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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 05-01-2011 and ending 04-30-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1100 EAST NORRIS DRIVE

City or town, state or country, and ZIP + 4
OTTAWA, IL 61350

D Employer identification number
36-2604009

E Telephone number
(815)431-5479

G Gross receipts $ 105,047,955

F Name and address of principal officer
ROBERT CHAFFIN
1100 EAST NORRIS DRIVE
OTTAWA,IL 61350

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW OTTAWAREGIONAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1964 | **M** State of legal domicile IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER IS TO MAINTAIN A LEADERSHIP POSITION IN THE PROVISION OF EFFICIENT AND QUALITY HEALTHCARE SERVICES CONSISTENT WITH THE NEEDS OF THE COMMUNITY AND THE RESOURCES OF THE HOSPITAL OUR HEALTHCARE ORGANIZATION WILL PROVIDE SERVICES FOR ALL MEMBERS OF THE COMMUNITY, REGARDLESS OF ABILITY TO PAY

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	10
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**	798
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	634,979	563,598
9	Program service revenue (Part VIII, line 2g)	75,080,901	78,492,614
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,828,028	3,944,872
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-2,525,219	-2,278,439
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	75,018,689	80,722,645
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)	40,784,252	41,176,886
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	38,319,438	40,843,479
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	79,103,690	82,020,365
19	Revenue less expenses Subtract line 18 from line 12	-4,085,001	-1,297,720

Revenue / Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	112,820,521	107,614,791
21	Total liabilities (Part X, line 26)	25,978,005	25,910,634
22	Net assets or fund balances Subtract line 21 from line 20	86,842,516	81,704,157

Net Assets or Fund Balances

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

****** | 2013-02-01
Signature of officer | Date

ROBERT CHAFFIN PRESIDENT/CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: JOHN J ROMANO | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00227323

Firm's name (or yours if self-employed), address, and ZIP + 4: MCGLADREY LLP, 201 N HARRISON STREET SUITE 300, DAVENPORT, IA 528011999 | EIN ▶ 42-0714325 | Phone no ▶ (563) 888-4000

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 OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER IS TO MAINTAIN A LEADERSHIP POSITION IN THE PROVISION OF EFFICIENT AND QUALITY HEALTHCARE SERVICES CONSISTENT WITH THE NEEDS OF THE COMMUNITY AND THE RESOURCES OF THE HOSPITAL OUR HEALTHCARE ORGANIZATION WILL PROVIDE SERVICES FOR ALL MEMBERS OF THE COMMUNITY, REGARDLESS OF 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 $ 61,623,447 including grants of $) (Revenue $ 78,492,614)

NON-PROFIT 99-BED, ACUTE CARE HOSPITAL, INCLUDING A 26-BED PSYCHIATRIC CARE UNIT $7,831,733 CHARITY CARE PROVIDED

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

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** ▶ $ 61,623,447

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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	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	Yes	
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**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		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**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

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	76		
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	798		
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		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes	
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	10		
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		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	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		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

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 ▶

MICHELE KONIEWICZ
1100 E NORRIS DRIVE
OTTAWA, IL 61350
(815) 431-5479

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) STEVEN M GONZALO CHAIRMAN	1 00	X		X				0	0	0
(2) CHRISTINA CANTLIN FIRST CHAIR	1 00	X						0	0	0
(3) GEORGE SHANLEY SECOND CHAIR	1 00	X						0	0	0
(4) MARK PALMER TREASURER	1 00	X		X				0	0	0
(5) MARY MORGAN SECRETARY	1 00	X		X				0	0	0
(6) JULIE POLANCIC TRUSTEE	1 00	X						0	0	0
(7) WILLIAM KUMMER TRUSTEE	1 00	X						0	0	0
(8) ERIC ORTINEAU MD TRUSTEE	1 00	X						0	0	0
(9) STEVE CHUNG MD TRUSTEE	1 00	X						0	0	0
(10) RENEE KRANOV RN TRUSTEE	1 00	X						0	0	0
(11) ROBERT CHAFFIN PRESIDENT/CEO	40 00			X				278,959	0	38,971
(12) JUDY CHRISTIANSEN CHIEF OPERATING OFFICER	40 00			X				195,776	0	17,760
(13) DAWN TROMPETER CHIEF FINANCIAL OFFICER	40 00			X				137,384	0	32,407
(14) CHIN SWONG MD PHYSICIAN	40 00					X		434,533	0	28,211
(15) DAVID BAYLEY MD PHYSICIAN	40 00					X		378,689	0	27,623
(16) MICHAEL M GLAVIN MD PHYSICIAN	40 00					X		363,932	0	27,211
(17) ANTHONY FOULEN MD PHYSICIAN	40 00					X		359,106	0	10,962

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) JOSEPH W CHUPREVICH MD PHYSICIAN	40 00					X		294,214	0	26,521
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,442,593	0	209,666

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 ▶ 24

			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
DRINKER BIDDLE & REATH LLP ONE LOGAN SQUARE SUITE 2000 PHILADELPHIA, PA 191036996	LEGAL	424,096
WOMEN'S HEALTHCARE PARTNERS OF ILL 1050 E NORRIS DR OTTAWA, IL 61350	MEDICAL	415,498
HINSHAW & CULBERTSON LLP 8142 SOLUTIONS CENTER DR CHICAGO, IL 606778001	LEGAL	293,879
ST MARY'S ANESTHESIOLOGY PC 1005 4TH ST LACON, IL 61540	ANESTHESIA	278,619
DOWNSTATE SHOCKWAVE THERAPIES 403 BRONCO DR STE 2 BLOOMINGTON, IL 61704	MEDICAL	277,894

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 ▶ 11

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	30,044			
	d	Related organizations	1d	17,730			
	e	Government grants (contributions)	1e	496,660			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	19,164			
	g	Noncash contributions included in lines 1a-1f $ 16,371					
	h	**Total.** Add lines 1a-1f		563,598			
			Business Code				
Program Service Revenue	2a	NURSING SERVICES	623000	63,269,417	63,269,417		
	b	RADIOLOGY	900099	41,142,704	41,142,704		
	c	ROUTINE CARE	621110	26,698,467	26,698,467		
	d	LABORATORY	621500	22,026,353	22,026,353		
	e	PHYSICIAN SERVICES	900099	10,982,211	10,982,211		
	f	All other program service revenue		-85,626,538	-85,626,538		
	g	**Total.** Add lines 2a–2f		78,492,614			
	3	Investment income (including dividends, interest and other similar amounts)		770,137			770,137
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	815,459				
	b	Less rental expenses	1,371,120				
	c	Rental income or (loss)	-555,661				
	d	Net rental income or (loss)		-555,661			-555,661
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	26,027,961 / 59,877				
	b	Less cost or other basis and sales expenses	22,857,680 / 55,423				
	c	Gain or (loss)	3,170,281 / 4,454				
	d	Net gain or (loss)		3,174,735			3,174,735
Other Revenue	8a	Gross income from fundraising events (not including $ 30,044 of contributions reported on line 1c) See Part IV, line 18	a 35,153				
	b	Less direct expenses	b 41,087				
	c	Net income or (loss) from fundraising events		-5,934			-5,934
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722210	422,366			422,366
	b	MISCELLANEOUS	900099	122,928			122,928
	c	COMMUNITY CLASSES	900099	38,275			38,275
	d	All other revenue		-2,300,413			-2,300,413
	e	**Total.** Add lines 11a–11d		-1,716,844			
	12	**Total revenue.** See Instructions		80,722,645	78,492,614	0	1,666,433

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	643,663	200,112	443,551	
7	Other salaries and wages	29,666,761	22,271,683	7,395,078	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	810,562	597,372	213,190	
9	Other employee benefits	7,981,133	5,160,816	2,820,317	
10	Payroll taxes	2,074,767	1,516,953	557,814	
11	Fees for services (non-employees)				
a	Management				
b	Legal	866,093		866,093	
c	Accounting	193,020		193,020	
d	Lobbying	23,797		23,797	
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees				
g	Other				
12	Advertising and promotion	234,492	832	233,660	
13	Office expenses	8,910,009	7,724,672	1,185,337	
14	Information technology	962,480	223,534	738,946	
15	Royalties				
16	Occupancy	1,231,017	500,813	730,204	
17	Travel	204,496	164,074	40,422	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	358,995	358,995		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	5,994,176	5,021,203	972,973	
23	Insurance	902,471	387,744	514,727	
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	CHARITY CARE	7,831,733	7,831,733		
b	PURCHASED SERVICES	4,179,676	2,761,356	1,418,320	
c	BAD DEBT	3,880,134	3,880,134		
d	OTHER EXPENSES	3,366,216	1,316,747	2,049,469	
e					
f	All other expenses	1,704,674	1,704,674		
25	**Total functional expenses.** Add lines 1 through 24f	82,020,365	61,623,447	20,396,918	0
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		2,700	1	2,800
	2	Savings and temporary cash investments		1,046,324	2	2,754,486
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		8,313,015	4	13,123,099
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,658,739	8	1,629,513
	9	Prepaid expenses and deferred charges		752,296	9	736,467
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 116,669,524			
	b	Less accumulated depreciation	10b 62,766,187	54,967,037	10c	53,903,337
	11	Investments—publicly traded securities		34,623,068	11	25,095,359
	12	Investments—other securities See Part IV, line 11		9,915	12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		11,447,427	15	10,369,730
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		112,820,521	16	107,614,791
Liabilities	17	Accounts payable and accrued expenses		10,607,515	17	10,232,477
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		12,984,302	20	12,319,976
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,386,188	25	3,358,181
	26	**Total liabilities.** Add lines 17 through 25		25,978,005	26	25,910,634
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		86,832,668	27	81,694,275
	28	Temporarily restricted net assets		9,848	28	9,882
	29	Permanently restricted net assets			29	
		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		86,842,516	33	81,704,157
	34	Total liabilities and net assets/fund balances		112,820,521	34	107,614,791

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	80,722,645
2	Total expenses (must equal Part IX, column (A), line 25)	2	82,020,365
3	Revenue less expenses Subtract line 2 from line 1	3	-1,297,720
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	86,842,516
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,840,639
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	81,704,157

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		

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	36-2604009

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?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		23,797
j	Total lines 1c through 1i			23,797
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	27%, OR $19,109 OF MEMBERSHIP DUES TO THE ILLINOIS HOSPITAL ASSOCIATION IS ATTRIBUTABLE TO LOBBYING ACTIVITIES 24 6%, OR $4,688 OF MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION IS ATTRIBUTABLE TO LOBBYING ACTIVITIES

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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	4,725	4,725	4,725	4,725	
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	4,725	4,725	4,725	4,725	

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- 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)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,149,486		4,149,486
b Buildings		71,156,930	34,728,820	36,428,110
c Leasehold improvements				
d Equipment		34,804,644	24,597,790	10,206,854
e Other		6,558,464	3,439,577	3,118,887
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				53,903,337

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		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	10,369,730

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
THIRD-PARTY PAYOR SETTLEMENTS	3,358,181
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	3,358,181

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUND IS HELD BY THE OTTAWA REGIONAL HOSPITAL FOUNDATION, A RELATED ORGANIZATION THE EARNINGS FROM THE FUND ARE USED FOR GENERAL SUPPORT PURPOSES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER (HOSPITAL), OTTAWA REGIONAL HOSPITAL AUXILIARY (AUXILIARY) AND OTTAWA REGIONAL HOSPITAL FOUNDATION (FOUNDATION) HAVE BEEN RECOGNIZED AS TAX EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND A SIMILAR PROVISION OF STATE LAW IN LIEU OF CORPORATION INCOME TAXES, THE MEMBERS OF RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC (RONI) ARE TAXED ON THEIR SHARE OF THE LLC'S INCOME, DEDUCTIONS, LOSSES AND CREDITS THEREFORE, THESE CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE ANY PROVISION FOR INCOME TAXES FOR THESE ENTITIES OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (ORHA) IS A FOR-PROFIT CORPORATION SUBJECT TO APPLICABLE FEDERAL AND STATE INCOME TAXES DEFERRED TAXES FOR ORHA ARE PROVIDED ON A LIABILITY METHOD WHEREBY DEFERRED TAX ASSETS ARE RECOGNIZED FOR DEDUCTIBLE TEMPORARY DIFFERENCES AND OPERATING LOSSES AND TAX CREDIT CARRYFORWARDS AND DEFERRED TAX LIABILITIES ARE RECOGNIZED FOR TAXABLE TEMPORARY DIFFERENCES TEMPORARY DIFFERENCES ARE THE DIFFERENCES BETWEEN THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES AND THEIR TAX BASIS DEFERRED TAX ASSETS ARE REDUCED BY A VALUATION ALLOWANCE WHEN, IN THE OPINION OF MANAGEMENT, IT IS MORE LIKELY THAN NOT THAT SOME PORTION OR ALL OF THE DEFERRED TAX ASSETS WILL NOT BE REALIZED DEFERRED TAX ASSETS AND LIABILITIES ARE ADJUSTED FOR THE EFFECTS OF CHANGES IN THE TAX LAWS AND RATES ON THE DATE OF ENACTMENT THE HOSPITAL, AUXILIARY, AND FOUNDATION FILE A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY WHEN THIS RETURN IS FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE TAX POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED EXAMPLES OF TAX POSITIONS COMMON TO TAX EXEMPT ORGANIZATIONS INCLUDE SUCH MATTERS AS THE FOLLOWING THE TAX EXEMPT STATUS OF THE ENTITY, THE CONTINUED TAX EXEMPT STATUS OF BONDS ISSUED, THE NATURE, THE CHARACTERIZATION AND TAXABILITY OF JOINT VENTURE INCOME AND VARIOUS POSITIONS RELATIVE TO POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME (UBIT) UBIT IS REPORTED ON FORM 990T, AS APPROPRIATE THE BENEFIT OF TAX POSITION IS RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES THAT IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY TAX POSITIONS ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS TAX POSITIONS THAT MEET THE "MORE LIKELY THAN NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50% LIKELY TO BE REALIZED ON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS IN THE ACCOMPANYING CONSOLIDATED BALANCE SHEET ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION AS OF APRIL 30, 2012 AND 2011, THERE WERE NO UNRECOGNIZED TAX BENEFITS IDENTIFIED AND RECORDED AS A LIABILITY FORMS 990 AND 990T FILED BY THE ORGANIZATION ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN FORMS 990 FILED BY THE ORGANIZATION ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEAR ENDED APRIL 30, 2008 AND PRIOR FORM 1120 FILED BY ORHA IS SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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

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

a ☐ Mail solicitations
b ☐ Internet and e-mail solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

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

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

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

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

		(a) Event #1 AUTUMN LEAVES GALA (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	65,197			65,197
	2 Less Charitable contributions	30,044			30,044
	3 Gross income (line 1 minus line 2)	35,153			35,153
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	41,087			41,087
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(41,087)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				-5,934

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	**13a**	
b	An outside facility	**13b**	

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

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

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

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

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

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493057007733

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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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	Yes	
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		No
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)			3,344,168		3,344,168	4 280 %
b Medicaid (from Worksheet 3, column a)			11,904,297	2,939,804	8,964,493	11 470 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			271,562	171,526	100,036	0 130 %
d **Total** Charity Care and Means-Tested Government Programs			15,520,027	3,111,330	12,408,697	15 880 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			82,257		82,257	0 110 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			2,001,550		2,001,550	2 560 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			161,216	36,051	125,165	0 160 %
j **Total** Other Benefits			2,245,023	36,051	2,208,972	2 830 %
k **Total.** Add lines 7d and 7j			17,765,050	3,147,381	14,617,669	18 710 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	1,425,323		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	25,206,042
6	Enter Medicare allowable costs of care relating to payments on line 5	6	30,278,252
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-5,072,210
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			No

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	1 RADIATION ONCOLOGY OF NORTHERN ILLINOIS LLC	RADIATION ONCOLOGY	57 000 %		43 000 %
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	OTTAWA REGIONAL HOSPITAL & HEALTHCARE 1100 EAST NORRIS DRIVE OTTAWA,IL 61350	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)

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CE

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 200 000000000000%			
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 400 000000000000%			
	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? **2**

	Name and address	Type of Facility (Describe)
1	OTTAWA REGIONAL MEDICAL CENTER INC 1614 EAST NORRIS DRIVE OTTAWA,IL 61350	OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES
2	RADIATION ONCOLOGY OF NORTHERN ILLINOIS 1200 STARFIRE DRIVE OTTAWA,IL 61350	RADIATION ONCOLOGY CENTER
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 THE COST TO CHARGE RATIO (OBTAINED FROM THE MEDICARE COST REPORT) WAS USED TO DETERMINE THE AMOUNTS REPORTED ON LINE 7

Identifier	ReturnReference	Explanation
		PART I, LINE 7G A FREESTANDING FACILITY, THE HEALTH CENTER OF EASTERN LASALLE COUNTY (HEALTH CENTER), PROVIDES FREE HEALTH CARE SERVICES TO INDIVIDUALS AND FAMILIES WHO DO NOT HAVE ACCESS TO HEALTH INSURANCE, DO NOT QUALIFY FOR STATE OR FEDERAL PROGRAMS, AND DO NOT HAVE THE FINANCIAL RESOURCES TO SECURE THE HEALTH CARE THEY NEED NINE OF OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER'S (ORHHC) PHYSICIANS VOLUNTEER THEIR SERVICES TO PROVIDE PRIMARY HEALTH CARE, AND THE HEALTH CENTER DOES NOT RECEIVE ANY FEDERAL OR STATE FUNDS ANCILLARY SERVICES, SUCH AS LAB AND X-RAY, THAT ARE UNAVAILABLE AT THE HEALTH CENTER, ARE PROVIDED BY THE HOSPITAL AT NO CHARGE ORHHC HAS THE ONLY HOSPITAL PROVIDING MENTAL HEALTH SERVICES BETWEEN NAPERVILLE, JOLIET, PEORIA AND THE QUAD CITIES ALTHOUGH SEVERAL LOCAL AND REGIONAL HOSPITALS CEASED TO PROVIDE BEHAVIORAL HEALTH CARE DUE TO A LACK OF PROFITABILITY, ORHHC EXPANDED ITS PROGRAMS AND SERVICES TO MEET COMMUNITY NEEDS WHILE THE PROGRAM CONTINUES TO OPERATE AT A LOSS (ALMOST $2 MILLION IN FY2012), ORHHC REMAINS COMMITTED TO PROVIDING THIS VITAL SERVICE

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) $3,880,134 OF BAD DEBT EXPENSE IS SUBTRACTED FOR PURPOSES OF COMPUTING THE PERCENTAGE IN PART I, LINE 7K, COLUMN F THE ORGANIZATION'S TOTAL COMMUNITY BENEFIT EXPENSE AS A PERCENTAGE OF TOTAL EXPENSES, LESS BAD DEBT, IS 22 73%, AND THE PERCENTAGE INCREASES TO 61 48% IF MEDICARE ALLOWABLE COSTS ARE INCLUDED IN TOTAL COMMUNITY BENEFIT EXPENSE

Identifier	ReturnReference	Explanation
		PART II NOT APPLICABLE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED ON A REVIEW OF ALL OUTSTANDING AMOUNTS ON A MONTHLY BASIS MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS THE ORGANIZATION DOES NOT CHARGE INTEREST ON RECEIVABLES PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED PAST DUE WHEN AN AMOUNT IS PAST DUE ACCORDING TO THE PAYOR'S AGREED-UPON TERMS PATIENT RECEIVABLES ARE WRITTEN OFF AS BAD DEBT EXPENSE WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE WHEN RECEIVED AS A SERVICE TO THE PATIENT, THE ORGANIZATION BILLS THIRD-PARTY PAYORS DIRECTLY AND THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED THE AMOUNT INCLUDED ON LINE 2 WAS CALCULATED USING THE COST OF CHARGE RATIO OBTAINED FROM THE MEDICARE COST REPORT THE AMOUNT ON LINE 3 IS ZERO DUE TO THE FACT THAT PATIENT ELIGIBILITY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IS DETERMINED PRIOR TO PATIENT BILLING, THEREFORE THESE PATIENT AMOUNTS WOULD NOT BE INCLUDED IN BAD DEBT

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COST TO CHARGE RATIO (OBTAINED FROM THE MEDICARE COST REPORT) WAS USED TO DETERMINE THE AMOUNT REPORTED ON LINE 7

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PATIENT ELIGIBILITY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IS DETERMINED PRIOR TO PATIENT BILLING, THEREFORE THESE PATIENTS WOULD NOT BE INCLUDED IN THE DEBT COLLECTION POLICY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION DOES NOT CURRENTLY CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT AS IT IS NOT YET REQUIRED UNTIL TAX YEARS BEGINNING AFTER MARCH 23, 2012

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THERE IS SIGNAGE IN REGISTRATION, ADMITTING, AND THE CREDIT AND BILLING DEPARTMENTS COMMUNICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE SOME PATIENTS ARE UNAWARE THAT THEY MAY BE ELIGIBLE FOR MEDICAID BENEFITS, THEREFORE OUR FINANCIAL ASSISTANCE INCLUDES HELPING THE PATIENT COMPLETE A MEDICAID APPLICATION WE ALSO PROVIDE THEM WITH ASSISTANCE IN COMPLETING OUR CHARITY APPLICATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE ORGANIZATION'S PRIMARY SERVICE AREA IS DEFINED AS OTTAWA, MARSEILLES, SERENA, AND GRAND RIDGE (APPROXIMATELY 36,315 RESIDENTS) THE SECONDARY SERVICE AREA IS DEFINED AS (EAST) SENECA AND MORRIS, (WEST) UTICA, OGLESBY, LASALLE, PERU, MENDOTA, AND PRINCETON, (SOUTH) STREATOR, (NORTH) WEDRON, SHERIDAN, NEWARK, EARLVILLE, LELAND, SOMONAUK, SANDWICH, PLANO, AND YORKVILLE (APPROXIMATELY 135,019 RESIDENTS) ACCORDING TO THE U S CENSUS BUREAU IN 2000, THE PRIMARY SERVICE AREA INCLUDED AN AVERAGE OF 5 65% OF FAMILIES BELOW POVERTY LEVEL AND AN AVERAGE OF 7 5% OF INDIVIDUALS BELOW POVERTY LEVEL THE MEDIAN AGE WAS 38 6 AND THE MEDIAN HOUSEHOLD INCOME WAS $44,675

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 IN ADDITION TO CHARITY CARE, THE HOSPITAL PROVIDES COMMUNITY BENEFITS, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING OPERATION OF FULL-TIME EMERGENCY ROOM PROVIDING MEDICAL SERVICES TO ALL MEMBERS OF THE PUBLIC REQUIRING SUCH CARE, MAINTENANCE OF PROVIDER AGREEMENTS WITH MEDICARE AND MEDICAID PROGRAMS, FINANCIAL SUPPORT OF AN INDIGENT CLINIC IN THE COMMUNITY, EXTERNSHIPS FOR MEDICAL STUDENTS, NURSING SCHOLARSHIPS OR TUITION PAYMENTS FOR PROFESSIONAL EDUCATION TO NON-EMPLOYEES AND VOLUNTEERS, PROVISION OF A CLINICAL SETTING FOR UNDERGRADUATE/VOCATIONAL TRAINING TO STUDENTS ENROLLED IN AN OUTSIDE ORGANIZATION, NEGATIVE CONTRIBUTIONS IN SEVERAL DEPARTMENTS INCLUDING BEHAVIORAL HEALTH, CONTRIBUTIONS TO OTHER NOT-FOR-PROFIT ORGANIZATIONS, MEETING ROOM OVERHEAD/SPACE FOR NOT-FOR-PROFIT ORGANIZATIONS, RECRUITMENT OF PHYSICIANS AND OTHER HEALTH PROFESSIONALS FOR FEDERALLY MEDICAL UNDERSERVED AREAS, PARTNERSHIP WITH COMMUNITY COLLEGE TO ADDRESS THE HEALTH CARE WORK FORCE SHORTAGE, HEALTH SCREENINGS, BLOOD PRESSURE CHECKS, ENROLLMENT ASSISTANCE IN PUBLIC PROGRAMS, INFORMATION AND REFERRALS TO COMMUNITY SERVICES AND PREVENTION PROGRAMS OFFERED FREE OR AT LOW COST TO THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER (HOSPITAL) IS LICENSED AS A 99-BED, NOT-FOR-PROFIT, ACUTE CARE HOSPITAL, INCLUDING A 26-BED PHSYCHIATRIC CARE UNIT THE HOSPITAL ALSO PROVIDES RELATED ANCILLARY AND OUTPATIENT SERVICES THE HOSPITAL'S AFFILIATES INCLUDE OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (INCLUDING ITS WHOLLY OWNED SUBSIDIARY, OTTAWA REGIONAL MEDICAL CENTER, INC), RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC, THE OTTAWA REGIONAL HOSPITAL AUXILIARY, AND THE OTTAWA REGIONAL HOSPITAL FOUNDATION OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (ORHA) IS AN ILLINOIS BUSINESS CORPORATION AND IS THE SOLE STOCKHOLDER OF OTTAWA REGIONAL MEDICAL CENTER, INC (ORMC) AND OTTAWA REGIONAL CARDINAL SLEEP CENTER, LLC (ORCSC) AND 50% OWNER OF OTTAWA REGIONAL DME, LLC (DME) THE HOSPITAL IS THE SOLE STOCKHOLDER OF ORHA OTTAWA REGIONAL MEDICAL CENTER, INC WAS INCORPORATED AS AN ILLINOIS BUSINESS CORPORATION IN SEPTEMBER 2009 AND PURCHASED CERTAIN ASSETS OF A THIRD-PARTY IN DECEMBER 2009 ORMC PROVIDES OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES AND IS CONSOLIDATED WITH ORHA OTTAWA REGIONAL CARDINAL SLEEP CENTER, LLC AND OTTAWA REGIONAL DME, LLC ARE LIMITED LIABILITY COMPANIES FORMED IN JULY 2010 ORHA HAS NOT MADE ANY INITIAL CAPITAL CONTRIBUTIONS TO THESE ENTITIES, AND THERE HAVE BEEN NO OPERATIONS WITHIN THESE ENTITIES AS OF APRIL 30, 2012 RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC (RONI) IS A LIMITED LIABILITY COMPANY ESTABLISHED TO OWN AND OPERATE A RADIATION ONCOLOGY CENTER THE HOSPITAL HAS A 57% OWNERSHIP INTEREST IN RONI RONI IS CONSOLIDATED WITH THE HOSPITAL OTTAWA REGIONAL HOSPITAL AUXILIARY (AUXILIARY) IS A NOT-FOR-PROFIT FUND RAISING ORGANIZATION WHOSE PURPOSE IS TO PROMOTE AND ADVANCE THE WELFARE OF THE HOSPITAL OTTAWA REGIONAL HOSPITAL FOUNDATION (FOUNDATION) IS A NOT-FOR-PROFIT FUND RAISING ORGANIZATION WHOSE PURPOSE IS TO SUPPORT AND ENCOURAGE HEALTH CARE SERVICES IN FURTHERANCE OF THE PURPOSE OF AND IN ASSITANCE TO THE HOSPITAL, THROUGH PROVIDING FINANCIAL AND FUND RAISING ASSISTANCE AND IN ALL OTHER RELEVANT WAYS AIDING IN SUPPORTING HEALTH CARE ORGANIZATIONS AND INDIVIDUALS INTERESTED IN CAREERS IN HEALTH CARE

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

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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) ROBERT CHAFFIN	(i)	261,137	16,500	1,322	7,600	31,371	317,930	0
	(ii)	0	0	0	0	0	0	0
(2) JUDY CHRISTIANSEN	(i)	194,808	0	968	6,018	11,742	213,536	0
	(ii)	0	0	0	0	0	0	0
(3) DAWN TROMPETER	(i)	136,729	0	655	4,784	27,623	169,791	0
	(ii)	0	0	0	0	0	0	0
(4) CHIN SWONG MD	(i)	432,888	0	1,645	0	28,211	462,744	0
	(ii)	0	0	0	0	0	0	0
(5) DAVID BAYLEY MD	(i)	356,978	20,000	1,711	0	27,623	406,312	0
	(ii)	0	0	0	0	0	0	0
(6) MICHAEL M GLAVIN MD	(i)	147,292	215,616	1,024	0	27,211	391,143	0
	(ii)	0	0	0	0	0	0	0
(7) ANTHONY FOULEN MD	(i)	359,106	0	0	0	10,962	370,068	0
	(ii)	0	0	0	0	0	0	0
(8) JOSEPH W CHUPREVICH MD	(i)	147,705	146,509	0	0	26,521	320,735	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 3	THE BOARD OF DIRECTORS HAS ESTABLISHED A BOARD COMMITTEE KNOWN AS THE HUMAN RESOURCES COMMITTEE WHOSE MEMBERS ARE ALL PROFESSED MEMBERS OF THE RELIGIOUS CONGREGATION KNOWN AS THE SISTERS OF THE THIRD ORDER OF ST FRANCIS WHO HAVE TAKEN A VOW OF POVERTY HENCE, THEY DO NOT PERSONALLY BENEFIT FROM DECISIONS OF THE COMMITTEE THE CHIEF EXECUTIVE OFFICER (CEO) IS NOT A MEMBER OF THE COMMITTEE THE PERFORMANCE OF THE CEO AND HIS ACHIEVEMENT OF ANNUAL GOALS IS EVALUATED EACH YEAR BY THE FULL BOARD OF DIRECTORS, AND THIS PERFORMANCE REVIEW IS PROVIDED TO THE COMMITTEE THE COMMITTEE ALSO OBTAINS COMPENSATION SURVEY DATA AND RECOMMENDATIONS FROM A NATIONALLY RECOGNIZED INDEPENDENT COMPENSATION CONSULTANT BASED ON ALL OF THESE FACTORS, THE COMMITTEE SETS THE BASE SALARY AND BENEFITS OF THE CEO AND APPROVES THE EXECUTIVE COMPENSATION PLAN APPLICABLE TO THE CEO PRIOR TO PAYMENT OF ANY BONUS OR INCENTIVE COMPENSATION, THE TOTAL COMPENSATION FOR THE CEO, INCLUDING BASE SALARY, BENEFITS, AND PROPOSED BONUS OR INCENTIVE COMPENSATION, IS AGAIN REVIEWED BY A NATIONALLY RECOGNIZED COMPENSATION CONSULTANT TO ENSURE THAT NO "EXCESS BENEFIT" AMOUNT IS PAID OR FURNISHED

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF OTTAWA	36-6006037	689419AW9	08-15-2004	16,630,000	REFUND SERIES 1994 BONDS, CAPITAL PROJECTS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	3,725,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	16,630,000			
4	Gross proceeds in reserve funds	1,293,134			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	12,510,024			
7	Issuance costs from proceeds	8,441			
8	Credit enhancement from proceeds	278,700			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	2,645,000			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2006			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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 ▶								
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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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
(1) OTTAWA REGIONAL MEDICAL CENTER INC (ORMC)	CHAFFIN, CHRISTIANSEN, TROMPETER ARE OFFICERS OF THE ORGANIZATION AND ORMC	404,921	OTTAWA REGIONAL MEDICAL CENTER, INC PAID RENT TO OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER		No
(2) OTTAWA REGIONAL MEDICAL CENTER INC (ORMC)	CHAFFIN, CHRISTIANSEN, TROMPETER ARE OFFICERS OF THE ORGANIZATION AND ORMC	3,392,673	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER PROVIDED CAPITAL CONTRIBUTIONS TO OTTAWA REGIONAL MEDICAL CENTER, INC		No
(3)					No
(4) DOWNSTATE SHOCKWAVE THERAPIES (DOWNSTATE)	CHUNG IS DIRECTOR OF THE ORGANIZATION AND OWNS 16% OF DOWNSTATE	251,722	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER PAID MEDICAL SERVICE EXPENSES TO DOWNSTATE SHOCKWAVE THERAPIES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER HAS LIFE MEMBERS WHICH ARE PERSONS WHO HAVE PAID THE HOSPITAL FIVE HUNDRED DOLLARS ($500) FOR SUCH MEMBERSHIP THE ORGANIZATION ALSO HAS ORGANIZATIONAL MEMBERS WHICH ARE CORPORATIONS, INSTITUTIONS, ORGANIZATIONS, ASSOCIATIONS, ETC WHICH HAVE MET THE REQUIREMENTS OF LIFE OR ANNUAL MEMBERSHIP AND HAVE SPECIFIED THAT THE SUMS DONATED BE RECOGNIZED IN THE ORGANIZATIONAL NAME EACH MEMBER OF THE HOSPITAL SHALL HAVE ONE VOTE ON ALL PROPOSITIONS PRESENTED AND ACTED UPON AT ANY MEETING OF THE MEMBERS AT WHICH THE MEMBERS ARE PERSONALLY PRESENT OR REPRESENTED BY PROXY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE OFFICERS OF THE ORGANIZATION ARE ELECTED BY THE CORPORATE MEMBERSHIP THESE POSITIONS INCLUDE THE CHAIRMAN OF THE BOARD, TWO VICE-CHAIRMAN, DESIGNATED FIRST VICE-CHAIRMAN AND SECOND VICE-CHAIRMAN, THE SECRETARY, AND THE TREASURER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION'S GOVERNING BODY WILL MEET WITH THE ORGANIZATION'S ASSISTANT CONTROLLER AT A BOARD MEETING TO REVIEW THE FINAL FORM 990 AFTER ITS FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	IT SHALL BE THE POLICY OF THE GOVERNING BOARD OF OTTAWA REGIONAL HOSPITAL AND HEALTHCARE CENTER TO REQUIRE THAT EACH BOARD MEMBER, PRIOR TO MAKING HIS/HER POSITION ON THE BOARD, AND ALL PRESENT BOARD MEMBERS AS SOON AS PRACTICABLE AFTER THE ADOPTION OF THIS POLICY, BUT NO LATER THAN FORTY-FIVE DAYS, SUBMIT IN WRITING TO THE CHIEF EXECUTIVE OFFICER OF THE HOSPITAL A LIST OF ALL BUSINESS OR OTHER ORGANIZATIONS OF WHICH HE/SHE IS AN OFFICER, MEMBER, OWNER OR EMPLOYEE OR WHICH HE/SHE ACTS AS AN AGENT, WITH WHICH THE HOSPITAL HAS, OR MIGHT REASONABLY IN THE FUTURE ENTER INTO, A RELATIONSHIP OR A TRANSACTION IN WHICH THE BOARD MEMBER WOULD HAVE CONFLICTING INTERESTS EACH WRITTEN STATEMENT WILL BE RESUBMITTED WITH ANY NECESSARY CHANGES, EACH YEAR AT SUCH TIME AS ANY MATTER COMES BEFORE THE BOARD IN SUCH A WAY AS TO GIVE RISE TO A CONFLICT OF INTEREST, THE AFFECTED BOARD MEMBER SHALL MAKE KNOWN THE POTENTIAL CONFLICT, WHETHER DISCLOSED BY HIS/HER WRITTEN STATEMENT OR NOT, AND AFTER ANSWERING ANY QUESTIONS THAT MIGHT BE ASKED HIM/HER, EITHER AS TO THE CONFLICT OR AS TO ANY SPECIAL EXPERTISE POSSESSED BY THAT BOARD MEMBER, SHALL WITHDRAW FROM THE MEETING FOR SO LONG AS THE MATTER SHALL CONTINUE UNDER DISCUSSION SHOULD THE MATTER BE BROUGHT TO A VOTE, THE AFFECTED BOARD MEMBER SHALL NOT VOTE ON IT IN THE EVENT THAT HE/SHE FAILS TO WITHDRAW VOLUNTARILY, THE CHAIRMAN OF THE BOARD IS EMPOWERED AND SHALL REQUIRE THAT HE/SHE REMOVE HIMSELF/HERSELF FROM THE ROOM DURING BOTH THE DISCUSSION AND VOTE ON THE MATTER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	LINE 15A THE BOARD OF DIRECTORS HAS ESTABLISHED A BOARD COMMITTEE KNOWN AS THE HUMAN RESOURCES COMMITTEE WHOSE MEMBERS ARE ALL PROFESSED MEMBERS OF THE RELIGIOUS CONGREGATION KNOWN AS THE SISTERS OF THE THIRD ORDER OF ST FRANCIS WHO HAVE TAKEN A VOW OF POVERTY HENCE, THEY DO NOT PERSONALLY BENEFIT FROM DECISIONS OF THE COMMITTEE. THE CHIEF EXECUTIVE OFFICER (CEO) IS NOT A MEMBER OF THE COMMITTEE. THE PERFORMANCE OF THE CEO AND HIS ACHIEVEMENT OF ANNUAL GOALS IS EVALUATED EACH YEAR BY THE FULL BOARD OF DIRECTORS, AND THIS PERFORMANCE REVIEW IS PROVIDED TO THE COMMITTEE. THE COMMITTEE ALSO OBTAINS COMPENSATION SURVEY DATA AND RECOMMENDATIONS FROM A NATIONALLY RECOGNIZED INDEPENDENT COMPENSATION CONSULTANT BASED ON ALL OF THESE FACTORS, THE COMMITTEE SETS THE BASE SALARY AND BENEFITS OF THE CEO AND APPROVES THE EXECUTIVE COMPENSATION PLAN APPLICABLE TO THE CEO PRIOR TO PAYMENT OF ANY BONUS OR INCENTIVE COMPENSATION, THE TOTAL COMPENSATION FOR THE CEO, INCLUDING BASE SALARY, BENEFITS, AND PROPOSED BONUS OR INCENTIVE COMPENSATION, IS AGAIN REVIEWED BY A NATIONALLY RECOGNIZED COMPENSATION CONSULTANT TO ENSURE THAT NO "EXCESS BENEFIT" AMOUNT IS PAID OR FURNISHED LINE 15B THE BOARD OF DIRECTORS HAS ESTABLISHED A BOARD COMMITTEE KNOWN AS THE HUMAN RESOURCES COMMITTEE WHOSE MEMBERS ARE ALL PROFESSED MEMBERS OF THE RELIGIOUS CONGREGATION KNOWN AS THE SISTERS OF THE THIRD ORDER OF ST FRANCIS WHO HAVE TAKEN A VOW OF POVERTY HENCE, THEY DO NOT PERSONALLY BENEFIT FROM DECISIONS OF THE COMMITTEE. THE COMMITTEE DETERMINES WHICH OFFICERS, KEY EMPLOYEES AND OTHER EMPLOYEES ARE ELIGIBLE TO PARTICIPATE IN THE EXECUTIVE COMPENSATION PLAN BASED ON PERFORMANCE REVIEWS BY THE SUPERVISORS OF SUCH PERSONS AND COMPENSATION SURVEY DATA AND RECOMMENDATIONS FROM A NATIONALLY KNOWN INDEPENDENT COMPENSATION CONSULTANT, THE COMMITTEE APPROVES ANY EXECUTIVE COMPENSATION PLAN APPLICABLE TO KEY EMPLOYEES AND ESTABLISHES THE BASE SALARY AND BENEFITS FOR PLAN PARTICIPANTS PRIOR TO PAYMENT OF ANY BONUS OR INCENTIVE COMPENSATION, THE TOTAL COMPENSATION FOR EACH KEY EMPLOYEE, INCLUDING BASE SALARY, BENEFITS, AND PROPOSED BONUS OR INCENTIVE COMPENSATION, IS AGAIN REVIEWED BY A NATIONALLY RECOGNIZED COMPENSATION CONSULTANT TO ENSURE THAT NO "EXCESS BENEFIT" AMOUNT IS PAID OR FURNISHED SOME KEY EMPLOYEES LISTED IN PART VII ARE PRACTICING PHYSICIANS WHO ARE LISTED AS KEY EMPLOYEES AS A RESULT OF THE COMPENSATION THEY RECEIVE AND NOT DUE TO ANY EXECUTIVE OR MANAGEMENT POSITION WHICH THEY HOLD SUCH PHYSICIANS GENERALLY ARE NOT PARTICIPANTS IN THE EXECUTIVE COMPENSATION PLAN, AND THEIR COMPENSATION, INCLUDING BASE SALARY, BENEFITS, AND ANY APPLICABLE BONUS OR INCENTIVE COMPENSATION, IS ESTABLISHED IN ACCORDANCE WITH NATIONALLY RECOGNIZED PHYSICIAN COMPENSATION SURVEYS AND IS SET FORTH IN WRITTEN EMPLOYMENT AGREEMENTS WHICH ARE APPROVED BY THE BOARD OF DIRECTORS OR ITS EXECUTIVE COMMITTEE. THE REVIEW PROCESSES DESCRIBED ABOVE BEGAN IN JULY 2012 FOR FISCAL YEAR 2013 SALARY DATA, AND IT WAS APPROVED TO PROVIDE AN AVERAGE OF 3% SALARY INCREASE FOR MANAGEMENT EFFECTIVE DECEMBER 2012

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -3,840,639

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE ORGANIZATION'S GOVERNING BOARD MEETS WITH THE AUDITORS TO REVIEW THE AUDIT REPORT AND MANAGEMENT LETTER

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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) OTTAWA REGIONAL HOSPITAL FOUNDATION 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-4007569	SUPPORTS OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	IL	501(C)(3)	LINE 11A, I	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	Yes	
(2) OTTAWA REGIONAL HOSPITAL AUXILIARY 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-3854788	SUPPORTS OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	IL	501(C)(3)	LINE 11C, III-FI	N/A		No
(3) OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER LIABILITY LOSS FUND 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-3612653	LIABILITY TRUST FUND	IL	501(C)(3)	LINE 11A, I	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	Yes	

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

(a) 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
(1) RADIATION ONCOLOGY OF NORTHERN ILLINOIS LLC 1200 STARFIRE DRIVE OTTAWA, IL 61350 75-3247165	RADIATION ONCOLOGY CENTER	IL	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	RELATED	445,732	1,085,041		No			No	57 000 %
(2) OTTAWA REGIONAL CARDINAL SLEEP CENTER LLC 1601 MERCURY CIRCLE SUITE 2 OTTAWA, IL 61350 27-3625479	SLEEP DISORDER DIAGNOSTIC AND TREATMENT SERVICES	IL	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	RELATED				No			No	100 000 %

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) OTTAWA REGIONAL HEALTHCARE AFFILIATES INC 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 26-3937519	HOLDING COMPANY	IL	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	C	-2,908,240	2,851,734	100 000 %
(2) OTTAWA REGIONAL MEDICAL CENTER INC 1614 EAST NORRIS DRIVE OTTAWA, IL 61350 27-1036071	OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES	IL	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	C			100 000 %

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	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		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	Yes	
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p		No
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		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) OTTAWA REGIONAL MEDICAL CENTER INC	A	404,921	
(2) OTTAWA REGIONAL MEDICAL CENTER INC	B	3,392,673	
(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	

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Financial Report
April 30, 2012

Contents

McGladrey

Independent Auditor's Report

To the Board of Governors
Ottawa Regional Hospital & Healthcare Center
Ottawa, Illinois

We have audited the accompanying consolidated balance sheets of Ottawa Regional Hospital & Healthcare Center and affiliates as of April 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Organization's management Our responsibility is to express an opinion on these financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ottawa Regional Hospital & Healthcare Center and affiliates as of April 30, 2012 and 2011 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

McGladrey LLP

Davenport, Iowa
July 27, 2012

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Statements of Operations
Years Ended April 30, 2012 and 2011

	2012	2011
Unrestricted net assets		
Net patient service revenue	**$ 80,436,706**	$ 77,163,755
Other operating revenue	**2,265,255**	1,657,710
Net assets released from restriction, used for operations	**16,162**	24,952
Total operating revenue	**82,718,123**	78,846,417
Expenses		
Salaries and wages	**36,087,363**	35,284,268
Employee benefits	**12,424,483**	12,399,812
Supplies and other expenses	**27,297,583**	26,430,112
Depreciation and amortization	**7,327,259**	7,013,253
Interest	**358,995**	318,423
Provision for bad debts	**4,175,038**	3,697,765
Total operating expenses	**87,670,721**	85,143,633
(Loss) from operations	**(4,952,598)**	(6,297,216)
Nonoperating income, gains and losses, net		
Other nonoperating gains, net	**3,893,225**	2,364,974
Current year change in unrealized gains (losses) on trading securities	**(3,840,639)**	2,504,108
Nonoperating income, gains and losses, net	**52,586**	4,869,082
(Deficiency) of revenue over expenses	**(4,900,012)**	(1,428,134)
Less excess of revenue over expenses attributable to noncontrolling interest	**(279,970)**	(170,757)
(Deficiency) of revenue over expenses attributable to controlling interest	**(5,179,982)**	(1,598,891)
Current year change in unrealized (losses) on investments	**(31,360)**	(21,570)
(Decrease) in unrestricted net assets	**$ (5,211,342)**	$ (1,620,461)

See Notes to Consolidated Financial Statements

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Balance Sheets
April 30, 2012 and 2011

Assets	**2012**	2011
Current Assets		
Cash and cash equivalents	**$ 3,517,911**	$ 1,650,907
Certificates of deposit	**155,776**	164,563
Receivables, net	**14,256,597**	9,213,781
Supplies and materials	**1,892,897**	1,870,371
Prepaid expenses		
Medicaid assessment program	**284,113**	284,113
Other	**816,103**	830,872
Total current assets	**20,923,397**	14,014,607
Assets Limited as to Use	**30,640,321**	40,980,313
Property and Equipment		
Land and improvements	**4,149,486**	3,829,891
Building and improvements	**72,007,392**	68,048,409
Furniture, fixtures and equipment	**38,040,626**	36,432,637
Construction in process	**5,735,261**	6,419,598
	119,932,765	114,730,535
Less accumulated depreciation	**64,505,598**	57,898,956
	55,427,167	56,831,579
Investments, primarily investment in associated company	**1,627,413**	1,748,137
Other Assets, primarily debt issuance costs, net and physician advances	**1,655,654**	1,849,413
Total assets	**$ 110,273,952**	$ 115,424,049

See Notes to Consolidated Financial Statements

Liabilities and Net Assets	**2012**	2011
Current Liabilities		
Current maturities of long-term debt	**$ 690,000**	$ 660,000
Accounts payable	**3,262,897**	3,185,378
Accrued salaries, wages and payroll taxes	**1,814,425**	1,594,399
Accrued earned time	**3,304,237**	3,043,090
Deferred revenue, primarily Medicaid assessment program	**495,734**	561,969
Estimated third-party payor settlements	**2,681,172**	2,069,584
Other accrued expenses	**2,158,778**	1,991,168
Total current liabilities	**14,407,243**	13,105,588
Long-Term Debt, net of current maturities	**11,629,976**	12,324,302
Other Accrued Expenses	**1,012,415**	708,043
Estimated Self-Insurance Costs	**551,000**	1,251,000
Total liabilities	**27,600,634**	27,388,933
Commitments and Contingencies (Notes 2, 9 and 14)		
Net Assets		
Unrestricted	**81,994,477**	87,205,819
Noncontrolling interest - unrestricted	**651,151**	801,181
Temporarily restricted	**22,965**	23,391
Permanently restricted	**4,725**	4,725
Total net assets	**82,673,318**	88,035,116
Total liabilities and net assets	**$ 110,273,952**	$ 115,424,049

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Statements of Changes in Net Assets
Years Ended April 30, 2012 and 2011

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Unrestricted Net Assets - Noncontrolling Interest	Total Net Assets
Net assets, April 30, 2010	$ 88,826,280	$ 21,154	$ 4,725	$ 1,232,424	$ 90,084,583
Excess (deficiency) of revenue over expenses	(1,598,891)	-	-	170,757	(1,428,134)
Net change in unrealized (losses) on investments	(21,570)	-	-	-	(21,570)
Donations	-	27,189	-	-	27,189
Net assets released from restriction	-	(24,952)	-	-	(24,952)
Distributions to noncontrolling interest	-	-	-	(602,000)	(602,000)
Change in net assets	(1,620,461)	2,237	-	(431,243)	(2,049,467)
Net assets, April 30, 2011	87,205,819	23,391	4,725	801,181	88,035,116
Excess (deficiency) of revenue over expenses	(5,179,982)	-	-	279,970	(4,900,012)
Net change in unrealized (losses) on investments	(31,360)	-	-	-	(31,360)
Donations	-	15,736	-	-	15,736
Net assets released from restriction	-	(16,162)	-	-	(16,162)
Distributions to noncontrolling interest	-	-	-	(430,000)	(430,000)
Change in net assets	(5,211,342)	(426)	-	(150,030)	(5,361,798)
Net assets, April 30, 2012	**$ 81,994,477**	**$ 22,965**	**$ 4,725**	**$ 651,151**	**$ 82,673,318**

See Notes to Consolidated Financial Statements

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Statements of Cash Flows
Years Ended April 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Change in net assets	**$ (5,361,798)**	$ (2,049,467)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	**7,301,003**	6,984,479
Amortization of debt issuance costs	**26,256**	28,774
Amortization of bond premium	**(4,326)**	(4,146)
Amortization of physician advances and other assets	**410,218**	394,885
(Gain) loss on sale of property and equipment	**81,888**	(2,706)
Earnings in (excess of) distributions of associated company	**89,364**	(42,884)
Net realized and unrealized (gains) losses on investments	**701,718**	(3,493,632)
Distributions to noncontrolling interest	**430,000**	602,000
Net changes in assets and liabilities		
(Increase) decrease in receivables	**(5,042,816)**	1,087,540
(Increase) decrease in supplies and materials	**(22,526)**	132,860
(Increase) in other assets	**(310,774)**	(645,639)
Increase in accounts payable and accrued expenses	**1,729,378**	3,584,541
(Decrease) in estimated self-insurance costs	**(700,000)**	(100,000)
Net cash provided by (used in) operating activities	**(672,415)**	6,476,605
Cash Flows from Investing Activities		
Proceeds from certificates of deposit, net	**8,787**	14,857
Purchase of assets limited as to use	**(830,366)**	(1,031,829)
Proceeds from sale of assets limited as to use	**10,500,000**	3,500,000
Purchase of property and equipment	**(6,191,707)**	(9,087,030)
Proceeds from sale of equipment	**59,877**	153,859
Advances on physician receivables	**(44,275)**	(215,375)
Collections on physician receivables	**127,103**	195,433
Net cash provided by (used in) investing activities	**3,629,419**	(6,470,085)
Net Cash from Financing Activities		
Principal payments on long-term debt	**(660,000)**	(635,000)
Distributions to noncontrolling interest	**(430,000)**	(602,000)
Net cash (used in) financing activities	**(1,090,000)**	(1,237,000)
Net increase (decrease) in cash and cash equivalents	**1,867,004**	(1,230,480)
Cash and cash equivalents		
Beginning	**1,650,907**	2,881,387
Ending	**$ 3,517,911**	$ 1,650,907

(Continued)

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Statements of Cash Flows (Continued)
Years Ended April 30, 2012 and 2011

	2012	2011
Supplemental Disclosure of Cash Flow Information, cash payments for interest, excluding interest capitalized 2012 $249,000, 2011 $329,000	**$ 387,177**	$ 318,423
Supplemental Disclosure of Noncash Investing Activities, increase (decrease) in accounts payable incurred for the purchase of property and equipment	**(153,351)**	188,050

See Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Ottawa Regional Hospital & Healthcare Center (Hospital), is licensed as a 99-bed, not-for-profit, acute care hospital, including a 26-bed psychiatric care unit The Hospital also provides related ancillary and outpatient services The Hospital's affiliates include Ottawa Regional Healthcare Affiliates, Inc , Radiation Oncology of Northern Illinois, LLC, Ottawa Regional Hospital Auxiliary and Ottawa Regional Hospital Foundation

Ottawa Regional Healthcare Affiliates, Inc (ORHA) is an Illinois business corporation and is the sole shareholder of Ottawa Regional Medical Center, Inc (ORMC) and Ottawa Regional Cardinal Sleep Center, LLC (ORCSC) and 50% owner of Ottawa Regional DME, LLC (DME) The Hospital is the sole shareholder of ORHA

Ottawa Regional Medical Center, Inc was incorporated as an Illinois business corporation in September 2009 and purchased certain assets of a third-party in December 2009 ORMC provides outpatient medical and diagnostic services and is consolidated with ORHA

Ottawa Regional Cardinal Sleep Center, LLC and Ottawa Regional DME, LLC are limited liability companies formed in July 2010 ORHA has not made any initial capital contributions to these entities, and there have been no operations within these entities as of April 30, 2012

Radiation Oncology of Northern Illinois, LLC (RONI) is a limited liability company established to own and operate a radiation oncology center The Hospital has a 57% ownership interest in RONI RONI is consolidated with the Hospital

Ottawa Regional Hospital Auxiliary (Auxiliary) is a not-for-profit fund raising organization whose purpose is to promote and advance the welfare of the Hospital

Ottawa Regional Hospital Foundation (Foundation) is a not-for-profit fund raising organization whose purpose is to support and encourage health care services in furtherance of the purpose of and in assistance to the Hospital, through providing financial and fund raising assistance and in all other relevant ways aiding in supporting health care organizations and individuals interested in careers in health care

The above entities are collectively referred to as the Organization

Significant accounting policies:

Accounting 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 revenues and expenses during the reporting period Actual results could differ from those estimates The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable, estimated third-party payor settlements and the estimated self-insurance costs Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the consolidated financial statements

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

Principles of consolidation The consolidated financial statements include the accounts of Ottawa Regional Hospital & Healthcare Center, Ottawa Regional Healthcare Affiliates, Inc , Radiation Oncology of Northern Illinois, LLC, Ottawa Regional Hospital Foundation and Ottawa Regional Hospital Auxiliary All significant intercompany balances and transactions have been eliminated upon consolidation

Fiscal year. The Organization's consolidated financial statements as of and for the year ended April 30, 2012 consists of balances and operations that occurred prior to the affiliation with OSF Healthcare System (OSF), which occurred after the close of business on April 30, 2012 See Note 2 for additional information

Cash and cash equivalents Cash and cash equivalents include unrestricted cash and certain temporary cash investments not limited as to use For purposes of reporting cash flows, the Organization considers all temporary cash investments with less than three months original maturity to be cash equivalents

Patient receivables The collection of receivables from third-party payors and patients is the Organization's primary source of cash for operations and is critical to its operating performance The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts for deductibles and co-payments remain outstanding Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors

Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables based on a review of all outstanding amounts on a monthly basis Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts The Organization does not charge interest on receivables Patient accounts receivable are due in full when billed Accounts are considered past due when an amount is past due according to the payor's agreed-upon terms Patient receivables are written off as bad debt expense when deemed uncollectible Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received As a service to the patient, the Organization bills third-party payors directly and the patient when the patient's liability is determined

Receivables or payables related to estimated settlements on various payor contracts, primarily Medicare and Medicaid, are reported as amounts due from or to third-party payors Significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental health care coverage could affect the Organization's collection of accounts receivable, cash flow and results of operations

Supplies and materials Supplies and materials are valued at the lower of cost (first-in, first-out method) or market

Assets limited as to use Assets limited as to use include assets internally designated by the Board of Governors for future capital improvements and replacements, over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture agreements, assets held by trustees for self-insurance liabilities, assets restricted by donors and assets held by trustees for a 457B plan

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

Investments Investments in equity securities with readily determinable fair values and all debt securities are measured at fair value in the consolidated balance sheets The Hospital reports the fair value of alternative investments, using the practical expedient The practical expedient allows for the use of net asset value (NAV), either as reported by the investee fund or as adjusted by the Hospital based on various factors Investment income includes dividend, interest and other investment income and realized and unrealized gains and losses on investments classified as trading securities Investment income that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets Unrealized gains and losses on investments of the Foundation are excluded from the excess of revenue over expenses but are included as a change in unrestricted net assets, as the Foundation's investments are classified as other-than-trading

Investment in an associated company is accounted for using the equity method of accounting under which the Hospital's share of net income of the associated company is recognized as net nonoperating gains in the consolidated statements of operations and changes in net assets The Hospital has a 38% interest in a limited liability company established to develop, build, acquire, own, hold, rehabilitate, lease, finance and refinance, manage, operate and dispose of specific real estate located on or within the Hospital campus

The investments of the Organization are exposed to various risks such as interest rate, market and credit risks Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements

Self-insurance for professional and comprehensive general liability losses Under the Hospital's self-insurance program for professional and general liability losses, the Hospital makes contributions to an independent bank trustee in order to establish a fund from which losses, if any, are to be paid The contributions to the fund are based on actuarial computations and projections made by an independent actuary The investment earnings of the trust fund are added to its principal balance and are included in the accompanying consolidated statements of operations and changes in net assets as other operating revenue Amounts charged to expense include estimates of the ultimate costs for both reported claims and claims incurred but not reported

Property and equipment Property and equipment is depreciated on the straight-line basis over the estimated useful life of each asset The Hospital capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing on the Series 2004 bonds Capitalized interest totaled approximately $249,000 and $329,000 for the years ended April 30, 2012 and 2011, respectively

Debt issuance costs Debt issuance costs are amortized over the term of the related debt using the effective interest method The unamortized cost of this asset is approximately $455,000 and $481,000 as of April 30, 2012 and 2011, respectively

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 Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, and include estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known

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

Electronic Health Records Incentive Program The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under both the Medicare and Medicaid program are generally made for up to four years based on a statutory formula The Medicaid programs are determined on a state by state basis, which are approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the Organization initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program As of April 30, 2012, the Organization is in the process of meeting the meaningful use objectives and has not recognized any revenue related to this program

Charity care The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue

Excess (deficiency) of revenue over expenses The consolidated statements of operations and changes in net assets include excess (deficiency) of revenue over expenses Changes in unrestricted net assets which are excluded from excess (deficiency) of revenue over expenses, consistent with industry practice, include the Foundation's unrealized gains and losses on investments classified as other-than-trading investment securities

Treatment of gifts and income on investments Realized investment income on assets in the self-insurance trust fund is reported as other operating revenue Unrestricted gifts and realized income from all other investments are recorded as nonoperating gains

Classification of net assets The Organization is required to report information regarding their financial position and operations according to three classes of net assets unrestricted net assets, temporarily restricted net assets and permanently restricted net assets The three classes are based on the presence or absence of donor-imposed restrictions Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to remain in trust or held in trust Amounts for each of the three classes of net assets (permanently restricted, temporarily restricted and unrestricted) are required to be displayed in the consolidated balance sheets The amounts of the change in each of the three classes of net assets must be displayed in the consolidated statements of operations and changes in net assets The temporarily restricted net assets as of April 30, 2012 and 2011 were restricted by a donor for development of a new mental health facility and hospital improvements The permanently restricted net assets are restricted by donors for an endowment

Noncontrolling interest The Hospital has a 57% ownership interest in RONI, while another member owns a noncontrolling interest A pro rata share of the income or losses and net assets, in the form of members' equity, applicable to this interest has been recognized in the Organization's consolidated financial statements

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

Fair value of financial instruments Financial instruments are described as cash or contractual obligations or rights to pay or to receive cash The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments which include cash and cash equivalents, receivables, accounts payable, accrued liabilities, estimated third-party payor settlements, and other current liabilities The Organization's marketable investments and assets limited as to use are carried at fair value on the consolidated balance sheets Based on borrowing rates currently available to the Organization with similar terms and maturities, the fair value of the long-term debt approximates carrying value as of April 30, 2012 and 2011

Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Organization does not know whether the fair values represent values at which the respective financial instruments could be sold individually or in the aggregate

Fair value measurements The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements, which applies to all assets and liabilities that are measured and reported on a fair value basis See Note 7 for additional information

Subsequent events The Organization has evaluated subsequent events through July 27, 2012, the date on which the consolidated financial statements were issued See Note 2

Reclassifications Certain items on the consolidated balance sheets and statements of operations for the year ended April 30, 2011 have been reclassified to be consistent with classifications adopted for the year ended April 30, 2012 The reclassifications had no effect on total assets, net assets nor excess of revenue over expenses of the Organization

Pending accounting pronouncements In July 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* ASU 2011-07 requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay, to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, ASU 2011-07 requires those health care entities to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts

The provisions are effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted The changes to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented The disclosures required by ASU 2011-07 should be provided for the period of adoption and subsequent reporting periods Management is assessing the impact of the implementation of this ASU on the Organization's consolidated financial statements

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

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities.* The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented Management is evaluating the impact this ASU may have on its consolidated financial statements

Note 2. Affiliation

Effective after the close of business on April 30, 2012, the Organization affiliated with OSF Healthcare System, whereby OSF became the sole member of the Organization The Organization's bylaws and articles of incorporation were amended and restated This strategic affiliation promotes greater access to, and higher quality of, healthcare services to the communities served by the Organization and OSF and plans to achieve excellence in clinical innovations, services, quality, cost and outcomes Certain transactions that occurred at closing, including defeasance of long-term debt, investment transfers, and various other transactions recorded in accordance with *Not-for-Profit Entities: Mergers and Acquisitions*, are considered a subsequent event and not included in the consolidated balance sheet or statement of operations as of and for the year ended April 30, 2012

Note 3. Net Patient Service Revenue

Approximately 73% for the years ended April 30, 2012 and 2011, of the Organization's net patient service revenue is earned under agreements with third-party payors These agreements provide for reimbursement to the Organization at amounts different from its established rates Contractual adjustments under third-party reimbursement programs represent the difference between the Organization's established rates for services and amounts reimbursed by third-party payors and any differences between estimated third-party reimbursement settlements for prior years and subsequent final settlements Contractual adjustments under third-party reimbursement programs are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined A summary of the payment arrangements with major third-party payors follows

Medicare Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Outpatient services are paid at prospectively determined rates based on an Ambulatory Patient Classification (APC) System The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary

Note 3. Net Patient Service Revenue (Continued)

The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through April 30, 2007 However, the Hospital has received tentative settlements on its Medicare cost reports for the years ended April 30, 2008 through 2011 In 2011, Federal Centers for Medicare and Medicaid Services (CMS) had issued instructions to Fiscal Intermediaries (FI) and Medicare Administrative Contractors (MAC) to delay finalizing Medicare cost reports for fiscal years 2007 and after for hospitals that serve a disproportionate number of low income patients due to concerns regarding the published supplemental security income (SSI) ratios utilized in the calculation of a hospital's Medicare disproportionate share (DSH) payments However, in March 2012, CMS published revised SSI percentages for fiscal years 2006 through 2009 and has instructed FIs and MACs to begin finalizing cost reports using the revised percentages

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program The RAC's identified and corrected a significant amount of improper overpayments to providers In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states The Organization has been subject to such an audit and may continue to be subject to additional audits at some time in the future

Medicaid The Organization renders inpatient and outpatient services to Medicaid patients at prospective rates or per diem determined by State of Illinois reimbursement formulas These rates are not subject to retroactive adjustment

Blue Cross The Hospital is paid for inpatient acute care services rendered to Blue Cross beneficiaries mainly under a per diem basis For outpatient services rendered to Blue Cross beneficiaries, the Hospital is primarily reimbursed based on a combination of fixed prices and discounted charges Blue Cross processes claims under a uniform payment plan on an interim basis subject to a monthly reconciliation between actual payments received and the agreed-upon contractual amounts The monthly reconciliation process results in the recognition of a liability that will be liquidated within 90 days

Other agreements The Organization has also entered into payment agreements with certain commercial insurance carriers, preferred provider organizations, health maintenance organizations and local employers The basis for payment to the Organization under these agreements includes discounts from established charges, prospectively determined per diem rates and prospectively determined rates per discharge

A summary of net patient service revenue for the years ended April 30, 2012 and 2011 is as follows

	2012	2011
Gross patient service revenue	$198,501,268	$190,139,516
Less discounts, allowances and estimated contractual adjustments under third-party reimbursement programs	(118,064,562)	(112,975,761)
Net patient service revenue	$ 80,436,706	$ 77,163,755

Contractual adjustment expense for the years ended April 30, 2012 and 2011 includes the effect of a change in the estimate of the liability due to third-party payors The effects of this change in estimate is an increase in contractual adjustment expense of approximately $428,000 and $94,000 for the years ended April 30, 2012 and 2011, respectively

Note 3. Net Patient Service Revenue (Continued)

In December 2008, the CMS approved the State of Illinois Medicaid Hospital Assessment Program Under the Program, which was retroactive to July 1, 2008, a hospital receives additional Medicaid reimbursement from the State and pays a related assessment The Hospital's additional reimbursement for each of the years ended April 30, 2012 and 2011 has been recorded in the accompanying financial statements Total reimbursement revenue recognized by the Hospital related to this Program amounted to approximately $2,968,000 for each of the years ended April 30, 2012 and 2011, which is recorded as a reduction of contractual adjustment expense The Hospital is required to pay one quarter of the annual assessment each month from July through October and the reimbursement will be received according to the same schedule The amount of deferred revenue related to this Program as of April 30, 2012 and 2011 was approximately $496,000 Total assessments incurred by the Hospital related to this Program amounted to approximately $1,704,000 for each of the years ended April 30, 2012 and 2011, which is included in other operating expenses The prepaid expenses related to this Program as of April 30, 2012 and 2011 was approximately $284,000 The Program is effective through June 2014

Note 4. Charity Care and Community Service

The Hospital provides charity care and financial assistance discounts for medically necessary health care services provided to persons who meet the Hospital's policy The policy provides a percentage discount to the patient that decreases at gradually higher income levels The benchmark upon which the income level is compared to is the Federal Poverty Income Guideline and is updated annually

The amount of charity care provided at cost was approximately $3,000,000 and $2,400,000 for the years ended April 30, 2012 and 2011, respectively Cost of charity care is estimated by applying hospital specific cost to charge ratios to the total amount of charity care deductions from gross revenue The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges and applying adjustments to remove the cost of non-patient care activity, Medicaid provider taxes paid, identifiable community benefit expenses, as well as gross patient charges that are generated for identifiable community benefit services

The Hospital maintains records to identify and monitor the level of charity care it provides These records include the amount of charges forgone for services and supplies furnished under its charity care policy The amount of charges forgone for services and supplies furnished under the Hospital's charity care policy was approximately $7,832,000 and $6,154,000 for the years ended April 30, 2012 and 2011, respectively

Although not accounted for as charity care, the Hospital considers the Medicaid contractual adjustment expense as charity care The Hospital provided the following services to Medicaid beneficiaries for the years ended April 30, 2012 and 2011

	2012	2011
Charges, based on established rates	$ 32,407,000	$ 31,801,000
Estimated reimbursement	(7,257,000)	(6,029,000)
Contractual adjustment expense	$ 25,150,000	$ 25,772,000

Note 4. Charity Care and Community Service (Continued)

In addition to charity care, the Hospital provided community benefits, including, but not limited to, the following

- Operation of a full-time emergency room providing emergency medical services to all members of the public requiring such care
- Maintenance of provider agreements with the Medicare and Medicaid programs
- Financial support of an indigent clinic in the community
- Externships for medical students
- Nursing scholarships or tuition payments for professional education to non-employees and volunteers
- Provision of a clinical setting for undergraduate/vocational training to students enrolled in an outside organization
- Negative contributions in several departments including behavioral health, adult day care program, etc
- Contributions to other not-for-profit organizations
- Meeting room overhead/space for not-for-profit organizations
- Recruitment of physicians and other health professionals for federally medical underserved areas
- Partnership with community college to address the health care work force shortage
- Health screenings, blood pressure checks, enrollment assistance in public programs, information and referrals to community services and prevention programs offered free or at low cost to the community

Note 5. Composition of Receivables

Receivables as of April 30, 2012 and 2011 consist of the following

	2012	2011
Patients	$ 29,493,332	$ 22,172,004
Less		
Estimated third-party contractual adjustments	10,632,491	8,268,886
Allowance for doubtful accounts	5,844,388	4,992,588
	13,016,453	8,910,530
Other	1,240,144	303,251
	$ 14,256,597	$ 9,213,781

Note 5. Composition of Receivables (Continued)

The Hospital is located in Ottawa, Illinois The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net receivables from patients and third-party payors as of April 30, 2012 and 2011 was as follows

	2012	2011
Medicare	14%	19%
Medicaid	20	7
Blue Cross	5	6
Other third-party payors	45	45
Patients	16	23
	100%	100%

Note 6. Composition of Assets Limited as to Use

Assets limited as to use as of April 30, 2012 and 2011 consist of the following

	2012	2011
Board-designated assets for improvements and replacements		
Cash and cash equivalents	$ 13,638,797	$ -
Common collective trust funds	11,456,562	34,632,983
Assets held by trustee and restricted by self-insurance agreement	3,733,377	4,581,138
Assets held by trustee and restricted by bond indenture agreement, cash and securities due in one year	1,293,310	1,293,310
Assets held by trustee and restricted by 457B plan agreement	490,585	444,766
Assets restricted by donor, cash and cash equivalents	27,690	28,116
Total assets limited as to use	$ 30,640,321	$ 40,980,313

Note 6. Composition of Assets Limited as to Use (Continued)

The composition of assets limited as to use is as follows

Assets held by trustee and restricted by self-insurance agreement

	2012	2011
Cash and cash equivalents	$ 3,720,223	$ 4,568,373
Accrued interest receivable	13,154	12,765
	$ 3,733,377	$ 4,581,138

Assets held by trustee and restricted by 457B plan agreement

	2012	2011
Cash	$ 52,144	$ 167,849
Mutual funds	438,441	276,917
	$ 490,585	$ 444,766

The composition of investment return for the years ended April 30, 2012 and 2011 is as follows

	2012	2011
Interest and dividend income, net of fees and expenses	$ 629,699	$ 712,445
Net realized gain on sale of investments	3,170,281	1,011,094
Change in net unrealized gains (losses) on investments	(3,871,999)	2,482,538
Investment return	$ (72,019)	$ 4,206,077

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets for the years ended April 30, 2012 and 2011 as follows

	2012	2011
Other operating revenue	$ 147,298	$ 178,712
Nonoperating gains	3,652,682	1,544,827
Change in net unrealized gains (losses) on investments	(3,871,999)	2,482,538
	$ (72,019)	$ 4,206,077

Note 7. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances In that regard, the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs The fair value hierarchy is as follows

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date

Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data Level 2 investments also include market alternatives, measured using the practical expedient, that do not have any significant redemption restrictions, lock ups, gates or other characteristics that would cause liquidation and report date NAV to be significantly different

Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below

Investments (including assets limited as to use) Where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy Level 1 securities would include equity securities and municipal bonds Where quoted prices are available in markets that are not active or contain other inputs that are observable or can be corroborated by observable market data, securities are classified within level 2 of the valuation hierarchy Certain securities are not valued based on observable transactions and are, therefore, classified as level 3 The Organization invests in alternative investments consisting of common collective trust funds for which fair value is determined using the net asset value per share for each fund The fair value of the Organization's investment in the alternative investment funds generally represent the amount the Organization would expect to receive if it were to liquidate the investment excluding any redemption charges that may apply

Note 7. Fair Value Measurements (Continued)

The following table sets forth additional disclosures of the Organization's investments whose fair value is estimated using net asset value per share

	Fair Value		Unfunded	Redemption	Redemption Notice
	2012	2011	Commitment	Frequency	Period
Assets					
Assets limited as to use					
Board-designated assets for improvements and replacements, common collective trust funds					
NTCC International Securities Fund (a)	$ 2,284,815	$ 6,757,832	$ -	Daily	6 Days
NTCC CRM Midcap Value Fund (b)	265,875	942,630	-	Daily	6 Days
NTCC CS McKee Large Cap Value Fund (b)	795,979	2,373,128	-	Daily	6 Days
NTCC Marisco Fund (b)	813,127	2,388,742	-	Daily	6 Days
NTCC NWQ Fund (b)	836,972	2,406,263	-	Daily	6 Days
NTCC Sasco Fund (b)	250,890	686,912	-	Daily	6 Days
NTCC Small Cap Fund (b)	350,190	1,429,549	-	Daily	6 Days
NTCC TCW Fund (b)	255,123	692,347	-	Daily	6 Days
NTCC Wells Capital Fund (b)	833,900	2,097,037	-	Daily	6 Days
NTCC William Blair Fund (b)	275,512	928,130	-	Daily	6 Days
NTGI Common Daily Aggregate Bond Index Fund (c)	4,494,179	13,930,413	-	Daily	None
	$ 11,456,562	$ 34,632,983			

(a) The fund invests in international securities that are either exchange traded in other countries outside of the United States of America (USA) or in securities of companies that predominantly derive their revenues from markets outside of the USA This fund can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager

(b) The fund primarily invests in U S equity securities and may invest in cash equivalents and investment grade bonds from time to time This fund can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager

(c) The fund seeks to hold a portfolio representative of the overall U S bond and debt market as characterized by the Barclays Capital Aggregate Bond Index This fund can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager

Note 7. Fair Value Measurements (Continued)

Assets and liabilities recorded at fair value on a recurring basis:

The following table summarizes assets measured at fair value on a recurring basis as of April 30, 2012 and 2011, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		2012		
Assets limited as to use				
Board-designated assets for improvements and replacements, common collective trust funds				
NTCC International Securities Fund	$ 2,284,815	$ -	$ 2,284,815	$ -
NTCC CRM Midcap Value Fund	265,875	-	265,875	-
NTCC CS McKee Large Cap Value Fund	795,979	-	795,979	-
NTCC Marisco Fund	813,127	-	813,127	-
NTCC NWQ Fund	836,972	-	836,972	-
NTCC Sasco Fund	250,890	-	250,890	-
NTCC Small Cap Fund	350,190	-	350,190	-
NTCC TCW Fund	255,123	-	255,123	-
NTCC Wells Capital Fund	833,900	-	833,900	-
NTCC William Blair Fund	275,512	-	275,512	-
NTGI Common Daily Aggregate Bond Index Fund	4,494,179	-	4,494,179	-
	11,456,562	-	11,456,562	-
Assets held by trustee and restricted by 457B plan agreement, mutual funds, corporate bonds	438,441	438,441	-	-
Investments held by the Foundation, corporate marketable equity securities, common stocks				
Financial	23,865	23,865	-	-
Industrial	4,720	4,720	-	-
	28,585	28,585	-	-
	$ 11,923,588	$ 467,026	$ 11,456,562	$ -

Note 7. Fair Value Measurements (Continued)

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		2011		
Assets limited as to use				
Board-designated assets for improvements and replacements, common collective trust funds				
NTCC International Securities Fund	$ 6,757,832	$ -	$ 6,757,832	$ -
NTCC CRM Midcap Value Fund	942,630	-	942,630	-
NTCC CS McKee Large Cap Value Fund	2,373,128	-	2,373,128	-
NTCC Marisco Fund	2,388,742	-	2,388,742	-
NTCC NWQ Fund	2,406,263	-	2,406,263	-
NTCC Sasco Fund	686,912	-	686,912	-
NTCC Small Cap Fund	1,429,549	-	1,429,549	-
NTCC TCW Fund	692,347	-	692,347	-
NTCC Wells Capital Fund	2,097,037	-	2,097,037	-
NTCC William Blair Fund	928,130	-	928,130	-
NTGI Common Daily Aggregate Bond Index Fund	13,930,413	-	13,930,413	-
	34,632,983	-	34,632,983	-
Assets held by trustee and restricted by 457B plan agreement, mutual funds, corporate bonds	276,917	276,917	-	-
Investments held by the Foundation corporate marketable equity securities, common stocks				
Financial	55,500	55,500	-	-
Industrial	4,445	4,445	-	-
	59,945	59,945	-	-
	$ 34,969,845	$ 336,862	$ 34,632,983	$ -

Concentration of credit risk The Organization's investments in the common collective trust funds is currently invested with one custodian In the event this counterparty does not fulfill its obligations, the Organization may be exposed to risk This risk of default depends on the creditworthiness of the counterparty to these transactions The Organization attempts to minimize this credit risk by monitoring the creditworthiness of its counterparties Management believes the credit risk related to these funds is minimal

Note 8. Long-Term Debt

Long-term debt as of April 30, 2012 and 2011 consists of the following

	2012	2011
Revenue bonds, Series 2004	$ 12,245,000	$ 12,905,000
Bond premium	74,976	79,302
	12,319,976	12,984,302
Less current maturities	690,000	660,000
Total long-term debt	$ 11,629,976	$ 12,324,302

In May 2004, the Hospital borrowed $16,630,000 of proceeds from bonds issued by the City of Ottawa, Illinois Of these proceeds, $12,275,000 was used to refund the Series 1994 bonds The remaining proceeds were used for capital projects The bonds are to be repaid over 20 years in annual principal amounts ranging from $690,000 to $3,575,000 and bear interest at rates ranging from 4 2% to 5 2% The bonds have restrictive covenants and are insured by a financial guarantee insurance policy Under the terms of the bond indentures, the Hospital is required to maintain certain deposits with a trustee Such deposits are included in assets limited as to use

Maturities of long-term debt over the next five years and thereafter are as follows based on the terms of the 2004 bonds

Year ending April 30	
2013	$ 690,000
2014	720,000
2015	-
2016	1,545,000
2017	-
Thereafter	9,290,000
	$ 12,245,000

Note 9. Insurance

Self-insurance for professional and comprehensive general liability losses:

The Hospital has established a self-insurance program for its professional and comprehensive general liability losses The Hospital is currently funding its self-insurance professional and general liability losses based on loss limits of $1,000,000 per occurrence with an annual limit of $3,000,000 Losses in excess of these loss limits are covered by commercial insurance in the amount of $10,000,000 per occurrence and in the aggregate

The Hospital is from time-to-time involved in litigation arising in the ordinary course of business Losses from asserted and unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and other relevant factors It is the opinion of management that estimated malpractice costs accrued at April 30, 2012, are adequate to provide for potential losses resulting from asserted and unasserted claims

Operations are charged with the costs of claims reported and an estimate of claims incurred but not reported Total expense under the medical malpractice program was $300,000 and none for the years ended April 30, 2012 and 2011, respectively As of April 30, 2012 and 2011, the Hospital has recorded a liability which was included in estimated self-insurance costs on the accompanying consolidated balance sheets of $551,000 and $1,251,000, respectively, for estimated professional and general liability costs

In accordance with the self-insurance trust agreement, the assets held by the trustee are to be used only for the payment of covered losses and are, therefore, unavailable for the Hospital's general operating purposes A summary of the transactions in the trust fund for the years ended April 30, 2012 and 2011 is as follows

	2012	2011
Balance, beginning	$ 4,581,138	$ 4,392,149
Interest income	152,239	188,989
Settlements	(1,000,000)	-
Balance, ending	$ 3,733,377	$ 4,581,138

Self-insurance for employees' health insurance:

The health insurance plan for the Organization's employees is administered by a third-party administrator and is, in effect, a self-insured plan Monthly premiums are paid into a trust fund based on estimated claims, with the Organization liable for the excess of claims over the premiums paid The Organization has stop-loss insurance to cover third-party claims in excess of $100,000 The accompanying consolidated statements of operations and changes in net assets reflect expenses of approximately $7,962,000 and $8,056,000 relating to the employees' health insurance plan for the years ended April 30, 2012 and 2011, respectively The Organization has recorded approximately $1,107,000 and $1,123,000 as of April 30, 2012 and 2011, respectively, for open claims and claims incurred but not reported which is included in the other accrued expenses on the accompanying consolidated balance sheets

Note 9. Insurance (Continued)

Worker's compensation:

The Hospital is a participant in the Illinois Compensation Trust (ICT), an organization sponsored by the Illinois Hospital Association (IHA) to provide worker's compensation coverage to Illinois hospitals which are members of IHA The ICT is a multi-hospital self-insurance trust formed pursuant to the provisions of the Illinois Religious and Charitable Risk Pooling Act Member hospitals make contributions to ICT which provide mutual insurance protection for all members of the Trust According to the Trust Agreement, a refund may be made to the participating hospitals if the Trust's loss experience is better than anticipated If, however, the Trust's loss experience is worse than anticipated, the hospitals may be required to make additional contributions The Hospital has not been required to make additional material contributions in any of the three preceding years The Hospital incurred expenses of approximately $189,000 and $236,000 under the ICT program for the years ended April 30, 2012 and 2011, respectively

Note 10. Employee Retirement Plan

The Hospital has established a defined contribution pension plan covering substantially all of its employees Contributions are determined annually by the Board of Governors Contributions to the plan were approximately $741,000 and $827,000 for the years ended April 30, 2012 and 2011, respectively

Note 11. Composition of Nonoperating Gains

Nonoperating gains for the years ended April 30, 2012 and 2011 consist of the following

	2012	2011
Income from assets whose use is limited, Board-designated assets for improvements and replacements		
Dividend and interest income	$ 482,401	$ 533,733
Gain on sale of securities, primarily marketable equity securities	3,170,281	1,011,094
Interest income from other assets	279,073	258,665
Gain (loss) on sale of property and equipment	(81,888)	2,706
Unrestricted gifts	43,358	558,776
	$ 3,893,225	$ 2,364,974

Note 12. Functional Expenses

The Organization provides general health care services to residents within its geographic location Expenses of the Hospital and not-for-profit affiliates related to providing these services for the years ended April 30, 2012 and 2011 are as follows

	2012	2011
Health care services	$ 56,723,572	$ 56,091,123
General and administrative	18,751,353	17,921,111
Fund raising, net of intercompany contributions	197,278	191,843
	$ 75,672,203	$ 74,204,077

Note 13. Income Taxes

The Hospital, Auxiliary and Foundation have been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law In lieu of corporation income taxes, the members of RONI are taxed on their share of the LLC's income, deductions, losses and credits Therefore, these consolidated financial statements do not include any provision for income taxes for these entities ORHA is a for-profit corporation subject to applicable federal and state income taxes

Deferred taxes for ORHA are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating losses and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized Deferred tax assets and liabilities are adjusted for the effects of changes in the tax laws and rates on the date of enactment

The Hospital, Auxiliary and Foundation file a Form 990 (Return of Organization Exempt from Income Tax) annually When this return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained Examples of tax positions common to tax exempt organizations include such matters as the following the tax exempt status of the entity, the continued tax exempt status of bonds issued, the nature, the characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business taxable income (UBIT) UBIT is reported on Form 990T, as appropriate The benefit of tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any

Tax positions are not offset or aggregated with other positions Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination As of April 30, 2012 and 2011, there were no unrecognized tax benefits identified and recorded as a liability

Form 990 filed by the Organization are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return Form 990 filed by the Organization are no longer subject to examination for the year ended April 30, 2008 and prior

Form 1120 filed by ORHA is subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return

Note 13. Income Taxes (Continued)

Net deferred tax assets for the years ended April 30, 2012 and 2011 consist primarily of amounts associated with net operating losses incurred by ORHA and its wholly-owned subsidiary as shown below

	2012	2011
Deferred income tax asset	$ 2,789,000	$ 1,543,000
Less valuation reserve	(2,789,000)	(1,543,000)
Deferred income tax asset, net	$ -	$ -

Income tax expense (credit) is provided on losses generated by ORHA and its wholly-owned subsidiary A reconciliation of income tax expense (credit) for the years ended April 30, 2012 and 2011 is as follows

	2012	2011
Computed "expected" income tax credit	$ (1,038,000)	$ (1,118,000)
State income taxes, net of federal income tax credit	(215,000)	(243,000)
Less change in valuation allowance	1,246,000	1,394,000
Other	7,000	(33,000)
	$ -	$ -

Note 14. Commitments and Contingencies

As of April 30, 2012, construction-in-progress includes costs of facility renovations The estimated cost of the renovations is approximately $10,055,000 of which approximately $7,601,000 is remaining as of April 30, 2012 The remaining commitments related to these projects will be funded with cash from operations and proceeds from the sale of investments

Current economic conditions:

The current economic environment presents hospitals with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing The financial statements have been prepared using values and information currently available to the Organization

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of the Organization's patients to pay for services rendered As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Organization's future operating results Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts and contributions receivable that could negatively impact the Organization's ability to meet debt covenants or maintain sufficient liquidity

Note 14. Commitments and Contingencies (Continued)

Laws and regulations:

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing

Health care reform:

In March 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law PPACA will result in sweeping changes across the health care industry, including how care is provided and paid for A primary goal of this comprehensive reform legislation is to extend health coverage to approximately 32 million uninsured legal U S residents through a combination of public program expansion and private sector health insurance reforms To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs Given that final regulations and interpretive guidelines have yet to be published, the Organization is unable to fully predict the impact of PPACA on its operations and financial results If the law is implemented as adopted, the Organization's management expects that in the coming years, patients who were previously uninsured and unable to pay for care will have basic insurance coverage, and amounts for reimbursement for services from both public and private payors will be reduced and made conditional on various quality measures Management of the Organization is studying and evaluating the anticipated effects and developing strategies needed to prepare for implementation, and is preparing to work cooperatively with other constituents to optimize available reimbursement

McGladrey

Independent Auditor's Report
on the Supplementary Information

To the Board of Governors
Ottawa Regional Hospital & Healthcare Center
Ottawa, Illinois

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

McGladrey LLP

Davenport, Iowa
July 27, 2012

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Statement of Operations
Year Ended April 30, 2012

Unrestricted net assets			
Net patient service revenue	$ 70,660,881	$ 7,172,032	$ 2,603,793
Other operating revenue, net	2,204,210	309,786	-
Net assets released from restriction, used for operations	-	-	-
Total operating revenue	72,865,091	7,481,818	2,603,793
Expenses			
Salaries and wages	30,310,424	5,253,086	441,863
Employee benefits	10,866,462	1,558,021	-
Supplies and other expenses	23,194,537	3,296,450	1,095,599
Depreciation and amortization	6,862,957	88,602	374,284
Interest	358,995	-	-
Provision for bad debts	3,880,134	250,722	44,182
Total operating expenses	75,473,509	10,446,881	1,955,928
Income (loss) from operations	(2,608,418)	(2,965,063)	647,865
Net nonoperating (losses)	1,310,664	-	3,228
Current year change in unrealized (losses) on trading securities	(3,840,639)	-	-
Excess (deficiency) of revenue over expenses	(5,138,393)	(2,965,063)	651,093
Less excess of revenue over expenses attributable to noncontrolling interest	-	-	(279,970)
Excess (deficiency) of revenue over expenses attributable to controlling interest	(5,138,393)	(2,965,063)	371,123
Current year change in unrealized (losses) on investments	-	-	-
Capital contributions (distributions)	-	3,392,673	(570,000)
Increase (decrease) in unrestricted net assets	$ (5,138,393)	$ 427,610	$ (198,877)

$ -	$ 80,436,706	$ -	$ -	$ -	$	80,436,706
(404,291)	2,109,705	151,418	4,132	-		2,265,255
-	-	-	16,162	-		16,162
(404,291)	82,546,411	151,418	20,294	-		82,718,123
-	36,005,373	81,990	-	-		36,087,363
-	12,424,483	-	-	-		12,424,483
(404,291)	27,182,295	84,741	46,865	(16,318)		27,297,583
-	7,325,843	1,416	-	-		7,327,259
-	358,995	-	-	-		358,995
-	4,175,038	-	-	-		4,175,038
(404,291)	87,472,027	168,147	46,865	(16,318)		87,670,721
-	(4,925,616)	(16,729)	(26,571)	16,318		(4,952,598)
2,593,940	3,907,832	47	1,664	(16,318)		3,893,225
-	(3,840,639)	-	-	-		(3,840,639)
2,593,940	(4,858,423)	(16,682)	(24,907)	-		(4,900,012)
-	(279,970)	-	-	-		(279,970)
2,593,940	(5,138,393)	(16,682)	(24,907)	-		(5,179,982)
-	-	-	(31,360)	-		(31,360)
(2,822,673)	-	-	-	-		-
$ (228,733)	$ (5,138,393)	$ (16,682)	$ (56,267)	$ -	$	(5,211,342)

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Statement of Operations
Year Ended April 30, 2011

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Unrestricted net assets			
Net patient service revenue	$ 68,926,629	$ 5,896,579	$ 2,340,547
Other operating revenue, net	1,582,647	127,931	-
Net assets released from restriction, used for operations	152	-	-
Total operating revenue	70,509,428	6,024,510	2,340,547
Expenses			
Salaries and wages	29,933,620	4,863,341	405,321
Employee benefits	10,850,132	1,549,680	-
Supplies and other expenses	23,136,375	2,304,160	1,109,839
Depreciation and amortization	6,421,883	177,888	410,927
Interest	318,423	-	-
Provision for bad debts	3,349,236	324,384	24,145
Total operating expenses	74,009,669	9,219,453	1,950,232
Income (loss) from operations	(3,500,241)	(3,194,943)	390,315
Net nonoperating gains (losses)	(594,608)	-	6,794
Current year change in unrealized gains on trading securities	2,504,108	-	-
Excess (deficiency) of revenue over expenses	(1,590,741)	(3,194,943)	397,109
Less excess of revenue over expenses attributable to noncontrolling interest	-	-	(170,757)
Excess (deficiency) of revenue over expenses attributable to controlling interest	(1,590,741)	(3,194,943)	226,352
Current year change in unrealized (losses) on investments	-	-	-
Capital contributions (distributions)	-	2,598,641	(798,000)
Increase (decrease) in unrestricted net assets	$ (1,590,741)	$ (596,302)	$ (571,648)

Eliminations	Subtotal	[illegible]	[illegible]	Eliminations	Consolidated
$ -	$ 77,163,755	$ -	$ -	$ -	$ 77,163,755
(230,129)	1,480,449	169,791	7,470	-	1,657,710
-	152	10,239	14,561	-	24,952
(230,129)	78,644,356	180,030	22,031	-	78,846,417
-	35,202,282	81,986	-	-	35,284,268
-	12,399,812	-	-	-	12,399,812
(230,129)	26,320,245	92,409	36,744	(19,286)	26,430,112
-	7,010,698	2,555	-	-	7,013,253
-	318,423	-	-	-	318,423
-	3,697,765	-	-	-	3,697,765
(230,129)	84,949,225	176,950	36,744	(19,286)	85,143,633
-	(6,304,869)	3,080	(14,713)	19,286	(6,297,216)
2,968,591	2,380,777	391	3,092	(19,286)	2,364,974
-	2,504,108	-	-	-	2,504,108
2,968,591	(1,419,984)	3,471	(11,621)	-	(1,428,134)
-	(170,757)	-	-	-	(170,757)
2,968,591	(1,590,741)	3,471	(11,621)	-	(1,598,891)
-	-	-	(21,570)	-	(21,570)
(1,800,641)	-	-	-	-	-
$ 1,167,950	$ (1,590,741)	$ 3,471	$ (33,191)	$ -	$ (1,620,461)

Ottawa Regional Healthcare
Affiliates, Inc.

Consolidating Statement of Operations
Year Ended April 30, 2012

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Revenue				
Net patient service revenue	$ -	$ 7,172,032	$ -	$ 7,172,032
Other operating revenue, net	-	309,786	-	309,786
Total operating revenue	-	7,481,818	-	7,481,818
Expenses				
Salaries and wages	-	5,253,086	-	5,253,086
Employee benefits	-	1,558,021	-	1,558,021
Supplies and other expenses	-	3,296,450	-	3,296,450
Depreciation	-	88,602	-	88,602
Provision for bad debts	-	250,722	-	250,722
Total operating expenses	-	10,446,881	-	10,446,881
(Loss) from operations	-	(2,965,063)	-	(2,965,063)
Nonoperating expense	(2,965,063)	-	2,965,063	-
Net (loss)	$ (2,965,063)	$ (2,965,063)	$ 2,965,063	$ (2,965,063)

Ottawa Regional Healthcare
Affiliates, Inc.

Consolidating Statement of Operations
Year Ended April 30, 2011

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Revenue				
Net patient service revenue	$ -	$ 5,896,579	$ -	$ 5,896,579
Other operating revenue, net	-	127,931	-	127,931
Total operating revenue	-	6,024,510	-	6,024,510
Expenses				
Salaries and wages	-	4,863,341	-	4,863,341
Employee benefits	-	1,549,680	-	1,549,680
Supplies and other expenses	-	2,304,160	-	2,304,160
Depreciation	-	177,888	-	177,888
Provision for bad debts	-	324,384	-	324,384
Total operating expenses	-	9,219,453	-	9,219,453
(Loss) from operations	-	(3,194,943)	-	(3,194,943)
Nonoperating expense	(3,194,943)	-	3,194,943	-
Net (loss)	$ (3,194,943)	$ (3,194,943)	$ 3,194,943	$ (3,194,943)

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Balance Sheet
April 30, 2012

Assets	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Current Assets			
Cash and cash equivalents	$ 2,767,840	$ 328,663	$ 354,666
Certificates of deposit	-	-	-
Receivables, net	13,123,099	944,436	245,064
Supplies and materials	1,629,513	186,190	-
Prepaid expenses			
Medicaid assessment program	284,113	-	-
Other	736,467	73,778	5,706
Total current assets	18,541,032	1,533,067	605,436
Assets Limited as to Use	30,622,513	-	-
Property and Equipment			
Land and improvements	4,149,486	-	-
Building and improvements	71,980,133	1,462	25,797
Furniture, fixtures and equipment	34,804,644	746,609	2,441,600
Construction in process	5,735,261	-	-
	116,669,524	748,071	2,467,397
Less accumulated depreciation	62,766,187	294,015	1,398,868
	53,903,337	454,056	1,068,529
Investments, primarily investment in associated company	3,756,868	-	-
Other Assets, primarily debt issuance costs, net and physician advances	791,041	864,613	-
Total assets	$ 107,614,791	$ 2,851,736	$ 1,673,965

Eliminations	Subtotal	Ottawa Regional Hospital Auxiliary	Ottawa Regional Hospital Foundation	Eliminations	Consolidated
$ -	$ 3,451,169	$ 62,139	$ 4,603	$ -	$ 3,517,911
-	-	-	155,776	-	155,776
(42,103)	14,270,496	4,049	-	(17,948)	14,256,597
-	1,815,703	77,194	-	-	1,892,897
-	284,113	-	-	-	284,113
-	815,951	152	-	-	816,103
(42,103)	20,637,432	143,534	160,379	(17,948)	20,923,397
-	30,622,513	12,983	4,825	-	30,640,321
-	4,149,486	-	-	-	4,149,486
-	72,007,392	-	-	-	72,007,392
-	37,992,853	47,773	-	-	38,040,626
-	5,735,261	-	-	-	5,735,261
-	119,884,992	47,773	-	-	119,932,765
-	64,459,070	46,528	-	-	64,505,598
-	55,425,922	1,245	-	-	55,427,167
(2,158,040)	1,598,828	-	28,585	-	1,627,413
-	1,655,654	-	-	-	1,655,654
$ (2,200,143)	$ 109,940,349	$ 157,762	$ 193,789	$ (17,948)	$ 110,273,952

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Balance Sheet
April 30, 2012

Liabilities and Net Assets	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Current Liabilities			
Current maturities of long-term debt	$ 690,000	$ -	$ -
Accounts payable	3,048,002	197,442	9,865
Accrued salaries, wages and payroll taxes	1,470,955	343,470	42,103
Accrued earned time	3,089,218	215,019	-
Deferred revenue, primarily Medicaid assessment program	495,734	-	-
Estimated third-party payor settlements	2,681,172	-	-
Other accrued expenses	1,840,645	202,436	107,692
Total current liabilities	13,315,726	958,367	159,660
Long-Term Debt, net of current maturities	11,629,976	-	-
Other Accrued Expenses	413,932	598,483	-
Estimated Self-Insurance Costs	551,000	-	-
Total liabilities	25,910,634	1,556,850	159,660
Net Assets and Equity			
Common stock	-	100	-
Additional paid-in capital	-	7,841,214	-
Retained earnings (deficit)	-	(6,546,428)	-
Unrestricted net assets	81,694,275	-	863,154
Noncontrolling interest - unrestricted	-	-	651,151
Temporarily restricted net assets	9,882	-	-
Permanently restricted net assets	-	-	-
Total net assets	81,704,157	1,294,886	1,514,305
Total liabilities and net assets	$ 107,614,791	$ 2,851,736	$ 1,673,965

Eliminations	Subtotal			Eliminations	Consolidated
$ -	$ 690,000	$ -	$ -	$ -	$ 690,000
-	3,255,309	7,588	-	-	3,262,897
(42,103)	1,814,425	17,948	-	(17,948)	1,814,425
-	3,304,237	-	-	-	3,304,237
-	495,734	-	-	-	495,734
-	2,681,172	-	-	-	2,681,172
-	2,150,773	8,005	-	-	2,158,778
(42,103)	14,391,650	33,541	-	(17,948)	14,407,243
-	11,629,976	-	-	-	11,629,976
-	1,012,415	-	-	-	1,012,415
-	551,000	-	-	-	551,000
(42,103)	27,585,041	33,541	-	(17,948)	27,600,634
(100)	-	-	-	-	-
(7,841,214)	-	-	-	-	-
6,546,428	-	-	-	-	-
(863,154)	81,694,275	111,238	188,964	-	81,994,477
-	651,151	-	-	-	651,151
-	9,882	12,983	100	-	22,965
-	-	-	4,725	-	4,725
(2,158,040)	82,355,308	124,221	193,789	-	82,673,318
$ (2,200,143)	$ 109,940,349	$ 157,762	$ 193,789	$ (17,948)	$ 110,273,952

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Balance Sheet
April 30, 2011

Assets			
Current Assets			
Cash and cash equivalents	$ 1,059,606	$ 5,926	$ 477,106
Certificates of deposit	-	-	-
Receivables, net	8,313,009	840,988	111,503
Supplies and materials	1,658,739	141,467	-
Prepaid expenses			
Medicaid assessment program	284,113	-	-
Other	752,296	67,697	10,731
Total current assets	12,067,763	1,056,078	599,340
Assets Limited as to Use	40,962,045	-	-
Property and Equipment			
Land and improvements	3,829,891	-	-
Building and improvements	68,021,150	1,462	25,797
Furniture, fixtures and equipment	33,317,796	638,869	2,429,583
Construction in process	6,419,598	-	-
	111,588,435	640,331	2,455,380
Less accumulated depreciation	56,621,398	207,863	1,024,583
	54,967,037	432,468	1,430,797
Investments, primarily investment in associated company	3,617,499	-	-
Other Assets, primarily debt issuance costs, net and physician advances	1,206,177	643,236	-
Total assets	$ 112,820,521	$ 2,131,782	$ 2,030,137

Eliminations	Subtotal			Eliminations	Consolidated
$ -	$ 1,542,638	$ 83,355	$ 24,914	$ -	$ 1,650,907
-	-	4,191	160,372	-	164,563
(37,750)	9,227,750	3,579	-	(17,548)	9,213,781
-	1,800,206	70,165	-	-	1,870,371
-	284,113	-	-	-	284,113
-	830,724	148	-	-	830,872
(37,750)	13,685,431	161,438	185,286	(17,548)	14,014,607
-	40,962,045	1,250	17,018	-	40,980,313
-	3,829,891	-	-	-	3,829,891
-	68,048,409	-	-	-	68,048,409
-	36,386,248	46,389	-	-	36,432,637
-	6,419,598	-	-	-	6,419,598
-	114,684,146	46,389	-	-	114,730,535
-	57,853,844	45,112	-	-	57,898,956
-	56,830,302	1,277	-	-	56,831,579
(1,929,307)	1,688,192	-	59,945	-	1,748,137
-	1,849,413	-	-	-	1,849,413
$ (1,967,057)	$ 115,015,383	$ 163,965	$ 262,249	$ (17,548)	$ 115,424,049

Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidating Balance Sheet
April 30, 2011

Liabilities and Net Assets			
Current Liabilities			
Current maturities of long-term debt	$ 660,000	$ -	$ -
Accounts payable	2,894,623	254,760	28,996
Accrued salaries, wages and payroll taxes	1,275,036	316,130	39,792
Accrued earned time	2,853,895	189,195	-
Deferred revenue, primarily Medicaid assessment program	561,969	-	-
Estimated third-party payor settlements	2,069,584	-	-
Other accrued expenses	1,661,678	222,296	98,137
Total current liabilities	11,976,785	982,381	166,925
Long-Term Debt, net of current maturities	12,324,302	-	-
Other Accrued Expenses	425,918	282,125	-
Estimated Self-Insurance Costs	1,251,000	-	-
Total liabilities	25,978,005	1,264,506	166,925
Net Assets and Equity			
Common stock	-	100	-
Additional paid-in capital	-	4,448,541	-
Retained earnings (deficit)	-	(3,581,365)	-
Unrestricted net assets	86,832,668	-	1,062,031
Noncontrolling interest - unrestricted	-	-	801,181
Temporarily restricted net assets	9,848	-	-
Permanently restricted net assets	-	-	-
Total net assets	86,842,516	867,276	1,863,212
Total liabilities and net assets	$ 112,820,521	$ 2,131,782	$ 2,030,137

Eliminations	Subtotal			Eliminations	Consolidated
$ -	$ 660,000	$ -	$ -	$ -	$ 660,000
(1,191)	3,177,188	8,190	-	-	3,185,378
(36,559)	1,594,399	17,548	-	(17,548)	1,594,399
-	3,043,090	-	-	-	3,043,090
-	561,969	-	-	-	561,969
-	2,069,584	-	-	-	2,069,584
-	1,982,111	9,057	-	-	1,991,168
(37,750)	13,088,341	34,795	-	(17,548)	13,105,588
-	12,324,302	-	-	-	12,324,302
-	708,043	-	-	-	708,043
-	1,251,000	-	-	-	1,251,000
(37,750)	27,371,686	34,795	-	(17,548)	27,388,933
(100)	-	-	-	-	-
(4,448,541)	-	-	-	-	-
3,581,365	-	-	-	-	-
(1,062,031)	86,832,668	127,920	245,231	-	87,205,819
-	801,181	-	-	-	801,181
-	9,848	1,250	12,293	-	23,391
-	-	-	4,725	-	4,725
(1,929,307)	87,643,697	129,170	262,249	-	88,035,116
$ (1,967,057)	$ 115,015,383	$ 163,965	$ 262,249	$ (17,548)	$ 115,424,049

Ottawa Regional Healthcare
Affiliates, Inc.

Consolidating Balance Sheet
April 30, 2012

Assets				
Current Assets				
Cash and cash equivalents	$ -	$ 328,663	$ -	$ 328,663
Receivables, net	-	944,436	-	944,436
Supplies and materials	-	186,190	-	186,190
Other, primarily prepaid expenses	-	73,778	-	73,778
Total current assets	-	1,533,067	-	1,533,067
Property and Equipment				
Building and improvements	-	1,462	-	1,462
Furniture, fixtures and equipment	-	746,609	-	746,609
	-	748,071	-	748,071
Less accumulated depreciation	-	294,015	-	294,015
	-	454,056	-	454,056
Investment in Subsidiary	1,294,886	-	(1,294,886)	-
Other Assets, primarily noncompete covenant, net and physician advances	-	864,613	-	864,613
Total assets	$ 1,294,886	$ 2,851,736	$ (1,294,886)	$ 2,851,736

Liabilities and Stockholder's Equity				
Current Liabilities				
Accounts payable	$ -	$ 197,442	$ -	$ 197,442
Accrued salaries, wages and payroll taxes	-	343,470	-	343,470
Accrued earned time	-	215,019	-	215,019
Other accrued expenses	-	202,436	-	202,436
Total current liabilities	-	958,367	-	958,367
Other Accrued Expenses	-	598,483	-	598,483
Total liabilities	-	1,556,850	-	1,556,850
Stockholder's Equity				
Common stock, $1 par value, authorized 1000 shares, issued 100 shares	100	100	(100)	100
Additional paid-in capital	7,841,214	7,841,214	(7,841,214)	7,841,214
Retained earnings (deficit)	(6,546,428)	(6,546,428)	6,546,428	(6,546,428)
Total stockholder's equity	1,294,886	1,294,886	(1,294,886)	1,294,886
Total liabilities and stockholder's equity	$ 1,294,886	$ 2,851,736	$ (1,294,886)	$ 2,851,736

Ottawa Regional Healthcare
Affiliates, Inc.

Consolidating Balance Sheet
April 30, 2011

Assets				
Current Assets				
Cash and cash equivalents	$ -	$ 5,926	$ -	$ 5,926
Receivables, net	-	840,988	-	840,988
Supplies and materials	-	141,467	-	141,467
Other, primarily prepaid expenses	-	67,697	-	67,697
Total current assets	-	1,056,078	-	1,056,078
Property and Equipment				
Building and improvements	-	1,462	-	1,462
Furniture, fixtures and equipment	-	638,869	-	638,869
	-	640,331	-	640,331
Less accumulated depreciation	-	207,863	-	207,863
	-	432,468	-	432,468
Investment in Subsidiary	867,276	-	(867,276)	-
Other Assets, primarily noncompete covenant, net and physician advances	-	643,236	-	643,236
Total assets	$ 867,276	$ 2,131,782	$ (867,276)	$ 2,131,782

Liabilities and Stockholder's Equity				
Current Liabilities				
Accounts payable	$ -	$ 254,760	$ -	$ 254,760
Accrued salaries, wages and payroll taxes	-	316,130	-	316,130
Accrued earned time	-	189,195	-	189,195
Other accrued expenses	-	222,296	-	222,296
Total current liabilities	-	982,381	-	982,381
Other Accrued Expenses	-	282,125	-	282,125
Total liabilities	-	1,264,506	-	1,264,506
Stockholder's Equity				
Common stock, $1 par value, authorized 1000 shares, issued 100 shares	100	100	(100)	100
Additional paid-in capital	4,448,541	4,448,541	(4,448,541)	4,448,541
Retained earnings (deficit)	(3,581,365)	(3,581,365)	3,581,365	(3,581,365)
Total stockholder's equity	867,276	867,276	(867,276)	867,276
Total liabilities and stockholder's equity	$ 867,276	$ 2,131,782	$ (867,276)	$ 2,131,782

Ottawa Regional Hospital & Healthcare Center and Affiliates

Patient and Financial Statistics (Hospital Only)

Revenue and Expenses Statistics	Year Ended April 30, 2012	2011
Net patient service revenue	**$ 70,660,881**	$ 68,926,629
Other operating revenue	**2,204,210**	1,582,647
Net assets released from restriction, used for operations	**-**	152
	$ 72,865,091	$ 70,509,428
Patient days (unaudited)		
Acute care days	**8,469**	7,981
Mental health days	**4,893**	4,845
Nursery days	**968**	945
Total patient days	**14,330**	13,771
Adjusted patient days (unaudited) (1)	**39,717**	39,212
Net operating revenue per adjusted patient day (unaudited)	**$ 1,834.61**	$ 1,798 16
Percentage increase (decrease)	**2.0%**	(5 1)%
Operating expenses	**$ 75,473,509**	$ 74,009,669
Operating expenses per adjusted patient day (unaudited)	**1,900.28**	1,887 42
Percentage increase (decrease)	**0.7%**	(4 2)%
% of salaries, wages and employee benefits to total operating expenses	**54.6%**	55 1%
Income (loss) from operations	**$ (2,608,418)**	$ (3,500,241)
Excess (deficiency) of revenue over expenses	**(5,138,393)**	(1,590,741)
Increase (decrease) in net assets	**(5,138,359)**	(1,580,893)

Balance Sheet Statistics	April 30, 2012	2011
Total current assets	**$ 18,541,032**	$ 12,067,763
Total current liabilities	**13,315,726**	11,976,785
Working capital	**$ 5,225,306**	$ 90,978
Ratio of current assets to current liabilities	**1.39 to 1**	1 01 to 1
Average number of days revenue in patient receivables (2)	**56 days**	43 days

(1) Total patient days (less nursery days) divided by the percentage of inpatient revenue to total patient revenue

(2) Computed based on patient accounts receivable after adjustments for unapplied third-party payments, estimated third-party contractual adjustments and the allowance for doubtful accounts excluding Medicaid assessment

	Year Ended April 30,				
	2010	2009	2008	2007	2006
$	68,507,763	$ 71,800,158	$ 70,441,122	$ 66,931,546	$ 55,784,716
	1,233,872	1,136,621	1,184,151	1,004,677	907,616
	-	-	-	-	-
$	69,741,635	$ 72,936,779	$ 71,625,273	$ 67,936,223	$ 56,692,332
	8,770	9,585	10,179	9,808	9,958
	4,309	5,257	5,659	5,044	3,676
	942	1,012	930	700	791
	14,021	15,854	16,768	15,552	14,425
	36,818	39,493	40,820	38,278	33,499
$	1,894 23	$ 1,846 83	$ 1,754 66	$ 1,774 82	$ 1,692 36
	2 6%	5 3%	(1 1)%	4 9%	5 2%
$	72,550,727	$ 74,431,671	$ 69,759,579	$ 65,921,054	$ 56,620,040
	1,970 52	1,884 68	1,708 96	1,722 17	1,690 20
	4 6%	10 3%	(0 8)%	1 9%	7 0%
	57 6%	55 2%	53 1%	52 7%	56 0%
$	(2,809,092)	$ (1,494,892)	$ 1,865,694	$ 2,015,169	$ 72,292
	5,941,422	(4,450,953)	5,673,378	4,459,614	2,471,367
	6,805,422	(11,154,576)	3,926,861	7,322,280	7,310,687

	April 30,				
	2010	2009	2008	2007	2006
$	13,425,645	$ 15,099,723	$ 21,152,912	$ 21,526,340	$ 16,961,426
	9,081,930	8,788,922	10,018,441	8,220,317	6,254,820
$	4,343,715	$ 6,310,801	$ 11,134,471	$ 13,306,023	$ 10,706,606
	1 48 to 1	1 72 to 1	2 11 to 1	2 62 to 1	2 71 to 1
	50 days	49 days	62 days	54 days	65 days

Ottawa Regional Hospital & Healthcare Center and Affiliates

Financial Ratios
(Hospital Only)

	April 30,			
	2012	2011	2010	2009
I Profitability Ratios				
Operating margin	**(3.6)%**	(5 0)%	(4 0)%	(2 0)%
Total margin	**(1.8)**	(5 7)	(2 0)	(6 4)
Return on net assets	**(1.2)**	(3 6)	(1 7)	(5 5)
II Liquidity Ratios				
Current ratio	**1.39 to 1**	1 01 to 1	1 48 to 1	1 72 to 1
Number of days of patient service revenue in patient accounts receivable	**55.9 days**	43 2 days	49 9 days	48 9 days
Days cash on hand	**14.7 days**	5 8 days	8 7 days	18 0 days
Average payment period	**70.8 days**	64 7 days	49 8 days	46 4 days
III Capital Structure Ratios				
Long-term debt to capitalization	**12.5%**	12 4%	12 8%	14 4%
Debt service coverage	**4.87 to 1**	2 32 to 1	3 56 to 1	1 26 to 1
Cash flow to total debt	**21.5%**	9 0%	18 3%	3 6%
IV Other Ratios				
Average age of plant	**9.18 years**	8 86 years	8 56 years	8 57 years
Contractual allowance percent	**60.7%**	60 3%	58 4%	53 1%

Ottawa Regional Hospital & Healthcare Center and Affiliates

Statement of Operations Information (Hospital Only)

Patient Service Revenue	**2012**	2011
	Total	
Routine care services		
Medical-surgical	**$ 10,071,137**	$ 10,455,239
Psychiatric care unit	**11,113,505**	10,878,685
Intensive care unit	**2,044,528**	1,719,574
Obstetrical	**2,741,361**	2,504,882
Nursery	**727,936**	676,620
	26,698,467	26,235,000
Other nursing services		
Surgical services	**25,096,113**	24,993,861
Central services and supply	**1,789,484**	1,687,758
Intravenous therapy	**2,435,809**	2,212,476
Emergency service	**14,679,653**	13,165,343
Delivery and labor room	**1,267,816**	1,364,396
Outpatient services	**13,657,978**	11,523,980
Home health	**4,342,564**	4,586,678
	63,269,417	59,534,492
Other professional services		
Laboratory	**22,026,353**	21,169,754
Pharmacy	**8,421,155**	7,900,970
Radiology	**41,142,704**	40,300,212
Respiratory therapy	**7,185,279**	6,897,285
Physician professional services	**10,982,211**	10,658,025
Physical, occupational and activity therapy	**7,691,524**	7,131,809
	97,449,226	94,058,055
	187,417,110	179,827,547
Less charity care	**(7,831,733)**	(6,154,272)
	$ 179,585,377	$ 173,673,275

Year Ended April 30,			
2012	2011	**2012**	2011
Inpatient		Outpatient	
$ 6,647,539	$ 6,109,283	**$ 3,423,598**	$ 4,345,956
7,647,759	7,207,872	**3,465,746**	3,670,813
2,035,752	1,711,056	**8,776**	8,518
1,962,240	1,718,424	**779,121**	786,458
727,936	676,620	**-**	-
19,021,226	17,423,255	**7,677,241**	8,811,745
6,306,749	6,590,431	**18,789,364**	18,403,430
1,128,377	1,055,731	**661,107**	632,027
1,732,424	1,522,120	**703,385**	690,356
3,584,551	3,555,464	**11,095,102**	9,609,879
946,210	1,016,114	**321,606**	348,282
2,324,221	1,678,724	**11,333,757**	9,845,256
-	-	**4,342,564**	4,586,678
16,022,532	15,418,584	**47,246,885**	44,115,908
8,201,481	7,616,404	**13,824,872**	13,553,350
4,780,618	4,478,968	**3,640,537**	3,422,002
5,673,208	5,661,332	**35,469,496**	34,638,880
5,664,098	4,964,607	**1,521,181**	1,932,678
2,846,675	2,540,777	**8,135,536**	8,117,248
843,395	716,332	**6,848,129**	6,415,477
28,009,475	25,978,420	**69,439,751**	68,079,635
$ 63,053,233	$ 58,820,259	**$ 124,363,877**	$ 121,007,288

Ottawa Regional Hospital & Healthcare Center and Affiliates

Statement of Operations Information (Hospital Only)

Discounts, Allowances and Contractual Adjustments	Year Ended April 30, **2012**	2011
Contractual adjustments		
Medicare	**$ 57,510,029**	$ 53,269,925
Medicaid	**25,149,384**	25,900,382
Other	**25,697,051**	24,872,310
	108,356,464	104,042,617
Administrative adjustments, discounts and other	**568,032**	704,029
	$ 108,924,496	$ 104,746,646

Other Operating Revenue (Expense)		
Cafeteria sales	**$ 422,366**	$ 405,498
Medical records	**1,820**	2,837
Pharmacy sales to employees	**11,503**	12,213
Commissions	**-**	674
Self-insurance trust realized investment income	**152,238**	188,990
Rental income	**815,459**	681,312
Bioterrorism grant	**31,815**	27,460
Private service grants	**-**	3,222
Other grants	**464,470**	25,000
Community classes	**38,275**	52,944
Miscellaneous	**266,264**	182,497
	$ 2,204,210	$ 1,582,647

Ottawa Regional Hospital & Healthcare Center and Affiliates

Statement of Operations Information (Hospital Only)

Operating Expenses, Summary by Departments	Year Ended April 30, 2012 Total	Salaries and Wages	Supplies and Other Expenses
Administrative and general services			
Administration	$ 3,646,006	$ 805,925	$ 2,840,081
Fiscal services	4,209,378	1,923,071	2,286,307
Plant operation and maintenance	2,432,756	790,254	1,642,502
Housekeeping	1,407,830	765,578	642,252
Laundry and linen	329,767	35,389	294,378
Dietary	2,203,891	876,146	1,327,745
Nursing service administration	1,472,081	1,075,900	396,181
Medical records	1,396,735	727,891	668,844
Social and community service	966,851	390,086	576,765
General and administrative	1,231,595	545,766	685,829
	19,296,890	7,936,006	11,360,884
Routine care services			
Medical-surgical	3,253,356	2,117,406	1,135,950
Psychiatric care unit	4,845,110	3,481,091	1,364,019
Intensive care unit	999,258	699,622	299,636
Obstetrical	1,596,221	1,039,115	557,106
Nursery	92,321	49,881	42,440
	10,786,266	7,387,115	3,399,151
Other nursing services			
Surgical services	5,437,426	1,471,648	3,965,778
Central services and supply	736,575	209,002	527,573
Intravenous therapy	563,374	369,839	193,535
Emergency services	2,742,241	1,281,887	1,460,354
Outpatient services	2,299,023	1,096,430	1,202,593
Home health	2,458,253	1,557,986	900,267
	$ 14,236,892	$ 5,986,792	$ 8,250,100

Year Ended April 30, 2011		
Total	Salaries and Wages	Supplies and Other Expenses
$ 3,064,842	$ 732,432	$ 2,332,410
4,306,960	1,913,766	2,393,194
2,376,146	818,855	1,557,291
1,314,038	726,449	587,589
291,473	38,716	252,757
2,016,041	790,261	1,225,780
1,423,650	1,046,582	377,068
1,368,434	712,780	655,654
984,673	390,396	594,277
1,240,138	636,327	603,811
18,386,395	7,806,564	10,579,831
3,206,925	2,114,033	1,092,892
5,268,274	3,825,191	1,443,083
990,382	708,242	282,140
1,450,533	950,506	500,027
184,916	121,329	63,587
11,101,030	7,719,301	3,381,729
5,736,141	1,570,025	4,166,116
718,435	198,088	520,347
540,937	355,913	185,024
3,036,038	1,371,540	1,664,498
2,047,965	1,043,953	1,004,012
2,767,914	1,675,428	1,092,486
$ 14,847,430	$ 6,214,947	$ 8,632,483

(Continued)

Ottawa Regional Hospital & Healthcare Center and Affiliates

Statement of Operations Information (Hospital Only)

Operating Expenses, Summary by Departments (Continued)	Year Ended April 30, 2012 Total	Salaries and Wages	Supplies and Other Expenses
Other professional services			
Laboratory	$ 3,052,875	$ 877,323	$ 2,175,552
Pharmacy	2,754,601	800,318	1,954,283
Radiology	5,140,117	2,589,659	2,550,458
Respiratory therapy	920,005	543,759	376,246
Physician professional services	2,603,264	2,043,930	559,334
Physical, occupational and activity therapy	2,881,340	1,560,866	1,320,474
Bioterrorism	31,815	-	31,815
Quality assurance	962,684	584,656	378,028
Medicaid Hospital Assessment	1,704,674	-	1,704,674
	20,051,375	9,000,511	11,050,864
	64,371,423	$ 30,310,424	$ 34,060,999
Depreciation and amortization	6,862,957		
Interest	358,995		
Provision for bad debts	3,880,134		
	$ 75,473,509		

	Year Ended April 30, 2011		
	Total	Salaries and Wages	Supplies and Other Expenses
$	2,942,309	$ 877,249	$ 2,065,060
	2,607,687	751,513	1,856,174
	5,073,241	2,516,936	2,556,305
	942,981	568,404	374,577
	2,730,159	1,307,854	1,422,305
	2,743,011	1,633,631	1,109,380
	27,460	-	27,460
	813,747	537,221	276,526
	1,704,677	-	1,704,677
	19,585,272	8,192,808	11,392,464
	63,920,127	$ 29,933,620	$ 33,986,507
	6,421,883		
	318,423		
	3,349,236		
$	74,009,669		

Ottawa Regional Hospital & Healthcare Center and Affiliates

Balance Sheet Information
(Hospital Only)

Cash and Cash Equivalents	April 30, 2012	2011
Cash on hand	**$ 2,800**	$ 2,700
Operating and payroll checking accounts	**2,683,982**	1,005,635
Money market checking accounts	**81,058**	51,271
	$ 2,767,840	$ 1,059,606

Patient Receivables	April 30, 2012 Amount	2012 Percent	2011 Amount	2011 Percent
In-house and discharged				
0-30 days	**$ 10,840,035**	**39.38%**	$ 9,905,642	48 18%
Discharged				
31-60 days	**2,844,577**	**10.34**	1,843,841	8 97
61-90 days	**2,821,568**	**10.25**	1,492,402	7 26
Over 91 days	**11,017,891**	**40.03**	7,317,993	35 59
	27,524,071	**100.00%**	20,559,878	100 00%
Less estimated third-party contractual adjustments	**10,150,118**		7,853,606	
	17,373,953		12,706,272	
Less allowance for doubtful accounts*	**5,547,000**		4,745,000	
	$ 11,826,953		$ 7,961,272	

* Analysis of allowance for doubtful accounts	Year Ended April 30, 2012	2011
Balance, beginning	**$ 4,745,000**	$ 4,755,000
Addition to allowance for the year	**4,365,292**	3,749,590
Recoveries of accounts previously written off, net of collection costs	**(341,952)**	(313,398)
	8,768,340	8,191,192
Accounts written off during the year	**(3,221,340)**	(3,446,192)
Balance, ending	**$ 5,547,000**	$ 4,745,000

Ottawa Regional Hospital & Healthcare Center and Affiliates

Balance Sheet Information
(Hospital Only)

	April 30,	
Supplies and Materials	**2012**	2011
Central supplies	**$ 132,163**	$ 144,557
Dietary	**18,585**	31,160
Pharmacy	**344,679**	355,017
Operating room	**1,134,086**	1,128,005
	$ 1,629,513	$ 1,658,739

	Assets				
Property and Equipment	Balance April 30, 2011	Acquisitions	Transfers	Retirements	**Balance April 30, 2012**
Land and improvements	$ 3,829,891	$ 107,806	$ 211,789	$ -	**$ 4,149,486**
Building and improvements	68,021,150	71,312	3,887,671	-	**71,980,133**
Furniture, fixtures and equipment	33,317,796	937,148	1,297,034	(747,334)	**34,804,644**
Construction in progress	6,419,598	4,798,500	(5,396,494)	(86,343)	**5,735,261**
	$111,588,435	$ 5,914,766	$ -	$ (833,677)	**$ 116,669,524**

Estimated Life In Years	Accumulated Depreciation: Balance April 30, 2011	Depreciation	Eliminations	**Balance April 30, 2012**	**Depreciated Cost April 30, 2012**
25	$ 2,119,825	$ 111,010	$ -	**$ 2,230,835**	**$ 1,918,651**
10 - 40	32,539,142	3,398,426	-	**35,937,568**	**36,042,565**
3 - 20	21,962,431	3,327,265	(691,912)	**24,597,784**	**10,206,860**
	-	-	-	**-**	**5,735,261**
	$ 56,621,398	$ 6,836,701	$ (691,912)	**$ 62,766,187**	**$ 53,903,337**

Ottawa Regional Hospital & Healthcare Center and Affiliates

Community Benefits (Unaudited)
Year Ended April 30, 2012

Ottawa Regional Hospital & Healthcare Center and affiliates (ORHHC) provided approximately $16 million in community benefits during the year ended April 30, 2012 Responding to the needs of special populations, such as the elderly, people living in poverty, and those with chronic mental illness, requires a significant and ongoing effort on the part of ORHHC, including staff and volunteers, many of whom donate countless hours of their own personal time to help make a positive difference in the community

The Hospital's contributions during the year ended April 30, 2012 included charity care, the underpayment for Medicaid patients, the unpaid debt of patients, the cost of subsidizing medical services that bring a financial loss, the cost of training the next generation of doctors, nurses, and other highly-skilled health care professionals, to include scholarships to graduating high school seniors pursuing careers in health care, providing free language assistance, donations of meeting space and volunteer time, and other free programs addressing community health needs

ORHHC is committed to meeting the needs of every person in the communities it serves, regardless of whether or not they can pay A $9 4 million shortfall in the cost of treating patients from Medicaid and other government-sponsored programs accounted for more than half of the Hospital's community benefits ORHHC has seen an increase in charity care over the past few years During the year ended April 30, 2012, ORHHC provided over $7 8 million in free care to the community

A freestanding facility, the Health Center of Eastern LaSalle County (Health Center), provides free health care services to individuals and families who do not have access to health insurance, do not qualify for state or federal programs, and do not have the financial resources to secure the health care they need Nine of ORHHC's physicians volunteer their services to provide primary health care, and the Health Center does not receive any federal or state funds Ancillary services, such as lab and x-ray, that are unavailable at the Health Center, are provided by the Hospital at no charge

ORHHC has the only hospital providing mental health services between Naperville, Joliet, Peoria and the Quad Cities Although several local and regional hospitals ceased to provide behavioral health care due to a lack of profitability, ORHHC expanded its programs and services to meet community needs While the program continues to operate at a loss (over $5 million in fiscal year 2012), ORHHC remains committed to providing this vital service

Being able to provide meeting room space for community programs and events such as blood drives, health fairs, and Children's Hospital (a program for area first-grade students), has long been a source of pride at ORHHC The Hospital regularly provides educational and informational programs and makes presentations to community groups and clubs, service organizations, businesses, industries, churches, schools, and the general public on topics such as disease prevention, mental health, nutrition, personal effectiveness, physical fitness and safety ORHHC also offers free transportation services for patients through its Care-a-Van program, providing in excess of 5,000 rides last year

Last year, over 9,500 community members participated in support groups and classes offered by ORHHC ORHHC's support groups included adult grief support, Alzheimer's caregivers, bereavement, breast cancer, caregiver, COPD, CPAP, diabetes, early stage dementia, and healthy lifestyles Among the Hospital's many community education classes were cesarean section, childbirth preparation, CPR, diabetes, first aid, focus based exercise, and healthy eating

Each year, the Ottawa Regional Hospital Foundation (Foundation), comprised entirely of volunteers, plays a leading role in the well-being of the communities it serves by financially supporting the Health Center of Eastern LaSalle County The Foundation also awards scholarships to graduating seniors from area high schools who are pursuing careers in the healthcare industry The Ottawa Regional Hospital Auxiliary also plays a leading role in the well-being of the communities it serves by financially supporting the Family Room program, which allows parents receiving government assistance to earn points for good parenting skills Points can then be exchanged for infant and household supplies

ORHHC has provided exceptional health care to the communities it serves for more than 100 years, and has the distinct honor of being fully accredited by the Joint Commission But it's the care ORHHC and its employees provide that goes beyond the walls of ORHHC's buildings – caring for children in need, caring for those who lack food, homes, insurance, and transportation, and caring for the young people who represent our society's future – that makes our communities great places to live, work, learn and grow ORHHC employees and volunteers take pride in donating their time and resources in activities such as the Thanksgiving turkey drive, Freezin' for a Reason food drive, Labor of Love program, Care-a-Van program and serving on numerous community and not-for-profit boards

Additional Data

Software ID:
Software Version:
EIN: 36-2604009
Name: OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Form 990, Special Condition Description:

Special Condition Description

Additional Data

Software ID:
Software Version:
EIN: 36-2604009
Name: OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

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

(a) Description	**(b)** Book value
SELF INSURANCE TRUST	3,733,376
LOAN ORIGINATION COST	455,041
DEBT SERVICE RESERVE FUND	1,293,134
BOND INTEREST FUND	176
457B FUNDS	490,586
RADIATION ONCOLOGY JOINT VENTURE	863,154
FOX RIVER CANCER CENTER JOINT VENTURE	1,598,828
PHYSICIAN LOANS	336,000
OTTAWA REGIONAL HEALTHCARE AFFILIATES	1,294,886
CHOICES BLDG FUNDS	20,436
ASSESSMENT	284,113