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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
430 NORTH MONITOR STREET

City or town, state or country, and ZIP + 4
WEST POINT, NE 687881555

D Employer identification number
47-0486026

E Telephone number
(402) 372-2404

G Gross receipts $ 25,918,329

F Name and address of principal officer
RONALD O BRIGGS
430 NORTH MONITOR STREET
WEST POINT, NE 687881555

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 ▶ 0928

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www fcswp org

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

L Year of formation 1964

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF FRANCISCAN CARE SERVICES INC IS TO LIVE AND TO PROMOTE THE HEALING MISSION OF JESUS CHRIST

2 Check this box ▶☐ 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**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	266
6	Total number of volunteers (estimate if necessary)	**6**	219
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,797
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	345,439	212,443
9	Program service revenue (Part VIII, line 2g)	23,444,592	25,097,177
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	370,698	605,114
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	24,160,729	25,914,734
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	13,717,998	14,439,665
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶3,802		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	7,891,394	8,500,555
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	21,609,392	22,940,220
19	Revenue less expenses Subtract line 18 from line 12	2,551,337	2,974,514

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	44,365,757	51,314,692
21	Total liabilities (Part X, line 26)	8,961,472	13,605,330
22	Net assets or fund balances Subtract line 21 from line 20	35,404,285	37,709,362

Part II Signature Block

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

Sign Here

****** — Signature of officer — 2012-11-05 — Date

RONALD O BRIGGS PRESIDENT/CEO — Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP, Two Central Park Plaza Suite 1501, Omaha, NE 681021626 | EIN ▶ | Phone no ▶ (402) 348-1450

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF FRANCISCAN CARE SERVICES INC IS TO LIVE AND TO PROMOTE THE HEALING MISSION OF JESUS CHRIST BY PROVIDING QUALITY HEALTH CARE AND HEALTH RELATED INPATIENT, OUTPATIENT, HOME HEALTH, PHYSICIAN AND ASSISTED LIVING SERVICES TO ANYONE IN NORTHEAST NEBRASKA, REGARDLESS OF THEIR ABILITY TO PAY

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 $ 18,680,403 including grants of $ 0) (Revenue $ 23,133,522)

FRANCISCAN CARE SERVICES MISSION IS TO PROVIDE QUALITY HEALTH CARE AND HEALTH RELATED INPATIENT, OUTPATIENT, HOME HEALTH AND PHYSICIAN SERVICES TO THE PEOPLE OF NORTHEASTERN NEBRASKA THE CRITICAL ACCESS HOSPITAL PROVIDES A 24 HOUR EMERGENCY ROOM AND DOES NOT DISCRIMINATE AGAINST ANY PATIENT REGARDLESS OF THEIR ABILITY TO PAY OUR CHARITY CARE POLICY FOLLOWS RECOMMENDED STANDARDS WHICH ARE BASED UPON THE FEDERAL POVERTY GUIDELINES THIS POLICY IS COMMUNICATED TO OUR PATIENTS ON OUR WEBSITE AND AT OUR REGISTRATION DESKS PATIENTS SERVED DURING THE YEAR TOTAL MEDICARE MEDICAID IN-PATIENTS DISCHARGED 462 273 27 PATIENT DAYS - ACUTE 1,704 1,172 76 - SWING BED 1,165 969 36 - NURSERY 133 0 46 OUT-PATIENT & HOME HEALTH 43,098 18,526 1,349 Physician Clinic Visits 24,212 9,258 2,228 THE HOSPITAL RECEIVES GENEROUS SUPPORT FROM THE COMMUNITY NOT ONLY FINANCIALLY BUT ALSO FROM ABOUT 170 VOLUNTEERS WHO DONATED APPROXIMATELY 4,400 HOURS OF THEIR VALUABLE TIME

4b (Code) (Expenses $ 1,787,115 including grants of $ 0) (Revenue $ 1,963,655)

ASSISTED LIVING FACILITY FULFILLS THE MISSION OF THE ROMAN CATHOLIC CHURCH BY PROVIDING 85 FRAIL AND ELDERLY PEOPLE WITH ASSISTED LIVING SERVICES REGARDLESS OF THEIR ABILITY TO PAY A TOTAL OF 16 RESIDENTS RECEIVED $154,312 IN FREE CARE DURING THE YEAR APPROXIMATELY 49 VOLUNTEERS PROVIDED 3,630 HOURS OF SUPPORT TO THE FACILITY

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 20,467,518

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	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*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	43		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	266			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

DENNIS DINSLAGE
430 NORTH MONITOR STREET
WEST POINT, NE 687881555
(402) 372-6703

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) RONALD O BRIGGS CEO & TRUSTEE	45 0	X		X				225,961	0	31,791
(2) MIKE GRAYBEAL VICE-CHAIRMAN	1 5	X		X				1,082	0	0
(3) SR ROCHELLE KERKHOF TRUSTEE	1 0	X						0	0	0
(4) CHRIS MEJSTRIK TRUSTEE	1 0	X						0	0	0
(5) JAY HANSEN DDS CHAIRMAN	1 5	X		X				0	0	0
(6) BRIAN REIMERS SECRETARY	1 5	X		X				0	0	0
(7) CONRAD REESON TRUSTEE	1 0	X						0	0	0
(8) SUE STEFFENSMEIER TRUSTEE	1 0	X						0	0	0
(9) SR JO ELLEN KOHLMANN TRUSTEE	1 0	X						0	0	0
(10) STEVE AUSDEMORE TREASURER	1 5	X		X				0	0	0
(11) BILL KREIKEMEIER VICE CHAIRMAN	1 5	X		X				0	0	0
(12) JEROME STEFFEN TRUSTEE	1 0	X						0	0	0
(13) CHAD ORTMEIER DDS TRUSTEE	1 0	X						0	0	0
(14) JACKIE RIDDER TRUSTEE	1 0	X						0	0	0
(15) MARY JANATA TRUSTEE	1 0	X						0	0	0
(16) DENNIS DINSLAGE VP FISCAL & SUPPORT SERVICES	42 0			X				140,105	0	25,113
(17) TERRY NELSON REHAB MANAGER	55 0				X			197,967	0	30,765

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) MICHAEL BITTLES MD PHYSICIAN	40 0					X		355,596	0	34,183
(19) SCOTT GREEN MD PHYSICIAN	45 3					X		352,565	0	35,683
(20) RHETT ECKMANN MD PHYSICIAN	44 4					X		308,717	0	33,716
(21) BRIAN HASS MD PHYSICIAN	44 2					X		308,346	0	32,216
(22) TOM COHEE MD PHYSICIAN	44 0					X		252,190	0	30,415
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								2,142,529	0	253,882

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 ▶ 12

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ELKHORN VALLEY ANESTHESIA INC 814 VIA LINDA WEST POINT, NE 68788	ANESTHESIA SERVICES	533,252
HEALTH CARE MANAGEMENT SYSTEMS INC 2739 MOMENTUM PLACE CHICAGO, IL 606895327	IT SOFTWARE SUPPORT	132,284
CYPRESS BENEFIT ADMINISTRATOR PO BOX 7020 APPLETON, WI 549127020	HEALTH PLAN ADMIN	367,352
MCS CONSTRUCTION 1020 CENTENNIAL ROAD WEST POINT, NE 68788	GENERAL CONSTRUCTION	608,167
MCSBCI CONSTRUCTION 1020 CENTENNIAL RD WEST POINT, NE 68788	GENERAL CONSTRUCTION	6,158,748

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 ▶ 7

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 135,000				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 77,443				
	g	Noncash contributions included in lines 1a-1f $ _____				
	h	**Total.** Add lines 1a-1f . . . . . ▶	212,443			
Program Service Revenue		Business Code				
	2a	HOSPITAL/CLINIC HEALTHCARE SERVICES 621110	23,049,280	23,049,280		
	b	ASSISTED LIVING-ELDER CARE 623000	1,962,850	1,962,850		
	c	DIETARY/CAFETERIA 722210	85,047	85,047		
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	25,097,177			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	606,534		1,797	604,737
	4	Income from investment of tax-exempt bond proceeds . . ▶	0			
	5	Royalties . . . . . ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 2,175				
	b	Less cost or other basis and sales expenses 3,595				
	c	Gain or (loss) -1,420				
	d	Net gain or (loss) . . . . . ▶	-1,420			-1,420
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶	0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . . ▶	0			
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶	0			
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	0			
	12	**Total revenue.** See Instructions . . . ▶	25,914,734	25,097,177	1,797	603,317

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	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	657,247	578,002	79,245	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	10,973,892	9,968,819	1,005,073	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	353,335	285,666	67,669	
9	Other employee benefits	1,696,254	1,386,180	310,074	
10	Payroll taxes	758,937	684,523	74,414	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	8,010		8,010	
c	Accounting	69,877		69,877	
d	Lobbying	2,359		2,359	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	1,229,809	1,030,528	199,281	
12	Advertising and promotion	121,371	119,878	1,493	
13	Office expenses	1,319,055	1,256,829	62,001	225
14	Information technology	260,224	211,939	48,285	
15	Royalties . .	0			
16	Occupancy	645,067	571,670	73,397	
17	Travel	104,085	91,686	12,399	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	47,006	43,755	3,251	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	1,953,836	1,591,294	362,542	
23	Insurance	82,687		82,687	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	550,457	550,457		
b	DUES & SUBSCRIPTIONS	79,730	72,887	6,843	
c	WOMEN'S AUXILIARY SUPPLIES	3,577			3,577
d	MEDICAL SUPPLIES	2,023,405	2,023,405		
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	22,940,220	20,467,518	2,468,900	3,802
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		250	1	250
	2	Savings and temporary cash investments		2,925,378	2	3,692,484
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		3,349,227	4	3,739,182
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		20,000	7	57,333
	8	Inventories for sale or use		413,212	8	476,860
	9	Prepaid expenses and deferred charges		158,380	9	165,599
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 49,184,891			
	b	Less accumulated depreciation	10b 20,748,700	22,749,365	10c	28,436,191
	11	Investments—publicly traded securities		9,722,474	11	8,852,017
	12	Investments—other securities See Part IV, line 11		4,432,548	12	5,234,304
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		594,923	15	660,472
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		44,365,757	16	51,314,692
Liabilities	17	Accounts payable and accrued expenses		4,517,722	17	4,568,798
	18	Grants payable		34,000	18	22,000
	19	Deferred revenue		3,775	19	0
	20	Tax-exempt bond liabilities		4,405,975	20	9,014,532
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		8,961,472	26	13,605,330
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		35,404,285	27	37,709,362
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		35,404,285	33	37,709,362
	34	Total liabilities and net assets/fund balances		44,365,757	34	51,314,692

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	25,914,734
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,940,220
3	Revenue less expenses Subtract line 2 from line 1	3	2,974,514
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,404,285
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-669,437
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	37,709,362

Part XII Financial Statements and Reporting

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

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

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

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

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

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 47-0486026
Name: FRANCISCAN CARE SERVICES INC

Form 990, Special Condition Description:

Special Condition Description

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
FRANCISCAN CARE SERVICES INC	47-0486026

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		2,359
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			2,359
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
PART IV SUPPLEMENTAL INFORMATION	PART II-B, LINE F	MEMBERSHIP DUES PAID TO HEALTH CARE ASSOCIATIONS OF WHICH A PERCENTAGE OF THE DUES ARE ALLOCATED TO LOBBYING ACTIVITIES
PART II-B, LINE G		OCCASIONAL PHONE CALL OR EMAIL TO AND FROM OUR REPRESENTATIVES

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

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

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		367,466		367,466
b Buildings		11,741,927	6,307,511	5,434,416
c Leasehold improvements				
d Equipment		20,318,958	14,441,189	5,877,769
e Other		16,756,540		16,756,540
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				28,436,191

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	5,234,304	F
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	5,234,304	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	0

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	25,914,734
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	22,940,220
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,974,514
4	Net unrealized gains (losses) on investments	4	-669,437
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-7,335
9	Total adjustments (net) Add lines 4 - 8	9	-676,772
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,297,742

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	25,234,385
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-669,437		
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	-669,437
3	Subtract line **2e** from line **1**			3	25,903,822
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	10,912		
c	Add lines **4a** and **4b**			4c	10,912
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	25,914,734

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

1	Total expenses and losses per audited financial statements			1	22,936,643
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	22,936,643
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	3,577		
c	Add lines **4a** and **4b**			4c	3,577
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	22,940,220

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
PART XI, LINE 8		AUXILIARY FUNDS RAISED (10,912) AUXILIARY OPERATING EXPENSES 3,577 TOTAL (7,335)
PART XII, LINE 4B		AUXILIARY FUNDS RAISED 10,912 TOTAL 10,912
PART XIII, LINE 4B		AUXILIARY OPERATING EXPENSES 3,577 TOTAL 3,577
PART X, LINE 2	FIN 48 FOOTNOTE ON AUDITED FINANCIAL STATEMENTS	The organization has evaluated and reviewed uncertain tax positions and found the potential exposure to be insignificant

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)		104	227,163		227,163	1 010 %
b Medicaid (from Worksheet 3, column a)		3,623	1,378,354	1,137,619	240,735	1 080 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs		3,727	1,605,517	1,137,619	467,898	2 090 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		4,979	122,607	11,372	111,235	0 500 %
f Health professions education (from Worksheet 5)		149	61,516		61,516	0 280 %
g Subsidized health services (from Worksheet 6)		24,460	4,306,026	3,863,429	442,597	1 980 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		5,875	49,835	1,290	48,545	0 220 %
j **Total** Other Benefits		35,463	4,539,984	3,876,091	663,893	2 980 %
k **Total.** Add lines 7d and 7j		39,190	6,145,501	5,013,710	1,131,791	5 070 %

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			1,290		1,290	0 010 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			2,952		2,952	0 010 %
7	Community health improvement advocacy						
8	Workforce development			3,977		3,977	0 020 %
9	Other						
10	**Total**			8,219		8,219	0 040 %

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	550,457		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	142,579		
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	8,722,111
6	Enter Medicare allowable costs of care relating to payments on line 5	6	8,753,186
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-31,075
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ST FRANCIS MEMORIAL HOSPITAL 430 N MONITOR ST WEST POINT, NE 68788	X	X			X		X		

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)

ST FRANCIS MEMORIAL 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	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

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

	Name and address	Type of Facility (Describe)
1	ST JOSEPH'S RETIREMENT COMMUNITY 320 E DECATUR WEST POINT,NE 68788	ASSISTED LIVING FACILITY
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 3C		NOT APPLICABLE

Identifier	ReturnReference	Explanation
PART I, LINE 6A		NOT APPLICABLE

Identifier	ReturnReference	Explanation
PART I, LINE 7		A cost-to-charge ratio was used to calculate the cost of community benefit expenses detailed in the table for Part I, line 7(a) - 7(k) The cost-to-charge ratio was derived from Worksheet 2, Ratio of Patient Care Cost-to-Charges PART I, LINE 7G FRANCISCAN CARE SERVICES, INC INCLUDED PHYSICIAN CLINIC COSTS OF $438,354 AS SUBSIDIZED HEALTH SERVICES PART I, LINE 7, COLUMN F THE AMOUNT OF BAD DEBT EXPENSE SUBTRACTED FROM THE AMOUNT REPORTED ON FORM 990, PART IX, LINE 25, COLUMN A WAS $550,457

Identifier	ReturnReference	Explanation
PART II		Franciscan care services, inc is currently involved in the Elkhorn Logan Valley Public Health Department Board (ELVPHDB), Nebraska Center for Nursing, and the Nebraska Nursing Association All of these boards look at how the community addresses health and safety issues, the access these individuals have to health care services, and the staff necessary to provide healthcare services We also provide funds for activities at area schools that provide a safe environment and education for our youth We help sponsor the local blood drive through the American Red Cross We donate funds to different organizations to improve the community's health and safety

Identifier	ReturnReference	Explanation
PART III, LINE 4		The amount reported on line two is taken directly from the general ledger The amount that is written off to bad debt is the patient's account balance when it is determined that the patient will not pay Therefore, if the patient is self pay and has not paid any of the balance, then 100% of charges are written off If the patient has commercial insurance and cannot pay the 20% coninsurance that is due after insurance has paid and the contracted discounts have been applied, then only the 20% coninsurance that is owed by the patient is written off to bad debt The amount reported on line three is estimated based on an analysis performed by the Patient Accounting Manager and the Financial Counselor A review of the accounts written off to bad debt is done, taking into consideration the individual's financial situation During the review, they identify accounts that could have been written off as charity care if sufficient information was received As a result of the analysis, it was determined that $142,579 would possibly have qualified as charity care There is a fine line between bad debt and charity care There are those individuals who just will not pay, but there are a larger number of individuals who cannot pay, but do not want to fill out the paperwork for charity care or do not want to even ask for charity care We have estimated that $142,579 of our bad debt expense should have been classified as charity care if the appropriate paperwork was received These are the dollars that should be classified as community benefit The accounts receivable footnote from our audited financial statements is as follows "Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Organization's ability to collect outstanding amounts Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible "

Identifier	ReturnReference	Explanation
PART III, LINE 8		Total revenue received from Medicare and Medicare allowable costs reported on Part III, lines 5 & 6 were taken directly from the 2011 Medicare cost report In addition to the revenue received from Medicare and the Medicare allowable costs reported on the Medicare cost report, we also receive part b payments (fee schedule) from Medicare for certain lab, radiology, and physician services These amounts are not included on the Medicare cost report The revenue received from Medicare for our part b services was $348,153 while the associated costs were $428,076 for a shortfall of ($79,923) The costs for the services reimbursed on a fee schedule methodology were calculated based on the cost to charge ratio from the cost report for that department The shortfall reported on Part III, line 7 of ($31,075) and the medicare part b shortfall of ($79,923) for a total shortfall of ($110,998) should be treated as a community benefit because these are costs over and above the amount that Medicare pays us These services are integral services to the community and would not be available to the community if they were not provided by our facility

Identifier	ReturnReference	Explanation
PART III, LINE 9B		In our collection policy there is a section on financial assistance It states "Franciscan Care Services has a Financial Assistance program to assist patients that are financially burdened and unable to pay for their medical expenses An assistance application must be completed and turned into the Financial Counselor A copy of the most current tax information must accompany the application A determination of approval or denial is made from this application and is based upon hospital established guidelines "

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		The health care needs of the communities we serve are assessed in many different ways We work closely with the local area public health department who surveys the area population to ascertain health disparities, collaborate on health screenings, and determine areas of need As our physicians and other health care workers see patients they discuss their current status and what else we can do for them Also, our board members and employees who are in the public advise us as to what health care needs are in the community that we do not currently address Many of our employees are involved in state and national organizations that keep us up-to-date on the current trends in health care that are brought back to our community Through strategic planning with the physicians, board of directors, and hospital leaders, we look at what the needs of the community are and how we can address them All of these groups work together with Administration to continue to address the health care needs of the community

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		On the Conditions of Admission and Consent for Treatment form that is signed by each patient of the hospital, there is a financial agreement section that states "If you have limited insurance or do not have insurance, you may request to meet with our Financial Counselor to set up a payment plan or to determine if you are eligible for charity care " The collection policy is posted at the Hospital and Clinic entrance and also at the Emergency Room entrance Also, if the Financial Counselor contacts a patient regarding payment of a bill, a letter and a copy of the collection policy is sent to them which states that if they are unable to pay they may be eligible for the charitable care program that we offer Lastly, on our website www fcswp org there is a section on Patient Financial Information In this section there is information on our charity care policy and who to contact if the patient would like more information

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		Franciscan Care Services, Inc is located in a rural area, predominantly agricultural based The population of the five county service area is approximately 18,000 people The median household income is approximately $35,500 The population is predominantly Caucasian, high-school educated, and geriatric in nature There is a small population of Hispanic descent

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		Franciscan care services, inc has an open medical staff that includes one general surgeon, one orthopedic surgeon, five family practice physicians, three physician assistants, and one nurse practitioner There are also a number of specialists that come in from the nearby communities of Norfolk, Fremont, and Omaha to meet the health needs of the community Specialists that see patients in our outpatient clinic include audiology, cardiac, ENT, Nephrology, Neurology, obstetrics/gynecology, Oncology, Ophthalmology, Pain, Podiatry, Urology, and Vascular The board of directors is comprised of persons from the surrounding communities The board members are diverse in background ranging from sisters from our sponsor, a nurse, dentists, a school guidance counselor, bankers, and business owners, to farmers who are neither employees (except CEO), contractors, or family members We hope the diverse backgrounds of our board members give us the insight we need to fulfill the needs of the community Income from operations is put back into the organization through the offering of additional programs and capital equipment/improvements During 2011, Franciscan Care Services, Inc hired a full-time orthopedic surgeon to meet the increasing demand for orthpedic services We have a tau fund that is used to provide funds to patients, visitors, and staff for healthcare needs that they cannot afford

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		Franciscan Care Services, Inc is a part of the Franciscan Sisters of Christian Charity HealthCare Ministry, a not-for-profit health system of acute and long-term care facilities, clinics and other health services located in Wisconsin, Nebraska and Ohio Each organization within the HealthCare Ministry is responsible for carrying out the healing mission of Jesus Christ through the Catholic Church according to the needs of their community

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT		The community benefit report is filed with the Nebraska hospital association The report is also sent to our local mayor and our state and congressional representatives

Identifier	ReturnReference	Explanation
Part V, Section B		Line 13 The policy is attached to the billing statement after contract has been made by the Financial Counselor

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) RONALD O BRIGGS	(i)	176,008	22,846	27,107	11,030	22,675	259,666	0
	(ii)	0	0	0	0	0	0	0
(2) DENNIS DINSLAGE	(i)	116,890	18,547	4,668	7,681	18,541	166,327	0
	(ii)	0	0	0	0	0	0	0
(3) TERRY NELSON	(i)	84,689	108,824	4,454	11,350	20,855	230,172	0
	(ii)	0	0	0	0	0	0	0
(4) MICHAEL BITTLES MD	(i)	346,732	200	8,664	13,000	22,858	391,454	0
	(ii)	0	0	0	0	0	0	0
(5) SCOTT GREEN MD	(i)	240,208	101,994	10,363	14,500	22,858	389,923	0
	(ii)	0	0	0	0	0	0	0
(6) RHETT ECKMANN MD	(i)	230,234	69,963	8,520	12,533	22,858	344,108	0
	(ii)	0	0	0	0	0	0	0
(7) BRIAN HASS MD	(i)	229,630	65,225	13,491	12,533	21,358	342,237	0
	(ii)	0	0	0	0	0	0	0
(8) TOM COHEE MD	(i)	230,278	9,725	12,187	12,500	19,590	284,280	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, LINE 4B	QUESTIONS REGARDING COMPENSATION	DURING 2011, FRANCISCAN CARE SERVICES INC CONTRIBUTED FUNDS TO AN IRC SECTION 457(F) PLAN FOR THE FOLLOWING DOCTORS DR BITTLES $13,000 DR GREEN $4,000 DR ECKMANN $4,643 DR HASS $4,643 DR COHEE $12,500
PART I, LINE 5A	QUESTIONS REGARDING COMPENSATION	AT THE BEGINNING OF THE CALENDAR YEAR, THERE WAS A WRITTEN AGREEMENT ESTABLISHED REGARDING THE POTENTIAL AMOUNT OF SUPPLEMENTAL INCOME THAT CERTAIN PHYSICIANS MAY RECEIVE DURING THE YEAR BASED ON THEIR INDIVIDUAL PRODUCTIVITY EACH OF THESE PHYSICIANS IS PAID A BASE SALARY AS AN EMPLOYED PHYSICIAN OF THE ORGANIZATION IN ADDITION, THE PHYSICIAN MAY EARN ADDITIONAL COMPENSATION BASED ON A PRE-DETERMINED CALCULATED FORMULA AS STIPULATED IN THE WRITTEN AGREEMENT THE FORMULA IN SUMMARY IS CALCULATED BY TAKING THE INDIVIDUAL'S PRODUCTIVITY REVENUE FOR THE CALENDAR YEAR LESS ANY CONTRACTUAL ADJUSTMENTS OR WRITE-OFFS AND THEN MULTIPLYING THAT NET AMOUNT BY A PRE-DETERMINED PERCENTAGE IF THIS CALCULATED AMOUNT EXCEEDS THEIR BASE SALARY, THE PHYSICIAN IS PAID THE VARIANCE DURING THE YEAR, DRS GREEN, ECKMANN, COHEE, AND HASS RECEIVED A PAYMENT TERRY NELSON, REHAB MANAGER, ALSO HAD A WRITTEN AGREEMENT AT THE BEGINNING OF THE CALENDAR YEAR WHICH ALLOWED FOR INCENTIVE COMPENSATION TO BE EARNED BASED UPON A PRE-DETERMINED FORMULA IN SUMMARY, THE FORMULA TO CALCULATE HIS INCENTIVE COMPENSATION IS BASED ON THE NET COLLECTED REVENUE OF HIS DEPARTMENT LESS WAGE EXPENSE MULTIPLIED BY FIVE PERCENT DURING THE YEAR, TERRY NELSON RECEIVED A PAYMENT

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

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	HOSPITAL AUTHORITY NO 1 OF CUMING COUNTY NE	47-0762878	000000000	07-27-2010	12,000,000	SEE SCHEDULE K, PART VI		X		X		X
B	HOSPITAL AUTHORITY NO 1 OF CUMING COUNTY NE	47-0762878	000000000	03-31-2009	2,200,000	SEE SCHEDULE K, PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	505,468		
2	Amount of bonds defeased	0	0		
3	Total proceeds of issue	7,320,000	2,200,000		
4	Gross proceeds in reserve funds	0	0		
5	Capitalized interest from proceeds	0	0		
6	Proceeds in refunding escrow	0	0		
7	Issuance costs from proceeds	0	0		
8	Credit enhancement from proceeds	0	0		
9	Working capital expenditures from proceeds	0	0		
10	Capital expenditures from proceeds	7,320,000	0		
11	Other spent proceeds	0	0		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2012	1999		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X	X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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						
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						
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 ▶	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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider	0		0					
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider	0		0					
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?	X		X					

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
SEE SCHEDULE O	0	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

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	(c) Corrected? 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? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) 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
See Additional Data Table					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART IV		AGNES DINSLAGE IS A FAMILY MEMBER OF DENNIS DINSLAGE, OFFICER NANCY NELSON IS A FAMILY MEMBER OF TERRY NELSON, KEY EMPLOYEE CHERI DOESCHER IS A FAMILY MEMBER OF TERRY NELSON, KEY EMPLOYEE BARBARA STEFFEN IS A FAMILY MEMBER OF JEROME STEFFEN, TRUSTEE DAVID RIDDER IS A FAMILY MEMBER OF JACKIE RIDDER, TRUSTEE TERRI RIDDER IS A FAMILY MEMBER OF JACKIE RIDDER, TRUSTEE DOROTHY BURGER IS A FAMILY MEMBER OF JACKIE RIDDER, TRUSTEE ANGELA WEGNER IS A FAMILY MEMBER OF JACKIE RIDDER, TRUSTEE

Additional Data

Software ID:
Software Version:
EIN: 47-0486026
Name: FRANCISCAN CARE SERVICES INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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**
AGNES DINSLAGE	SEE PART V	23,487	EMPLOYMENT		No
NANCY NELSON	SEE PART V	33,013	EMPLOYMENT		No
CHERI DOESCHER	SEE PART V	26,866	EMPLOYMENT		No
BARBARA STEFFEN	SEE PART V	21,063	EMPLOYMENT		No
DAVID RIDDER	SEE PART V	72,029	EMPLOYMENT		No
TERRI RIDDER	SEE PART V	69,831	EMPLOYMENT		No
DOROTHY BURGER	SEE PART V	34,911	EMPLOYMENT		No
ANGELA WEGNER	SEE PART V	34,197	EMPLOYMENT		No

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493319024132

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
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

Identifier	Return Reference	Explanation
PART VI, SECTION A, LINE 2		CHRIS MEJSTRIK AND JAY HANSEN, DDS HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
PART VI SECTION A, LINE 7A & 7B		The Franciscan sisters of Christian charity healthcare ministry, inc a Wisconsin non-stock, not for profit corporation has the following reserved powers over Franciscan care services inc A) approval of the philosophy, mission and values statements of the corporation B) Amendment of articles of incorporation and by-laws of the corporation C) Appointment and removal of members to the board of directors d) Approval of the creation and dissolution of this corporation or any subsidiary corporations, as well as approval of any merger, consolidation, affiliation, joint venture or other form of corporate reorganization of this corporation or any subsidiary of which this corporation is the member or controlling shareholder E) Appointment, evaluation and discharge of the president of the corporation F) Approval of borrowing in excess of the limit established by the member G) Approval of purchase, mortgage or sale of real estate, or lease of real estate, by or to the corporation for longer than one year H) Implementation of sponsor appointment, salary negotiation, and reassignment processes for Franciscan sister personnel within this corporation I) Approval of capital and operating budgets J) Requirement of a certified audit of corporate funds at any time and approval of the fiscal auditor of the corporation annually K) Approval of all insurance carriers and insurance coverage for the corporation L)Approval of long-range or strategic plans of the corporation

Identifier	Return Reference	Explanation
PART VI, SECTION A, LINE 6		THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION WHOSE MEMBER IS FRANCISCAN SISTERS OF CHRISTIAN CHARITY HEALTHCARE MINISTRY, INC

Identifier	Return Reference	Explanation
PART VI, SECTION B, LINE 11B		Form 990 is reviewed prior to submission by the member (Franciscan sisters of Christian charity healthcare ministry, inc) and the finance committee of the Franciscan care services, inc board of directors A copy of form 990 will be available for all board members to review at their monthly board meeting before the 990 is filed Form 990 is made available in the administrative office for any individual requesting to inspect it as required by internal revenue code section 6104

Identifier	Return Reference	Explanation
PART VI, SECTION B, LINE 12C		The corporate compliance officer (cco) and several members of the corporate compliance committee attend board, administrative, and department manager meetings The cco ensures that all board, medical staff, administration staff, department managers, and individuals who have purchasing authority review the conflict of interest policy annually and disclose any conflicts that might exist Each individual is also asked to identify any family members that are an employee of FCS, inc or employed by a business with which fcs conducts business Any new conflicts that arise during the year need to be reported to the compliance officer immediately If a conflict exists at the board level, the person or the cco or committee member identifies that the conflict exists and then the board determines if the person can take part in the deliberations or needs to leave the room The person would not be able to vote and it is identified in the minutes of the meeting At the administrative level, the staff member identifies the conflict and the administrative team determines if the person can take part in the discussion or needs to leave the room This is also the policy at the medical staff and manager meetings

Identifier	Return Reference	Explanation
PART VI, SECTION B, LINE 15A & 15B		Franciscan care services, inc strives to provide a fair and competitive compensation package for its executive This package shall include, but is not limited to salary, incentive bonus, life insurance, health benefits, and a matching defined contribution to a 403(B) retirement plan The salary range and total compensations shall be based upon surveys of the geographic west north central states average for the position as reported by an independent executive compensation market analysis for liked sized organizations and the executive compensation survey for Nebraska hospitals provided by the Nebraska hospital association Bonuses are given based upon achievement of strategic goals agreed upon by the Franciscan care services board of directors and the president of the Franciscan sisters of Christian charity healthcare ministry, inc these bonuses are based upon a percentage of salary and are not to exceed 25% The president/ceo's compensation is set by the executive committee of the board of directors and the healthcare ministry president after a performance appraisal conducted by the executive committee of the fcs board (serving as the compensation committee) and the president of Franciscan sisters of Christian charity healthcare ministry, inc all members of the board provide their input through a written appraisal presented to the compensation committee Minutes of the meeting are kept by the healthcare ministry president All other executives are reviewed by the Franciscan care services, inc president/ceo, who sets their compensation based upon the above surveys and principles

Identifier	Return Reference	Explanation
PART VI, SECTION C, LINE 19		NO DOCUMENTS AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
Part VII	Compensation of Officers	During 2011, Mike Graybeal (Officer) received compensation of $1,082 for catering services that he provided to the Hospital for various events The compensation was not paid to him for his services as an officer

Identifier	Return Reference	Explanation
Part IV, Line 12a	Checklist of Required Schedules	The organization's financial statements were audited on a separate basis but also consolidated at the organization's parent level The organization uses the separate audited financial statements for tax return purposes

Identifier	Return Reference	Explanation
PART XI, LINE 5		UNREALIZED LOSS ON INVESTMENTS CARRIED AT MARKET VALUE $669,437

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	SCHEDULE K, PART I, LINE A, COLUMN F	THE 2010 PROJECT CONSISTS OF A THREE STORY PATIENT BED ADDITION TO AND RELATED FIXED EQUIPMENT FOR THE EXISTING HOSPITAL FACILITY THE 2010 PROJECT DOES NOT INCLUDE CERTAIN SPACE ON THE FIRST FLOOR NOT EXCEEDING 650 SQUARE FEET OF SPACE WITH ALLOCATED COSTS NOT IN EXCESS OF $250,000, WHICH IS TO BE UNFINISHED AND IS EXPECTED TO BE USED FOR STORAGE BUT WHICH MAY BE ALLOCATED TO AND SUBSEQUENTLY UTILIZED FOR PRIVATE OR UNRELATED BUSINESS ACTIVITY SUCH AS FOR A RETAIL PHARMACY

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE B, COLUMN F		REVENUE REFUNDING BONDS ISSUED TO REFUND THE SERIES 1999 BONDS ISSUED IN THE ORIGINAL AMOUNT OF $4,250,000 THE SERIES 1999 BONDS WERE ISSUED TO REFINANCE THE COST OF CONSTRUCTION AND ACQUIRING A RESIDENTIAL CARE FACILITY AND REFINANCE THE COSTS OF CONSTRUCTING AND ACQUIRING ADDITIONS AND IMPROVEMENTS TO THE EXISTING HOSPITAL FACILITIES

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, COLUMN A		THE TOTAL BOND ISSUE IS FOR $12,000,000 THE HOSPITAL REQUESTS FUNDS FROM THE BOND HOLDERS PERIODICALLY TO RECEIVE REIMBURSEMENT FOR FUNDS SPENT ON THE CONSTRUCTION OF THE THREE STORY PATIENT BED ADDITION AS OF 12/31/2011 FUNDS REQUESTED AND RECEIVED EQUALED $7,320,000 OF THE TOTAL $12,000,000 BOND ISSUE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319024132

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
FRANCISCAN CARE SERVICES INC

Employer identification number
47-0486026

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	(g) No
(1) HOLY FAMILY CONVENT FRANCISCAN SISTERS 2409 SOUTH ALVERNO ROAD MANITOWOC, WI 54220 39-0808523	RELIGIOUS	WI	501(C)(3)	LINE 1	NA		No
(2) FRANCISCAN SISTERS OF CHRISTIAN CHARITY 1415 SOUTH RAPIDS ROAD MANITOWOC, WI 54220 39-1530622	HEALTHCARE	WI	501(C)(3)	LINE 1	SEE LINE 1		No
(3) ST FRANCIS MEMORIAL HOSPITAL FOUNDATION 430 N MONITOR ST WEST POINT, NE 68788 47-0629079	FUNDRAISING	NE	501(C)(3)	11A TYPE I	NA		No
(4) ST JOSEPHS RETIREMENT COMMUNITY FDN PO BOX 65 WEST POINT, NE 68788 47-0790644	FUNDRAISING	NE	501(C)(3)	11A TYPE I	NA		No
(5) HOLY FAMILY MEMORIAL INC 2300 WESTERN AVE PO BOX 1450 MANITOWOC, WI 54221 39-0806395	HEALTHCARE	WI	501(C)(3)	Line 3	SEE LINE 2		No
(6) ST PAUL ELDER SERVICES INC 316 EAST 14TH STREET KAUKAUNA, WI 54130 39-1029149	ELDER CARE	WI	501(C)(3)	LINE 1	SEE LINE 2		No
(7) GOOD SAMARITAN MEDICAL CENTER 800 FOREST AVENUE ZANESVILLE, OH 43701 31-4379479	HOLDING CO	OH	501(C)(3)	LINE 3	SEE LINE 2		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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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) HOLY FAMILY HEALTH SERVICES 3310 CALUMET AVENUE MANITOWOC, WI 54220 39-1572253	PHARMACY	WI	See Pt II Ln 5	C CORP	0	0	0 %

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ALL TRANSACTIONS WERE BETWEEN 501(c)(3) ORGS			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 47-0486026
Name: FRANCISCAN CARE SERVICES INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
HOLY FAMILY CONVENT FRANCISCAN SISTERS 2409 SOUTH ALVERNO ROAD MANITOWOC, WI 54220 39-0808523	RELIGIOUS	WI	501(C)(3)	LINE 1	NA		No
FRANCISCAN SISTERS OF CHRISTIAN CHARITY 1415 SOUTH RAPIDS ROAD MANITOWOC, WI 54220 39-1530622	HEALTHCARE	WI	501(C)(3)	LINE 1	SEE LINE 1		No
ST FRANCIS MEMORIAL HOSPITAL FOUNDATION 430 N MONITOR ST WEST POINT, NE 68788 47-0629079	FUNDRAISING	NE	501(C)(3)	11A TYPE I	NA		No
ST JOSEPHS RETIREMENT COMMUNITY FDN PO BOX 65 WEST POINT, NE 68788 47-0790644	FUNDRAISING	NE	501(C)(3)	11A TYPE I	NA		No
HOLY FAMILY MEMORIAL INC 2300 WESTERN AVE PO BOX 1450 MANITOWOC, WI 54221 39-0806395	HEALTHCARE	WI	501(C)(3)	Line 3	SEE LINE 2		No
ST PAUL ELDER SERVICES INC 316 EAST 14TH STREET KAUKAUNA, WI 54130 39-1029149	ELDER CARE	WI	501(C)(3)	LINE 1	SEE LINE 2		No
GOOD SAMARITAN MEDICAL CENTER 800 FOREST AVENUE ZANESVILLE, OH 43701 31-4379479	HOLDING CO	OH	501(C)(3)	LINE 3	SEE LINE 2		No

Franciscan Care Services, Inc.

Financial Report

December 31, 2011

plante moran

Franciscan Care Services, Inc.

Contents

plante moran

Plante & Moran, PLLC
Suite 300
600 E. Front St.
Traverse City, MI 49686
Tel: 231 947 7800
Fax: 231 947 0344
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Franciscan Care Services, Inc.

We have audited the accompanying balance sheet of Franciscan Care Services, Inc. (the "Organization") as of December 31, 2011 and 2010 and the related 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 audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Franciscan Care Services, Inc. at December 31, 2011 and 2010 and the results of its operations, changes in net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

March 20, 2012

Franciscan Care Services, Inc.

Balance Sheet

	December 31, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents	$ 3,678,490	$ 2,139,451
Short-term investments	-	777,937
Accounts receivable (Note 2)	3,796,790	3,373,413
Prepaid expenses and other	574,629	498,966
Total current assets	8,049,909	6,789,767
Assets Limited as to Use (Note 4)	14,086,046	14,152,167
Property and Equipment - Net (Note 7)	28,436,191	22,749,365
Other Assets	728,302	667,549
Total assets	**$ 51,300,448**	**$ 44,358,848**
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt (Note 8)	$ 393,567	$ 191,443
Accounts payable	830,112	860,119
Estimated third-party payor settlements	297,269	461,846
Construction payable	1,383,355	1,259,086
Accrued liabilities	1,784,869	1,717,388
Total current liabilities	4,689,172	4,489,882
Long-term Debt - Net of current portion (Note 8)	8,620,965	4,214,532
Other Liabilities	295,193	257,058
Total liabilities	13,605,330	8,961,472
Net Assets - Unrestricted	37,695,118	35,397,376
Total liabilities and net assets	**$ 51,300,448**	**$ 44,358,848**

Franciscan Care Services, Inc.

Statement of Operations

	Year Ended December 31, 2011	Year Ended December 31, 2010
Unrestricted Revenue, Gains, and Other Support		
Net patient and resident service revenue	$ 24,893,622	$ 23,243,657
Other	241,445	208,116
Total unrestricted revenue, gains, and other support	25,135,067	23,451,773
Expenses		
Salaries and wages	11,537,925	11,106,054
Employee benefits and payroll taxes	2,839,337	2,536,166
Operating supplies and expenses	3,677,521	3,378,122
Purchased services	2,092,185	1,823,477
Insurance	194,573	249,978
Depreciation and amortization	1,953,836	1,936,085
Provision for bad debts	550,457	468,581
Interest expense	90,809	98,899
Total expenses (Note 9)	22,936,643	21,597,362
Operating Income	2,198,424	1,854,411
Other Income (Loss)		
Investment income (Note 4)	606,530	377,446
Contributions and other income	103,594	97,384
Change in unrealized investment (loss) gain (Note 4)	(669,437)	1,024,094
Total other income	40,687	1,498,924
Excess of Revenue Over Expenses	2,239,111	3,353,335
Net Assets Released from Restriction Used for Property Additions	58,631	231,384
Increase in Unrestricted Net Assets	**$ 2,297,742**	**$ 3,584,719**

See Notes to Financial Statements.

Franciscan Care Services, Inc.

Statement of Changes in Net Assets

	Year Ended December 31, 2011	Year Ended December 31, 2010
Unrestricted Net Assets		
Excess of revenue over expenses	$ 2,239,111	$ 3,353,335
Net assets released from restriction	58,631	231,384
Increase in Unrestricted Net Assets	2,297,742	3,584,719
Temporarily Restricted Net Assets		
Restricted contributions	58,631	231,384
Net assets released from restriction	(58,631)	(231,384)
Increase in Net Assets	2,297.742	3,584,719
Net Assets - Beginning of year	35,397,376	31,812,657
Net Assets - End of year	**$ 37,695,118**	**$ 35,397,376**

See Notes to Financial Statements.

Franciscan Care Services, Inc.

Statement of Cash Flows

	Year Ended December 31, 2011	Year Ended December 31, 2010
Cash Flows from Operating Activities		
Increase in net assets	$ 2,297,742	$ 3,584,719
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	1,953,836	1,936,085
Net change in unrealized gains and losses on investments	669,437	(1,024,094)
Restricted contributions	(58,631)	(231,384)
Provision for bad debts	550,457	468,581
Changes in assets and liabilities that (used) provided cash:		
Patient and resident accounts receivable	(973,834)	(1,264,439)
Estimated third-party payor settlements	(164,577)	85,067
Prepaid expenses and other	(136,416)	(191,849)
Accounts payable and accrued expenses	37,474	(429,540)
Other liabilities	38,135	36,846
Net cash provided by operating activities	4,213,623	2,969,992
Cash Flows from Investing Activities		
Purchase of property and equipment	(7,516,393)	(6,838,053)
Purchase of investments	(11,577)	(263,940)
Proceeds from sale and maturities of investments	186,198	991,007
Net cash used in investing activities	(7,341,772)	(6,110,986)
Cash Flows from Financing Activities		
Proceeds from issuance of debt obligations	4,800,000	2,520,000
Principal payments on debt obligations	(191,443)	(182,613)
Contributions for property, plant, and equipment additions	58,631	231,384
Net cash provided by financing activities	4,667,188	2,568,771
Net Increase (Decrease) in Cash and Cash Equivalents	1,539,039	(572,223)
Cash and Cash Equivalents - Beginning of year	2,139,451	2,711,674
Cash and Cash Equivalents - End of year	**$ 3,678,490**	**$ 2,139,451**
Supplemental Cash Flow Information		
Cash paid for interest	$ 104,383	$ 113,213
Construction payable (property and equipment additions)	1,383,355	1,259,086

See Notes to Financial Statements.

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Structure - Franciscan Care Services, Inc. (the "Organization"), located in West Point, Nebraska, doing business as St. Francis Memorial Hospital and St. Joseph's Retirement Community, is a not-for-profit, nonstock Nebraska corporation. The Organization provides inpatient, outpatient, physician, and assisted-living services to the residents of West Point, Nebraska and the surrounding community.

The Organization is operated by Franciscan Sisters of Christian Charity Health Care Ministry Inc. (FHCM), which is the sole corporate member of the Organization. FHCM is a not-for-profit healthcare holding company incorporated to monitor and manage healthcare operations. Holy Family Convent of Franciscan Sisters of Christian Charity, Inc. (Holy Family Convent) is the sole corporate member of FHCM.

Effective January 12, 2012, FHCM changed its legal name to Franciscan Sisters of Christian Charity Sponsored Ministries, Inc.

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

Cash and Cash Equivalents - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use. As of December 31, 2011, the Organization had $760,719 of cash held in the bank which exceeded the federal deposit insurance limit. As of December 31, 2010, all cash balances were under the federal depositing insurance limit.

Short-term Investments - Short-term investments include investments with an original maturity of greater than three months and less than one year.

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

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Fair value is determined based on the fair value measurement principles described in Note 6. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Substantially all of the Organization's investments are classified as trading securities due to the investment strategy and investment philosophies used by the Organization. Investment managers may execute purchases and sales of investments without prior approval of management.

The Organization invests the majority of its funds in the FHCM pooled investment management program. The pooled investment management program primarily invests in cash and cash equivalents, marketable equity securities, corporate and government bonds, mutual funds, common collective funds, real estate funds, fund of fund hedge funds, and private equity funds. Earnings in the pooled investment program are allocated to the participants based upon each participant's weighted average percentage of the pooled investment fund.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Assets Limited as to Use - Assets limited as to use represent funded depreciation assets designated internally for future capital improvement, replacement, and expansion of the Organization's facilities. In addition, endowment funds are designated by the board of directors for the purpose of furthering the mission of Franciscan Sisters of Christian Charity to provide health care and housing services to the elderly and disabled residents of northeastern Nebraska.

Property and Equipment - Property and equipment amounts are recorded at cost. Donated property and equipment are recorded at the estimated fair value at the time of donation. Depreciation is computed principally on the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports the expiration when the assets are placed in service.

Professional and Other Liability Insurance - The Organization and subsidiaries accrue an estimate of the ultimate expense, including litigation and settlement expense, for incidents of potential professional service and other liability claims occurring during the year as well as for those claims that have not been reported at year end. The expected amount of insurance recoveries are recorded as other current assets of approximately $106,000.

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

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

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

Excess of Revenue Over Expenses - The statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include net assets released from restrictions for the acquisition of long-lived assets.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Temporarily Restricted Net Assets - Temporarily restricted net assets reflect assets contributed or pledged to the Organization, the use of which is restricted by the donor. Temporarily restricted net assets are restricted for medical education, indigent care, and property and equipment purchases. Investment earnings on temporarily restricted investments may be restricted by donors for specific purposes.

Donor-restricted Gifts - Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Tax Status - The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2007.

Accounting for Uncertainties in Income Taxes - The Organization has evaluated and reviewed uncertain tax positions and found the potential exposure to be insignificant.

Pension Plans - The Organization has a tax-deferred annuity plan which covers all Organization employees meeting certain eligibility requirements. Employees may contribute up to the elective deferral limit set by law and depending on years of service, the Organization will match 100 percent of their salary deferral ranging from 2.5 percent to 5.5 percent. In 2011 and 2010, the Organziation incurred $383,396 and $351,953, respectively, in expenses under the plan.

Reclassification - Certain 2010 amounts related to construction payable have been reclassified to conform to the 2011 presentation.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including March 20, 2012, which is the date the financial statements were issued.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

New Accounting Pronouncements - The Organization has adopted Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*, for the year ended December 31, 2011. In accordance with the ASU, the accrued liability for malpractice claims and similar liabilities and the related insurance recovery receivable has been presented separately on the balance sheet on a gross basis, for the year ended December 31, 2011. Prior guidance allowed the liability to be reported net of the estimated insurance recovery receivable. There was no impact on beginning net assets related to the implementation of this ASU.

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

Note 2 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2011	2010
Patient accounts receivable	$ 5,504,006	$ 4,800,481
Less allowance for uncollectible accounts	(920,000)	(860,000)
Less allowance for contractual adjustments	(1,019,407)	(599,132)
Net patient accounts receivable	3,564,599	3,341,349
Other	232,191	32,064
Total accounts receivable	$ 3,796,790	$ 3,373,413

Note 2 - Patient Accounts Receivable (Continued)

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

	Percentage	
	2011	2010
Medicare	34 %	35%
Blue Cross/Blue Shield	13	12
Medicaid	4	4
Commercial insurance and HMOs	22	20
Self-pay	27	29
Total	100%	100%

Note 3 - Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

- **Medicare** - The Organization is designated as a critical access hospital under the Medicare program and, as such, receives 101 percent of reasonable, cost-based reimbursement for inpatient and most outpatient services provided to Medicare beneficiaries. Certain outpatient services are reimbursed on an established fee-screen methodology.
- **Medicaid** - Inpatient and most outpatient services are reimbursed based on a percentage of reasonable cost. Certain outpatient services are reimbursed on an established fee-screen methodology.
- **Blue Cross/Blue Shield of Nebraska** - Services rendered to Blue Cross/Blue Shield of Nebraska subscribers are reimbursed based on a discount of gross charges.

The Medicare and Medicaid reimbursement is based on allowable cost for both programs which does not reflect the true cost of providing health care services to these patients. This is due to certain types of expenses incurred by the Organization that are not allowed as reimbursable expenses under the Medicare and Medicaid programs.

Cost report settlements result from the adjustment of interim payments to final reimbursement under these programs and are subject to audit by the fiscal intermediaries. Although these audits may result in some changes in these amounts, they are not expected to have a material effect on the accompanying financial statements.

Note 3 - Net Patient Service Revenue (Continued)

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. A demonstration project completed in several other states resulted in the identification of potential significant overpayments. As of December 31, 2011, the Organization is unable to determine the extent of liability for overpayments, if any.

Note 4 - Assets Limited as to Use

The detail of assets limited as to use is summarized in the following schedule:

	2011	2010
Amounts held in pooled investment account - Investment in FHCM pooled investment management program	$ 13,774,485	$ 13,851,712
Endowment funds:		
Repurchase agreements	238,878	233,345
U.S. government securities and fixed-income funds	72,683	67,110
Total endowment funds	311,561	300,455
Total	$ 14,086,046	$ 14,152,167

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended December 31, 2011 and 2010:

	2011	2010
Income from pooled funds	$ 592,210	$ 347,972
Interest income	14,320	29,474
Unrealized (loss) gain on trading securities	(669,437)	1,024,094
Total (loss) income	$ (62,907)	$ 1,401,540

Note 5 - Community Benefit

In support of its mission, the Organization provides various health-related services, at a loss, to the indigent and other residents in its service area. The following is a summary of the Organization's community benefit expense for the years ended December 31, 2011 and 2010:

	2011	2010
Community benefit programs and services (unaudited)	$ 623,567	$ 615,186
Donations/Contributions (unaudited)	48,545	33,525
Charity care	227,163	257,469
Unpaid costs for Medicaid patients (unaudited)	240,735	264,181
Total community benefit before Medicare losses	1,140,010	1,170,361
Unpaid costs for Medicare patients (unaudited)	27,593	19,414
Total community benefit	$ 1,167,603	$ 1,189,775

Community Benefit Programs and Services - Community benefit programs include programs provided to people with inadequate health care resources or for other groups within the community that need special services and support. Examples include programs related to the poor and elderly, substance abuse programs, child abuse programs, and programs for others with specific health care needs. Examples of services include initiatives such as health promotion, education, and screening.

Donations/Contributions - Donations/Contributions include cash and in-kind donations that are made on behalf of the poor and needy to community agencies and to special funds for charitable activities as well as resources contributed directly to programs, organizations, and foundations.

Charity Care - The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenues received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. Charity care does not include bad debts.

Note 5 - Community Benefit (Continued)

Unpaid Costs for Medicaid Government Program Patients - The Organization is a licensed Medicaid provider with approximately 6 percent of its patient base qualifying for this program. At present, the reimbursement rate for the Medicaid program does not fully cover the cost of care to these patients. This represents the estimated shortfall created when a facility receives payments below the costs of treating Medicaid and other public program beneficiaries.

Unpaid Costs for Medicare Government Program Patients - The Organization is a licensed Medicare provider with approximately 47 percent of its patient base qualifying for this program. At present, the reimbursement rates for the Medicare programs do not fully cover the cost of care to these patients. This represents the estimated shortfall created when a facility receives payments below the costs of treating Medicare beneficiaries.

Note 6 - Fair Value

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

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

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

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. Significant Level 3 inputs primarily consist of alternative investments, including private equity funds and fund of fund hedge funds.

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

Note 6 - Fair Value (Continued)

The following tables present information about the Organization's assets held directly by the Organization, excluding its investment in the pooled investment program, measured at fair value on a recurring basis at December 31, 2011 and 2010, and the valuation techniques used by the Organization to determine those fair values.

	Fair Value Measurements			
	Total Investment Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011				
Assets limited as to use:				
Repurchase agreements	$ 238,878	$ -	$ 238,878	$ -
U.S. government securities and fixed-income funds	72,683	-	72,683	-
Total	$ 311,561	$ -	$ 311,561	$ -
December 31, 2010				
Short-term investments:				
Repurchase agreements	$ 500,000	$ -	$ 500,000	$ -
Money market securities	177,481	-	177,481	-
U.S. government securities and fixed-income funds	100,456	-	100,456	-
Assets limited as to use:				
Repurchase agreements	233,345	-	233,345	-
U.S. government securities and fixed-income funds	67,110	-	67,110	-
Total	$ 1,078,392	$ -	$ 1,078,392	$ -

The fair value of money market securities, U.S. government securities, and fixed-income funds at December 31, 2011 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments based upon the amortized value of bonds and the readily determinable fair value of the underlying investments in fixed-income investments.

Note 6 - Fair Value (Continued)

As described in Note 4, the Organization participates in the FHCM's pooled investment program. As of December 31, 2011 and 2010, the Organization has $13,774,485 and $13,851,712, respectively, of investments at market value in the pool. The fair value of the investment in the pooled investment program is determined based on Level 3 inputs. The underlying investments in the pool program are comprised of assets with valuation techniques that result in 54 percent as Level 1, 8 percent as Level 2, and 38 percent as Level 3 inputs as of December 31, 2011 and 58 percent as Level 1, 10 percent as Level 2, and 32 percent as Level 3 inputs as of December 31, 2010.

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis

	Pooled Investments
Balance at January 1, 2011	$ 13,851,712
Total losses included in excess of revenue over expenses	(77,227)
Balance at December 31, 2011	$ 13,774,485
Balance at January 1, 2010	$ 12,479,646
Total gains included in excess of revenue over expenses	1,372,066
Balance at December 31, 2010	$ 13,851,712

Within the FHCM investment pool program, the fair value of private equity, fund of fund hedge funds, and real estate alternative investments at December 31, 2011 was determined primarily based on Level 3 inputs. The pool estimates the fair value of these investments based upon audited and interim unaudited financial statements for the respective funds.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

The FHCM investment pool holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company. The details of fair value, unfunded commitments, and fund strategies are described at length in the financial statements of FHCM. The Organization's pro rata share of unfunded commitments is approximately $733,000 as of December 31, 2011.

Note 7 - Property and Equipment

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

	2011	2010	Depreciable Life - Years
Land and land improvements	$ 1,125,192	$ 1,125,192	0-25
Buildings	10,984,201	10,963,740	10-40
Furniture, fixtures, and equipment	20,318,958	20,316,945	5-20
Construction in progress	16,756,540	9,425,965	-
Total cost	49,184,891	41,831,842	
Accumulated depreciation	(20,748,700)	(19,082,477)	
Total property and equipment	$ 28,436,191	$ 22,749,365	

Construction continues on a three-story patient tower addition to the south of the current hospital building with plans to renovate existing patient rooms after the new construction is complete. The estimated cost of the project is $24 million, of which approximately $16.8 million is included in construction in progress as of December 31, 2011. The project will be financed from current operations, investments, and the issuance of tax-exempt bonds. The estimated completion date of the project is spring of 2013. Construction in progress contains capitalized interest in the amount of $202,343 as of December 31, 2011.

Note 8 - Long-term Debt

Long-term debt at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Hospital Authority of Cuming County, Nebraska, Bonds Payable, Series 2009, interest at 4.75 percent, due in installments to 2019	$ 1,694,532	$ 1,885,975
Hospital Authority of Cuming County, Nebraska, Bonds Payable, Series 2010, interest at 4.25 percent, due in installments to 2032	7,320,000	2,520,000
Total	9,014,532	4,405,975
Less current portion	393,567	191,443
Long-term portion	$ 8,620,965	$ 4,214,532

Note 8 - Long-term Debt (Continued)

The Series 2009 and 2010 Bonds were issued under a master trust indenture through FHCM. The master trust indenture provides that all members of the Obligated Group (which consists of the Organization, FHCM, Holy Family Memorial, Inc., Good Samaritan Medical Center of the Franciscan Sisters of Christian Charity, and St. Paul Elder Services, Inc.) jointly and severally guarantee the payment of all indebtedness issued under the indenture. The aggregate outstanding balance of the notes issued under the master trust indenture, as of December 31, 2011 and 2010, was approximately $75,057,000 and $76,373,000, respectively. Indebtedness issued under the indenture is collateralized by a security interest in the pledged revenue of the Obligated Group members.

On behalf of the Obligated Group, FHCM obtained a line of credit with a bank with interest due monthly at LIBOR (interest plus 2.5 percent). The line of credit has a maximum borrowing capacity of $5,000,000 and matures on December 31, 2012. There were no borrowings on this line of credit as of December 31, 2011.

In July 2010, Series 2010 Bonds in the amount $12,000,000 were issued in the form of Loan Funding Revenue Notes (Franciscan Care Services, Inc., Project), Series 2010. The principal amount of $12,000,000 will be advanced in increments of at least $1,200,000 upon request for reimbursement by the Organization, with the full amount of the notes being advanced by June 30, 2012. The Series 2010 Bonds bear interest at 4.25 percent, fixed for the first seven years. Interest is to be reset for five-year periods thereafter until maturity based upon the five-year Federal Home Loan Bank of Des Moines fixed advance rate with the rate change not to exceed the prior effective rate by 1.5 percent with a 4 percent floor. Annual installments on the Series 2010 Bonds begin in September 2012 ranging from $446,848 to $893,695.

Under the terms of the bond indentures, the Obligated Group is required to comply with certain financial covenants, including debt service coverage ratios and maintenance of other certain financial ratios.

Minimum principal payments on the long-term debt to maturity as of December 31, 2011 are as follows:

2012	$	393,567
2013		608,587
2014		635,955
2015		664,557
2016		694,450
Thereafter		6,017,416
Total	$	9,014,532

Note 9 - Functional Expenses

The Organization is a general acute-care and assisted-living facility that provides inpatient and outpatient health care services and assisted-living services in West Point, Nebraska. Expenses related to providing these services for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Health care services	$ 20,467,518	$ 19,200,790
General and administrative	2,469,125	2,396,572
Total	$ 22,936,643	$ 21,597,362

Note 10 - Medical Malpractice Claims

Based on the nature of its operations, the Organization is at times subject to pending or threatened legal actions, which arise in the normal course of its activities.

The Organization is insured against medical malpractice claims under a claims-based policy, whereby only the claims reported to the insurance carrier during the policy period are covered, regardless of when the incident giving rise to the claim occurred. Under the terms of the policy, the Organization bears the risk of the ultimate costs of any individual claims exceeding policy limits for claims asserted in the policy year.

Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on the occurrences during the claims-made term, but reported subsequently, will be uninsured.

The Organization is not aware of any medical malpractice claims, either asserted or unasserted, that would exceed the policy limits. No claims have been settled during the past three years that have exceeded policy coverage limits. The cost of this insurance policy represents the Organization's cost for such claims for the year, and it has been charged to operations as a current expense.

Note 11 - Related Party Transactions

The Organization paid $114,960 and $116,160 in 2011 and 2010, respectively, to FHCM for administrative services performed. In addition, the Organization employs the services of Sisters in the Order of The Franciscan Sisters of Christian Charity.

During the years ended December 31, 2011 and 2010, the Organization received $50,000 and $176,000, respectively, from St. Francis Memorial Hospital Foundation and $85,000 and $90,000, respectively, from St. Joseph's Retirement Community Foundation. These funds were used to fund property additions. The foundations are 501(c)(3) organizations whose purpose is to support the Organization; however, the Organization does not have control over the foundations and, accordingly, their financial position and results of operations are not included in the accompanying financial statements.