gain(Loss)on Investments	6,352,734	(225)	161,652	-	6,514,161	152,831	-	6,666,992
Earnings of Subsidiary	-	-	1,071,041	(1,071,041)	-	-	-	-
To Restricted Assets	-	-	-	-	-	-	-	-
Application of FASB ASC Topic 715	95,667	3,209	3,418	(3,209)	99,085	730	-	99,815
Change in Unrestricted Net Assets	<u>29,709,075</u>	<u>1,074,250</u>	<u>1,397,145</u>	<u>(1,074,250)</u>	<u>31,106,220</u>	<u>231,347</u>	<u>-</u>	<u>31,337,567</u>
TEMPORARILY RESTRICTED NET ASSETS								
Contributions	-	-	-	-	-	983,972	-	983,972
Unrealized Gain (Loss) and Impairment of Investments	-	-	-	-	-	372,962	-	372,962
Investment Income	-	-	-	-	-	122,014	-	122,014
Assets Transferred to Permanently Restricted	-	-	-	-	-	-	-	-
Assets Released from Restriction	-	-	-	-	-	(749,002)	-	(749,002)
Change in Temporarily Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,946</u>	<u>-</u>	<u>729,946</u>
PERMANENTLY RESTRICTED NET ASSETS								
Contributions	-	-	-	-	-	600	-	600
Assets Transferred from Temporarily Restricted	-	-	-	-	-	-	-	-
Assets Released from Restriction	-	-	-	-	-	(15,506)	-	(15,506)
Change in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,906)</u>	<u>-</u>	<u>(14,906)</u>
CHANGE IN NET ASSETS	29,709,075	1,074,250	1,397,145	(1,074,250)	31,106,220	946,387	-	32,052,607
NET ASSETS BEGINNING OF YEAR	115,269,933	3,578,535	10,454,822	(5,179,626)	125,724,755	9,315,179	-	135,039,934
NET ASSETS END OF YEAR	<u>\$ 144,979,008</u>	<u>\$ 4,652,785</u>	<u>\$ 11,851,967</u>	<u>\$ (6,253,876)</u>	<u>\$ 156,830,975</u>	<u>\$ 10,261,566</u>	<u>\$ -</u>	<u>\$ 167,092,541</u>

ALTRU HEALTH SYSTEM AND AFFILIATES
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Altru Health System Obligated Group							Altru Health
	System	Services	Resources	Elimination	Total	Foundation	Elimination	System and
				Entries			Entries	Affiliates
CASH FLOW FROM OPERATING ACTIVITIES								
Increase in Unrestricted Net Assets	\$ 29,613,408	\$ 1,071,041	\$ 322,686	\$ -	\$ 31,007,135	\$ 230,617	\$ -	\$ 31,237,752
Adjustments to Reconcile Change in Net Assets to Net Cash Flow from Operating Activities								
Depreciation and Amortization	18,502,573	248,218	250,121	-	19,000,912	5,657	-	19,006,569
Provision for Bad Debts	18,475,082	138,609	-	-	18,613,691	-	-	18,613,691
Impairment of Unrestricted Investments	44,531	-	-	-	44,531	-	-	44,531
Loss on Disposal of Equipment	191,737	161,225	-	-	352,962	-	-	352,962
Excess of Revenue Over Expenses - Limited Use Assets	(224,220)	-	(3)	-	(224,223)	-	-	(224,223)
(Gain)/Loss on Investments	-	-	18,511	-	18,511	(72,391)	-	(53,880)
Unrealized (Gain)/Loss	(6,352,734)	225	(161,652)	-	(6,514,161)	(161,339)	-	(6,675,500)
Noncash Asset Released from Restriction	-	-	-	-	-	(9,721)	-	(9,721)
Donated Asset	(1,000)	-	-	-	(1,000)	-	-	(1,000)
Effect on Operating Cash Flows from Changes in								
Receivables	(27,466,671)	179,509	(21,812)	-	(27,308,974)	(160,635)	-	(27,469,609)
Due from Affiliates	1,760	(925)	(3,353)	7,188	4,670	-	(4,670)	-
Inventories	(779,908)	(62,576)	-	-	(842,484)	-	-	(842,484)
Prepaid Expense	(754,325)	551	(727)	-	(754,501)	98	-	(754,403)
Accounts Payable	856,986	268,353	122,056	-	1,247,395	(2,719)	-	1,244,676
Due to Affiliates	4,102	4,878	(1,792)	(7,188)	-	(4,670)	4,670	-
Estimated Third Party Payable	2,854,220	-	-	-	2,854,220	-	-	2,854,220
Accrued Expenses	2,050,442	205,948	18,991	-	2,275,381	11,394	-	2,286,775
Deferred Revenue	61,326	-	4,155	-	65,481	-	-	65,481
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	37,077,309	2,215,056	547,181	-	39,839,546	(163,709)	-	39,675,837
CASH FLOW FROM INVESTING ACTIVITIES								
Acquisitions of Property and Equipment	(24,392,810)	(433,436)	(235,495)	-	(25,061,741)	(3,850)	-	(25,065,591)
Investments in Assets Whose Use is Limited	(41,289,534)	-	(211,395)	-	(41,500,929)	-	-	(41,500,929)
Transfers from Assets Whose Use is Limited	29,203,819	-	240,683	-	29,444,502	-	-	29,444,502
Purchases of Investments	(46,985,785)	(1,420)	(687,044)	-	(47,674,249)	(1,187,418)	-	(48,861,667)
Sales of Investments	18,460,131	-	961,446	-	19,421,577	1,126,702	-	20,548,279
Advances on Notes Receivable	(1,236,061)	-	-	-	(1,236,061)	-	-	(1,236,061)
Payments Received on Notes Receivable	294,561	-	-	(19,409)	275,152	-	-	275,152
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(65,945,679)	(434,856)	68,195	(19,409)	(66,331,749)	(64,566)	-	(66,396,315)
CASH FLOW FROM FINANCING ACTIVITIES								
Payments of Long-Term Debt	(6,230,749)	-	(296,415)	19,409	(6,507,755)	-	-	(6,507,755)
Payments for Financing Costs	(181,380)	-	-	-	(181,380)	-	-	(181,380)
Proceeds from Sale of Bonds	30,000,000	-	-	-	30,000,000	-	-	30,000,000
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	23,587,871	-	(296,415)	19,409	23,310,865	-	-	23,310,865
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,280,499)	1,780,200	318,961	-	(3,181,338)	(228,275)	-	(3,409,613)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	28,699,650	1,394,069	1,358,408	-	31,452,127	317,130	-	31,769,257
CASH AND CASH EQUIVALENTS END OF PERIOD	\$ 23,419,151	\$ 3,174,269	\$ 1,677,369	\$ -	\$ 28,270,789	\$ 88,855	\$ -	\$ 28,359,644

Additional Data

Software ID:
Software Version:
EIN: 45-0310462
Name: ALTRU HEALTH SYSTEM

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services
(Code) (Expenses \$ 332,278,022 including grants of \$) (Revenue \$ 366,084,337) OTHER PROGRAM SERVICES INCLUDE OTHER PATIENT CARE PROGRAMS AND GENERAL & ADMINISTRATIVE

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
LONNIE LAFFEN SECRETARY	1 00	X		X				0	0	0	
JOHN SNUSTAD VICE CHAIR	1 00	X		X				0	0	0	
DARRELL LARSON ESQ BOARD CHAIR	1 00	X		X				0	0	0	
CASEY RYAN MD BOARD MEMBER/PRESIDENT/PHY	40 00	X		X				483,208	0	39,874	
DAVID MOLMEN BOARD MEMBER/CEO	40 00	X		X				454,107	0	42,840	
TIMOTHY P SAYLER BOARD MEMBER/COO	40 00	X		X				132,907	0	8,823	
BRADLEY WEHE BOARD MEMBER/COO	40 00	X		X				254,434	0	43,599	
BRADLEY BELLUK MD BOARD MEMBER/PHYSICIAN	40 00	X						489,453	0	38,971	
KRIS COMPTON BOARD MEMBER	1 00	X						0	0	0	
PHILIP GISI BOARD MEMBER	1 00	X						0	0	0	
JAMES HARGREAVES DO BOARD MEMBER/PHYSICIAN	40 00	X						544,925	0	38,835	
ALICE BREKKE BOARD MEMBER	1 00	X						0	0	0	
MATTHEW ROLLER MD BOARD MEMBER/PHYSICIAN	40 00	X						414,091	0	38,816	
DWIGHT THOMPSON CFO/TREASURER	40 00			X				328,185	0	43,505	
JAMES VANLOOY MD CHIEF MEDICAL EXECUTIVE	40 00				X			300,787	0	33,720	
MARGARET REED RN CHIEF NURSE EXECUTIVE	40 00				X			218,830	0	17,944	
RENEE M AXTMAN RN ADMIN DIR PRIMARY CARE	40 00				X			185,825	0	32,456	
LELAND LINDQUIST ADMINISTRATIVE DIR HUMAN R	40 00				X			227,847	0	30,856	
JACQUELYN WALSH ADMIN DIR SURGICAL&CLINICA	40 00				X			168,318	0	27,425	
DENNIS REISNOUR ADM DIR CORP DEVELOPMENT	40 00				X			197,687	0	19,757	
KENNETH VEIN ADM DIR PLANT SERVICES	40 00				X			176,390	0	33,358	
MARK WAIND ADM DIR INFORMATION SERVIC	40 00				X			182,006	0	25,571	
KERRY P CARLSON ADM DIR MEDICAL SPECIALTY	40 00				X			162,350	0	29,470	
KELLY HAGEN RN ADM DIR CARDIOLOGY & MUSCU	40 00				X			153,515	0	28,548	
MICKEY SYRQUIN PHYSICIAN	40 00					X		1,045,651	0	38,979	

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
IKECHUKWU ONYEKA PHYSICIAN	40 00					X		1,036,941	0	43,179
ABDEL AHMED PHYSICIAN	40 00					X		1,729,448	0	43,434
SRINIVAS PULAGAM PHYSICIAN	40 00					X		948,687	0	42,778
RANDALL SMITH PHYSICIAN	40 00					X		911,015	0	38,979