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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 06-01-2011 and ending 05-31-2012

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

C Name of organization
BRYAN MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1600 SOUTH 48TH STREET

City or town, state or country, and ZIP + 4
LINCOLN, NE 685061299

D Employer identification number
47-0376552

E Telephone number
(402)481-3190

G Gross receipts $ 547,092,705

F Name and address of principal officer
RUSSELL GRONEWOLD
1600 SOUTH 48TH STREET
LINCOLN, NE 685061299

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 BRYANHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1926 | **M** State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE EXCELLENT CARE AND PROMOTE HEALTH WITH A FOCUS ON QUALITY, COLLABORATION AND COMPASSION

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**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,730
6	Total number of volunteers (estimate if necessary)	**6**	631
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,258,271
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	764,566	703,882
9	Program service revenue (Part VIII, line 2g)	452,503,131	471,281,397
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	18,243,908	-16,535
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,467,177	9,731,585
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	478,978,782	481,700,329
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	422,309	196,070
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)	207,842,203	202,762,685
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)	227,730,546	231,385,723
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	435,995,058	434,344,478
19	Revenue less expenses Subtract line 18 from line 12	42,983,724	47,355,851

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	725,252,233	753,899,819
21	Total liabilities (Part X, line 26)	289,808,237	322,775,865
22	Net assets or fund balances Subtract line 21 from line 20	435,443,996	431,123,954

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

****** | 2013-04-10
Signature of officer | Date

RUSSELL GRONEWOLD VP - FINANCE & CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: John Woodhull | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P01305268

Firm's name (or yours if self-employed), address, and ZIP + 4: CROWE HORWATH LLP
70 West Madison Street
Suite 700
Chicago, IL 606024903

EIN ▶

Phone no ▶ (312) 899-7000

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

TO PROVIDE EXCELLENT CARE AND PROMOTE HEALTH WITH A FOCUS ON QUALITY, COLLABORATION AND COMPASSION

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 $ 397,944,794 including grants of $ 196,070) (Revenue $ 470,940,383)

BRYAN MEDICAL CENTER IS A NON-PROFIT, LOCALLY OWNED, ACUTE CARE HOSPITAL, PROVIDING EXEMPLARY COMPREHENSIVE PATIENT CARE SERVICES, MEDICAL EDUCATION, AND COMMUNITY SERVICES TO RESIDENTS OF THE LINCOLN COMMUNITY, STATE OF NEBRASKA, AND OTHER STATES IN THE REGION BRYAN MEDICAL CENTER IS PART OF THE BRYAN HEALTH SYSTEM, ONE OF THE LARGEST NON-PROFIT, LOCALLY OWNED HEALTH CARE ORGANIZATIONS IN THE REGION WITH OVER 4,000 EMPLOYEES BRYAN MEDICAL CENTER IS THE LARGEST HOSPITAL IN LINCOLN, LICENSED FOR 664 BEDS AT TWO SEPARATE LOCATIONS PREMIER SERVICES INCLUDE CARDIOLOGY, ORTHOPEDICS, TRAUMA, NEUROSCIENCE, MENTAL HEALTH, WOMEN'S HEALTH AND CHILDREN'S HEALTH AND ONCOLOGY BRYAN MEDICAL CENTER IS THE COMMUNITY'S ONLY PROVIDER OF INPATIENT MENTAL HEALTH SERVICES AND HAS HELPED THOUSANDS OF INDIVIDUALS OVER THE YEARS THROUGH THE BRYAN INDEPENDENCE CENTER RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM DURING THE FISCAL YEAR ENDED MAY 31, 2012, BRYAN MEDICAL CENTER ADMITTED 21,854 INPATIENTS, DELIVERED 2,553 BABIES, AND HAD 68,352 EMERGENCY ROOM VISITS BRYAN MEDICAL CENTER IS COMMITTED TO PROVIDING HEALTH CARE SERVICES FOR THOSE IN NEED REGARDLESS OF THEIR ABILITY TO PAY IN FISCAL YEAR 2012, BRYAN MEDICAL CENTER PROVIDED LIFE-SAVING PROCEDURES AND MEDICATIONS FOR OVER 8,350 INDIVIDUALS WHO WERE NOT ELIGIBLE FOR ANY GOVERNMENT OR STATE SUPPORT, AND DID NOT HAVE THE FINANCIAL RESOURCES TO PAY THEIR HEALTH CARE SERVICES UNREIMBURSED COST FOR CHARITY CARE TOTALED $11 3 MILLION BRYAN MEDICAL CENTER ALSO INCURRED $38 4 MILLION IN UNREIMBURSED MEDICARE COSTS, AND $12 5 MILLION IN MEDICAID COSTS AND SUPPORT OF OTHER PUBLIC PROGRAMS BRYAN MEDICAL CENTER PROVIDED $1 9 MILLION IN THE SUPPORT OF HEALTH PROFESSIONALS' EDUCATION, THROUGH RESIDENCY PROGRAMS AND IN SUPPORT OF THE BRYAN COLLEGE OF HEALTH SCIENCES DURING SPRING 2012, THERE WERE 651 STUDENTS ENROLLED IN GRADUATE AND UNDERGRADUATE DEGREE PROGRAMS THROUGH BRYAN'S SCHOOL OF NURSING, HEALTH PROFESSIONS AND NURSE ANESTHESIA PROGRAMS COMMUNITY EDUCATION, SUPPORT PROGRAMS AND SERVICES SUBSIDIZED BY THE MEDICAL CENTER, TOTALED MORE THAN $1 1 MILLION DONATIONS TO OTHER NON-PROFIT ORGANIZATIONS TOTALED MORE THAN $346,000 BRYAN MEDICAL CENTER'S QUANTIFIABLE COMMUNITY BENEFIT FOR FISCAL YEAR 2012 TOTALED MORE THAN $65 5 MILLION DURING 2012, BRYAN MEDICAL CENTER WAS RECOGNIZED FOR ITS DEDICATION TO QUALITY AND OUTSTANDING PATIENT HEART CARE BY BEING NAMED ONE OF THE NATION'S TOP 50 CARDIOVASCULAR HOSPITALS BY TRUVEN HEALTH ANALYTICS IN FEBRUARY 2012, BRYAN MEDICAL CENTER RECEIVED THE STUDER GROUP'S "ORGANIZATION OF THE MONTH" AWARD FOR CREATING A NEW CULTURE OF EXCELLENCE IN EMPLOYEE, PATIENT AND PHYSICIAN SATISFACTION IN ADDITION, BRYAN MEDICAL CENTER WAS RECOGNIZED FOR ITS QUALITY CARE AND EXPERTISE BY NUMEROUS ACCREDITING AGENCIES

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** ▶ $ 397,944,794

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		
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	Yes	
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**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *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**	Yes	
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**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	982		
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**	3,730			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		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 ▶ NE

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 ▶

RUSSELL GRONEWOLD
1600 SOUTH 48TH STREET
LINCOLN, NE 685061299
(402) 481-3190

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) GENE STOHS MD CHAIRPERSON	2 00	X		X				0	0	0
(2) JOHN WOODRICH CHIEF OPERATING OFFICER	69 00	X		X				477,932	0	36,170
(3) KATHY CAMPBELL TREASURER	2 00	X		X				0	0	0
(4) KIMBERLY RUSSEL PRESIDENT & CHIEF EXECUTIVE OFFICER	35 00	X		X				0	977,216	31,394
(5) NICHOLAS CUSICK SECRETARY	2 00	X		X				0	0	0
(6) RICHARD EVNEN VICE CHAIRPERSON	2 00	X		X				0	0	0
(7) ARDEN BEAU REID III TRUSTEE	2 00	X						0	0	0
(8) C REX BEVINS TRUSTEE	2 00	X						0	0	0
(9) CAROLYN CODY MD VP MEDICAL AFFAIRS	24 00	X						232,949	0	21,990
(10) EDWARD MLINEK MD TRUSTEE	2 00	X						1,833	0	0
(11) GENE BRAKE TRUSTEE	2 00	X						0	0	0
(12) JAMES GRIESEN PHD TRUSTEE	2 00	X						0	0	0
(13) JOHN DECKER TRUSTEE	2 00	X						0	0	0
(14) JOHN DITTMAN TRUSTEE	2 00	X						0	0	0
(15) KEVIN MOTA MD TRUSTEE	2 00	X						0	0	10,294
(16) MARTIN MASSENGALE TRUSTEE	2 00	X						0	0	0
(17) RON HARRIS TRUSTEE	2 00	X						0	0	0

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) RUSSELL GRONEWOLD VP FINANCE & CHIEF FINANCIAL OFFICER	28 00			X				0	447,958	36,996
(19) DAVID REESE VP - CLINICAL & SUPPORT SERVICES	60 00				X			203,834	0	36,917
(20) ELIZABETH MACLEOD WALLS PHD PRESIDENT - COLLEGE, RESIGNED 12/16/2011	60 00				X			246,749	0	27,171
(21) KATHLEEN CAMPBELL VP PATIENT CARE SERVICES/CNO, RESIGNED 4/6/2012	59 00				X			275,072	0	19,265
(22) SHIRLEY TRAVIS VP - CLINICAL SERVICES	36 00				X			285,044	0	30,790
(23) DAVID BINGHAM MD VASCULAR SURGEON	70 00					X		850,631	0	31,739
(24) DAVID HUGHES MD CARDIO VASCULAR SURGEON, RETIRED 6/30/2011	70 00					X		502,480	0	16,078
(25) EDWARD RAINES MD CARDIO VASCULAR SURGEON, RESIGNED 12/31/2011	70 00					X		866,024	0	38,116
(26) MATTHEW GOETTSCH MD VASCULAR SURGEON	70 00					X		389,482	0	24,805
(27) STUART MYERS MD VASCULAR SURGEON	70 00					X		707,257	0	35,666

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	5,039,287	1,425,174	397,391

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 ▶ 85

			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
COMMUNITY BLOOD BANK 100 NORTH 84TH STREET SUITE 200 LINCOLN, NE 68505	BLOOD BANK SERVICES	2,860,239
INPATIENT PHYSICIAN ASSOCIATES 2300 SOUTH 16TH STREET LINCOLN, NE 68502	MEDICAL SERVICES	2,368,338
AIR METHODS CORPORATION 7301 SOUTH PEORIA STREET ENGLEWOOD, CO 80112	AIR AMBULANCE	1,741,651
HEARTLAND SURGICAL SERVICES 2300 SOUTH 16TH STREET LINCOLN, NE 68502	MEDICAL SERVICES	1,528,389
ASSOCIATED ANESTHESIOLOGIST 6911 VAN DORN SUITE 2 LINCOLN, NE 68506	ANESTHESIOLOGY SERVICES	1,464,003

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 ▶ 42

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	178,426			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	525,456			
	g	Noncash contributions included in lines 1a-1f $ 0					
	h	**Total.** Add lines 1a-1f		703,882			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621990	461,144,647	460,835,696	308,951	
	b	BRYAN COLLEGE OF HEALTH SCIENCES REV	611600	6,875,000	6,875,000		
	c	PROGRAM RENTAL REVENUE	531190	3,177,836	3,177,836		
	d	PHARMACY	446110	83,914	83,914		
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f		471,281,397			
	3	Investment income (including dividends, interest and other similar amounts)		4,802,907			4,802,907
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	33,770				
	b	Less rental expenses	33,771				
	c	Rental income or (loss)	-1	0			
	d	Net rental income or (loss)			-1		-1	
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	59,931,461	584,098			
	b	Less cost or other basis and sales expenses	64,568,758	766,243			
	c	Gain or (loss)	-4,637,297	-182,145			
	d	Net gain or (loss)			-4,819,442			-4,819,442
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 27,765				
	b	Less direct expenses	b 23,604				
	c	Net income or (loss) from fundraising events		4,161			4,161
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue		Business Code				
	11a	CAFETERIA	722210	2,825,470		121,955	2,703,515
	b	CHILD CARE	624410	1,414,260			1,414,260
	c	PURCHASE DISCOUNTS/REBATES	900099	1,592,215			1,592,215
	d	All other revenue		3,895,480	0	1,827,366	2,068,114
	e	**Total.** Add lines 11a–11d		9,727,425			
	12	**Total revenue.** See Instructions		481,700,329	470,972,446	2,258,271	7,765,730

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	196,070	196,070		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,812,065	1,050,998	761,067	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	146,740,128	143,159,669	3,580,459	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,211,449	8,011,090	200,359	
9	Other employee benefits	35,459,667	34,594,451	865,216	
10	Payroll taxes	10,539,376	10,282,215	257,161	
11	Fees for services (non-employees)				
a	Management	156,707		156,707	
b	Legal	25,900		25,900	
c	Accounting	84,608		84,608	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	1,184,565		1,184,565	
g	Other	40,098,399	38,314,307	1,784,092	
12	Advertising and promotion	863,339		863,339	
13	Office expenses	88,783,824	86,617,498	2,166,326	
14	Information technology	7,388,573	7,208,292	180,281	
15	Royalties . .	0			
16	Occupancy	7,404,461	7,223,792	180,669	
17	Travel	398,879	378,207	20,672	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	148,942	144,789	4,153	
20	Interest	6,611,561	6,450,239	161,322	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	34,080,083	33,248,529	831,554	
23	Insurance	1,356,080	1,322,992	33,088	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	17,513,656	17,513,656		
b	RECRUITMENT EXPENSES	505,541	493,206	12,335	
c	CORPORATE COST ALLOCATION	22,921,889		22,921,889	
d					
e					
f	All other expenses	1,858,716	1,734,794	123,922	0
25	**Total functional expenses.** Add lines 1 through 24f	434,344,478	397,944,794	36,399,684	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	0			

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1	
	2	Savings and temporary cash investments	82,864,257	2	105,201,038
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	51,529,323	4	57,335,827
	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	7,935,907	8	9,421,856
	9	Prepaid expenses and deferred charges	4,410,164	9	4,515,786
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 658,994,889			
	b	Less accumulated depreciation — 10b: 321,419,162	344,301,829	10c	337,575,727
	11	Investments—publicly traded securities	162,038,146	11	175,538,040
	12	Investments—other securities See Part IV, line 11	28,960,817	12	15,478,000
	13	Investments—program-related See Part IV, line 11	0	13	0
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	43,211,790	15	48,833,545
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	725,252,233	16	753,899,819
Liabilities	17	Accounts payable and accrued expenses	36,418,947	17	37,634,132
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	173,215,000	20	167,140,000
	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	80,174,290	25	118,001,733
	26	**Total liabilities.** Add lines 17 through 25	289,808,237	26	322,775,865
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	425,220,446	27	419,910,040
	28	Temporarily restricted net assets	5,485,775	28	6,375,596
	29	Permanently restricted net assets	4,737,775	29	4,838,318
		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	435,443,996	33	431,123,954
	34	Total liabilities and net assets/fund balances	725,252,233	34	753,899,819

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	481,700,329
2	Total expenses (must equal Part IX, column (A), line 25)	2	434,344,478
3	Revenue less expenses Subtract line 2 from line 1	3	47,355,851
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	435,443,996
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-51,675,893
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	431,123,954

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	Yes	
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	Yes	

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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.**

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2011

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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
BRYAN MEDICAL CENTER	47-0376552

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		12,066
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		0
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			12,066
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
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	BRYAN MEDICAL CENTER IS A MEMBER OF THE NEBRASKA HOSPITAL ASSN (NHA) DURING THE CURRENT YEAR, THE REPORTING ORGANIZATION MADE PAYMENTS FOR MEMBERSHIP DUES TO THE NHA OF $110,269, OF THIS AMOUNT THE NHA REPORTED THAT 8 82% OR $9,726 OF THE TOTAL DUES PAID WERE USED FOR LOBBYING ACTIVITIES BRYAN MEDICAL CENTER IS ALSO A MEMBER OF THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF NEBRASKA (AICUN) DURING THE CURRENT YEAR, THE REPORTING ORGANIZATION MADE PAYMENTS FOR MEMBERSHIP DUES TO THE AICUN OF $16,711, OF THIS AMOUNT AICUN REPORTED THAT 14 0% OR $2,340 OF THE TOTAL DUES PAID WERE USED FOR LOBBYING ACTIVITIES ON VARIOUS OCCASIONS THROUGHOUT THE YEAR, THE CEO MET WITH STATE AND LOCAL LEGISLATORS TO DISCUSS ISSUES RELATED TO HEALTHCARE WHILE SOME RELATED TO HEALTHCARE REFORM, OTHER ISSUES DISCUSSED INCLUDED MEETING THE NEEDS OF INDIGENT/UNINSURED AND UNDERINSURED PATIENTS, AS WELL AS THE ONGOING NEED FOR HEALTH SERVICES INCLUDING MENTAL HEALTH SERVICES FOR THE COMMUNITY

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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 ▶ $ 0

(ii) Assets included in Form 990, Part X ▶ $ 0

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	753,846	1,194,316	1,190,240	1,184,822	
b	Contributions	1,628	-447,554	761	647	
c	Investment earnings or losses	8,660	12,092	13,872	19,961	
d	Grants or scholarships					
e	Other expenditures for facilities and programs	12,038	2,690	10,557	15,190	
f	Administrative expenses	3,203	2,318			
g	End of year balance	748,893	753,846	1,194,316	1,190,240	

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 0 %
- c Term endowment ▶ 100 000 %

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,413,053		9,413,053
b Buildings		404,071,312	153,790,423	250,280,889
c Leasehold improvements		321,677	226,331	95,346
d Equipment		231,346,613	164,773,810	66,572,803
e Other		13,842,234	2,628,598	11,213,636
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				337,575,727

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
(1) DEFERRED FINANCING COSTS, NET	1,262,888
(2) RECS FROM CRETE AREA MEDICAL	15,836,859
(3) HOSPITALIST SVCS CONTRACT REC	5,127,080
(4) FAS 109 DEFERRED TAX ASSET	545,184
(5) OTHER ACCOUNTS RECEIVABLE	495,295
(6) INTEREST IN AFFILIATES	23,783,539
(7) CRETE AREA MEDICAL-2008C BONDS	200
(8) RECEIVABLE ON UNASSERTED CLAIMS	1,782,500
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	48,833,545

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
SELF INSURANCE LIABILITY	2,678,500
INTEREST RATE SWAP LIABILITY	18,016,985
HOSPITALIST SVCS CTRT PAYABLE	4,794,705
CRETE AREA MEDICAL 2008C BOND	2,972,454
CAPITAL LEASE OBLIGATIONS	18,885
ORIGINAL ISSUE PREMIUM	1,450,538
ACCRUED PENSION BENEFIT OBLIGATION	76,573,139
OTHER LIABILITIES	11,496,527
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	118,001,733

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	481,700,329
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	434,344,478
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	47,355,851
4	Net unrealized gains (losses) on investments	4	-6,337,232
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-45,271,080
9	Total adjustments (net) Add lines 4 - 8	9	-51,608,312
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-4,252,461

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	524,443,116
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	34,272,264		
e	Add lines **2a** through **2d**			2e	34,272,264
3	Subtract line **2e** from line **1**			3	490,170,852
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	-8,470,523		
c	Add lines **4a** and **4b**			4c	-8,470,523
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	481,700,329

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

1	Total expenses and losses per audited financial statements			1	528,695,577
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	94,472,489		
e	Add lines **2a** through **2d**			2e	94,472,489
3	Subtract line **2e** from line **1**			3	434,223,088
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	121,390		
c	Add lines **4a** and **4b**			4c	121,390
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	434,344,478

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
Collections of art - description of collections	Schedule D, Part III, Line 4	BRYAN MEDICAL CENTER IS THE OWNER OF THE WILLIAM JENNINGS BRYAN HOUSE, ALSO KNOWAS FAIRVIEW FAIRVIEW IS A HISTORIC HOUSE BUILT IN 1902-1903 IN LINCOLN, NEBRASKA, IN 1922, THE HOUSE AND SURROUNDING LAND WAS DONATED TO THE NEBRASKA METHODIST CONFERENCE, WHICH THEN FORMED A SEPARATE NONPROFIT ORGANIZATION FOR PURPOSES OF ESTABLISHING BRYAN MEMORIAL HOSPITAL AND AFFILIATED SCHOOL OF NURSING FAIRVIEW WAS DECLARED A NATIONAL HISTORIC LANDMARK IN 1963 THE HOUSE IS NOW USED FOR BRYAN MEETINGS AND FUNCTIONS IN ADDITION, OVER 1,000 VISITORS TOUR THE HOME ANNUALLY THIS ASSET IS FULLY DEPRECIATED, AND REPORTED ON THE BALANCE AT A NET AMOUNT OF ZERO
Intended uses of endowment funds	Schedule D, Part V, Line 4	BRYAN MEDICAL CENTER'S ("MEDICAL CENTER") ENDOWMENT FUNDS ARE ESTABLISHED TO PROVIDE FOR LOANS FOR THE STUDENTS WHO ATTEND THE BRYAN COLLEGE OF HEALTH SCIENCES BRYAN COLLEGE OF HEALTH SCIENCES PROVIDES HEALTHCARE PROFESSIONAL EDUCATION WITH PROGRAMS LEADING TO GRADUATE AND UNDERGRADUATE ACADEMIC DEGREES BRYAN COLLEGE OF HEALTH SCIENCES IS PART OF THE MEDICAL CENTER AND ITS OPERATIONS ARE INCLUDED THE MEDICAL CENTER'S FORM 990
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	THE BRYAN HEALTH SYSTEM FOLLOWS THE PROVISIONS OF ASC 740, INCOME TAXES THERE WERE NO UNCERTAIN TAX BENEFITS IDENTIFIED AND RECORDED AS A LIABILITY UPON THE ADOPTION OF ASC 740 OR AT MAY 31, 2012 AND 2011 THE SYSTEM DOES NOT EXPECT THE TOTAL AMOUNT OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT 12 MONTHS

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 47-0376552
Name: BRYAN MEDICAL CENTER

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

(a) Description	**(b)** Book value
DEFERRED FINANCING COSTS, NET	1,262,888
RECS FROM CRETE AREA MEDICAL	15,836,859
HOSPITALIST SVCS CONTRACT REC	5,127,080
FAS 109 DEFERRED TAX ASSET	545,184
OTHER ACCOUNTS RECEIVABLE	495,295
INTEREST IN AFFILIATES	23,783,539
CRETE AREA MEDICAL-2008C BONDS	200
RECEIVABLE ON UNASSERTED CLAIMS	1,782,500

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Amount
SELF INSURANCE LIABILITY	2,678,500
INTEREST RATE SWAP LIABILITY	18,016,985
HOSPITALIST SVCS CTRT PAYABLE	4,794,705
CRETE AREA MEDICAL 2008C BOND	2,972,454
CAPITAL LEASE OBLIGATIONS	18,885
ORIGINAL ISSUE PREMIUM	1,450,538
ACCRUED PENSION BENEFIT OBLIGATION	76,573,139
OTHER LIABILITIES	11,496,527

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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? Yes	No	**(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
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 LINEN SALE (event type)	(b) Event #2 BOOK SALE (event type)	(c) Other Events 0 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	15,060	10,673		25,733
	2 Less Charitable contributions				0
	3 Gross income (line 1 minus line 2)	15,060	10,673	0	25,733
Direct Expenses	4 Cash prizes				0
	5 Non-cash prizes				0
	6 Rent/facility costs				0
	7 Food and beverages				0
	8 Entertainment				0
	9 Other direct expenses	11,013	10,271		21,284
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(21,284)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				4,449

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

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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)			11,330,429		11,330,429	2 720 %
b Medicaid (from Worksheet 3, column a)			12,486,028		12,486,028	3 000 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			53,191		53,191	0 010 %
d **Total** Charity Care and Means-Tested Government Programs	0	0	23,869,648	0	23,869,648	5 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,060,845	1,549	1,059,296	0 250 %
f Health professions education (from Worksheet 5)			11,759,135	9,894,005	1,865,130	0 450 %
g Subsidized health services (from Worksheet 6)			227,551	177,588	49,963	0 010 %
h Research (from Worksheet 7)					0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			346,634		346,634	0 080 %
j **Total** Other Benefits	0	0	13,394,165	10,073,142	3,321,023	0 790 %
k **Total.** Add lines 7d and 7j	0	0	37,263,813	10,073,142	27,190,671	6 520 %

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					0	0 %
2	Economic development					0	0 %
3	Community support					0	0 %
4	Environmental improvements					0	0 %
5	Leadership development and training for community members					0	0 %
6	Coalition building					0	0 %
7	Community health improvement advocacy					0	0 %
8	Workforce development					0	0 %
9	Other					0	0 %
10	**Total**	0	0	0	0	0	0 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense	2	6,216,122		
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	133,376,984
6	Enter Medicare allowable costs of care relating to payments on line 5	6	171,760,071
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-38,383,087
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	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	BRYAN MEDICAL CENTER EAST 1600 SOUTH 48TH ST LINCOLN,NE 68506	X	X		X			X		
2	BRYAN MEDICAL CENTER WEST 2300 SOUTH 16TH ST LINCOLN,NE 68502	X	X		X		X	X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: _____

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

		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		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	11		
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		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
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		
15 Check all of the following 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 DDid 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		
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**		
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**		
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**		
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? **11**

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 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
PATIENT ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART I, LINE 3C	BRYAN MEDICAL CENTER IS COMMITTED TO DELIVERING COMPASSIONATE, HIGH QUALITY, AFFORDABLE HEALTH CARE SERVICES AND TO ALWAYS BE THERE FOR ALL PATIENTS WHO TURN TO US FOR CARE, INCLUDING THOSE WHO ARE UNABLE TO PAY CONSISTENT WITH OUR COMMITMENT, BRYAN OFFERS A FINANCIAL ASSISTANCE POLICY TO ENSURE THAT FINANCIAL CONCERNS DO NOT PREVENT INDIVIDUALS FROM SEEKING OR RECEIVING HEALTH CARE SERVICES IN ORDER TO PROVIDE THE APPROPRIATE LEVEL OF ASSISTANCE TO THE GREATEST NUMBER OF INDIVIDUALS IN NEED, BRYAN HEALTH'S FINANCE COMMITTEE OF THE BOARD OF TRUSTEES IS RESPONSIBLE FOR THE OVERSIGHT OF THE FINANCIAL ASSISTANCE POLICY THE FINANCE COMMITTEE IS COMPRISED OF VOLUNTEER BOARD MEMBERS WHO ALL RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA, AND ARE DEEPLY CONCERNED ABOUT THE NEEDS OF THE COMMUNITY BRYAN PROVIDES FINANCIAL COUNSELORS TO HELP PATIENTS FIND WAYS TO MEET THEIR FINANCIAL OBLIGATIONS FOR THE SERVICES PROVIDED TO THEM UNINSURED PATIENTS WHO ARE ADMITTED TO BRYAN WILL AUTOMATICALLY RECEIVE FINANCIAL COUNSELING SERVICES BRYAN'S FINANCIAL COUNSELORS WILL REVIEW FINANCIAL ASSISTANCE OPTIONS, AS APPLICABLE, WITH PATIENTS, INCLUDING 1) GOVERNMENT SPONSORED AND COMMUNITY BASED ASSISTANCE, 2) AN AUTOMATIC 25% DISCOUNT FOR SELF-PAY PATIENTS WHO DO NOT HAVE INSURANCE, 3) PAYMENT PLANS THAT DO NOT CHARGE INTEREST, AND 4) FINANCIAL ASSISTANCE, OR CHARITY CARE, RANGING FROM A PARTIAL DISCOUNT TO A 100% DISCOUNT BASED ON THE PATIENTS INDIVIDUAL FINANCIAL SITUATION THE POLICY PROVIDES FOR FULL CHARITY CARE TO LOW INCOME UNINSURED PATIENTS EARNING LESS THAN 200% OF THE FEDERAL POVERTY GUIDELINES ("FPG") THIS POLICY ALSO PROVIDES DISCOUNTED CARE FOR OUR LOW INCOME UNINSURED PATIENTS EARNING BETWEEN 200% AND 400% OF THE FPG THESE DISCOUNTS ARE APPLIED BY USING A SLIDING SCALE FEE SCHEDULE TO CALCULATE THE PERCENTAGE OF THE BALANCE DUE UNDER THE CATASTROPHIC SECTION OF THE POLICY, A PATIENT'S BILL WILL NEVER EXCEED 30% OF THEIR ANNUAL INCOME PATIENTS WHO DO NOT HAVE INSURANCE ARE NEVER CHARGED MORE FOR SERVICES THAN THE AMOUNT GENERALLY BILLED TO THOSE WHO HAVE INSURANCE

Identifier	ReturnReference	Explanation
Community benefit report prepared by related organization	Schedule H, Part I, Line 6a	BRYAN MEDICAL CENTER'S COMMUNITY BENEFIT REPORT IS PREPARED ANNUALLY BY BRYAN HEALTH, THE SOLE CORPORATE MEMBER OF THE ORGANIZATION BRYAN HEALTH'S COMMUNITY BENEFIT REPORT DESCRIBES THE PROGRAMS AND SERVICES THAT PROMOTE THE HEALTH OF THE COMMUNITIES THAT ARE SERVED BY BRYAN MEDICAL CENTER AND ITS AFFILIATES THE REPORT IS MAILED TO VARIOUS HOUSEHOLDS IN EASTERN NEBRASKA AND THE SURROUNDING AREA THE REPORT ALSO IS AVAILABLE ONLINE AT WWW BRYANHEALTH ORG/COMMUNITYBENEFIT FOR THE PURPOSE OF SCHEDULE H, ONLY FINANCIAL INFORMATION FOR BRYAN MEDICAL CENTER IS REPORTED

Identifier	ReturnReference	Explanation
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	BRYAN MEDICAL CENTER'S UNCOMPENSATED CARE COST-TO-CHARGE RATIO WAS USED TO CALCULATE THE AMOUNT ON LINE 7A DIRECT AND INDIRECT COSTS WERE DEDUCTED FROM PAYMENTS TO CALCULATE THE AMOUNTS ON 7B AND 7C FOR LINES 7E, 7F, 7G AND 7I, ANY OFFSETTING REVENUE WAS DEDUCTED FROM EXPENSES DIRECTLY ATTRIBUTABLE TO THE COMMUNITY BENEFIT ACTIVITY

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	17,513,656

Identifier	ReturnReference	Explanation
CASH AND IN-KIND CONTRIBUTIONS	SCHEDULE H, PART I, LINE 7I	SOME OF THE IN-KIND CONTRIBUTIONS PROVIDED ARE NOT REPORTED IN THE STATEMENT OF FUNCTIONAL EXPENSES AND SCHEDULE I

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	THE COST OF BAD DEBT EXPENSE WAS DETERMINED BY TAKING THE MEDICAL CENTER'S BAD DEBT COST-TO-CHARGE RATIO TIMES THE BAD DEBT EXPENSE THAT WAS STATED IN THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2012 THE AMOUNT OF THE MEDICAL CENTER'S BAD DEBT EXPENSE AT COST ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE MEDICAL CENTER'S CHARITY CARE POLICY IS ESTIMATED TO BE ZERO BASED ON THE FOLLOWING (1) BRYAN MEDICAL CENTER HAS ESTABLISHED POLICIES THAT DEFINE CHARITY CARE AND PROVIDE GUIDELINES FOR ASSESSING A PATIENT'S ABILITY TO PAY, AND ONCE ELIGIBILITY IS VERIFIED, THE MEDICAL CENTER WILL WRITE ACCOUNTS OFF TO CHARITY CARE AND NO LONGER PURSUE DEBT COLLECTION PROCEDURES, (2) BRYAN MEDICAL CENTER HAS COUNSELORS WHO WORK INDIVIDUALLY WITH EACH PATIENT BOTH PRE AND POST DISCHARGE TO ASSESS FINANCIAL NEED AND RECOMMEND APPROPRIATE ASSISTANCE, (3) BRYAN MEDICAL CENTER PROVIDES PRESUMPTIVE FINANCIAL ASSISTANCE WHEN A PATIENT MAY APPEAR ELIGIBLE FOR CHARITY CARE DISCOUNTS, BUT THERE IS NO FINANCIAL ASSISTANCE FORM ON FILE DUE TO THE LACK OF SUPPORTING DOCUMENTATION ONCE DETERMINED, DUE TO THE INHERENT NATURE OF PRESUMPTIVE CIRCUMSTANCES, THE ONLY DISCOUNT THAT CAN BE GRANTED IS A 100% WRITE-OFF OF THE ACCOUNT BALANCE THE FOLLOWING IS THE FOOTNOTE FROM BRYAN HEALTH'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS REGARDING BAD DEBT EXPENSE "ADDITIONS TO THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF THE PROVISION FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS (BAD DEBTS EXPENSE) ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE, AND SUBSEQUENT RECOVERIES ARE ADDED THE AMOUNT OF THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN FEDERAL AND STATE GOVERNMENTAL HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS INFORMATION USED IN MANAGEMENT'S ASSESSMENT INCLUDES ITS REVIEW OF HISTORICAL COLLECTIONS AND WRITE-OFFS THAT REPRESENT A MAJORITY OF THE SYSTEM'S REVENUES AND ACCOUNTS RECEIVABLE MANAGEMENT EVALUATES THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE BY EVALUATING ITS PAYOR COMPOSITION AND AGING AND BY UTILIZING ITS REVIEW OF THE RESULTS OF HISTORICAL COLLECTIONS AND WRITE-OFF EXPERIENCE, ADJUSTED FOR CHANGES IN TRENDS AND CONDITIONS, TO DETERMINE THE ALLOWANCE FOR THE CURRENT REPORTING DATE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE SYSTEM FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST DUE PATIENT BALANCES WITH COLLECTION AGENCIES THE SYSTEM DOES NOT CHARGE INTEREST ON PATIENT ACCOUNTS RECEIVABLE WHICH ARE PAST DUE "

Identifier	ReturnReference	Explanation
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE MEDICAL CENTER'S MEDICARE COST REPORT IS THE STEP-DOWN METHOD OF COST ALLOCATION THE ENTIRE MEDICARE SHORTFALL AS REPORTED IN PART III, LINE 7 SHOULD BE TREATED AS A COMMUNITY BENEFIT BRYAN MEDICAL CENTER PROVIDES CARE TO MEDICARE PATIENTS, AND MEDICARE DOES NOT PROVIDE SUFFICIENT REIMBURSEMENT TO COVER THE ENTIRE COST OF PROVIDING CARE TO THESE PATIENTS CAUSING A SHORTFALL, OR LOSS TO THE ORGANIZATION THE FUNDS BRYAN MEDICAL CENTER USES TO COVER THIS SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT BECAUSE THE ORGANIZATION IS RELIEVING THE GOVERNMENT OF THE FINANCIAL BURDEN OF PAYING THE FULL COSTS OF CARE FOR MEDICARE BENEFICIARIES

Identifier	ReturnReference	Explanation
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	IT IS BRYAN'S POLICY TO OFFER PATIENTS A PAYMENT PLAN AND/OR FINANCIAL ASSISTANCE WHEN IT BECOMES KNOWN THAT A PATIENT IS IN NEED OF ASSISTANCE TO HELP PAY FOR THEIR HOSPITAL BILL IF BRYAN IS AWARE THAT A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THIS ACCOUNT WILL NEVER BE REFERRED TO A COLLECTION AGENCY IF AN ACCOUNT HAS BEEN SENT TO A COLLECTION AGENCY, AND THE COLLECTION AGENCY OBTAINS DOCUMENTATION TO DETERMINE THAT THE PATIENT IS ELIGIBLE FOR CHARITY, THE ACCOUNT IS RETURNED TO BRYAN FOR A CHARITY ADJUSTMENT AND NO FURTHER COLLECTION EFFORT IS MADE

Identifier	ReturnReference	Explanation
Other ways hospital publicized Financial Assistance Policy	Schedule H, Part V Section B, Line 13g	(1) BRYAN MEDICAL CENTER EAST - A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY, INCLUDING THE PHONE NUMBER TO CONTACT A BILLING CUSTOMER SERVICE REPRESENTATIVE, IS PROVIDED 1) ON BRYAN'S WEBSITE, 2) IN ALL HOSPITAL REGISTRATION AREAS, INCLUDING THE EMERGENCY DEPARTMENT, 3) IN BILLING OFFICES, 4) IN ALL INPATIENT ADMISSION PACKETS, AND 5) ON EACH BILLING STATEMENT ,(2) BRYAN MEDICAL CENTER WEST - A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY, INCLUDING THE PHONE NUMBER TO CONTACT A BILLING CUSTOMER SERVICE REPRESENTATIVE, IS PROVIDED 1) ON BRYAN'S WEBSITE, 2) IN ALL HOSPITAL REGISTRATION AREAS, INCLUDING THE EMERGENCY DEPARTMENT, 3) IN BILLING OFFICES, 4) IN ALL INPATIENT ADMISSION PACKETS, AND 5) ON EACH BILLING STATEMENT ,

Identifier	ReturnReference	Explanation
Needs assessment	Schedule H, Part VI, Line 2	BRYAN MEDICAL CENTER IS COMMITTED TO IMPROVING THE HEALTH OF OUR COMMUNITY BY CONTINUALLY WORKING WITH COMMUNITY PARTNERS TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY THE MEDICAL CENTER HAS PARTICIPATED OVER THE PAST FIFTEEN YEARS IN COMMUNITY NEEDS ASSESSMENTS IN COOPERATION WITH OTHER HEALTH CARE PROVIDERS AND THE LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT THROUGH A COLLABORATIVE GROUP CALLED HEALTH PARTNERS INITIATIVE THE GROUP HAS HELD COMMUNITY FORUMS AND CONDUCTED COMMUNITY NEEDS ASSESSMENTS OVER THE YEARS AND HAS PARTICIPATED IN THE DEVELOPMENT OF HEALTHY PEOPLE 2020 PLAN FOR LINCOLN-LANCASTER COUNTY DURING THE TAX YEAR, BRYAN WORKED COLLABORATIVELY WITH THE LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT, COMMUNITY HEALTH ENDOWMENT OF LINCOLN, LOCAL HOSPITALS, COMMUNITY STAKEHOLDERS AND LOCAL CONSULTANTS TO START THE PROCESS OF CONDUCTING A NEW COMMUNITY HEALTH NEEDS ASSESSMENT FOR LANCASTER COUNTY, NEBRASKA THE PURPOSE OF THE ASSESSMENT WILL BE TO ANSWER THE FOLLOWING TWO QUESTIONS 1) HOW HEALTHY ARE THE RESIDENTS OF LANCASTER COUNTY, AND 2) WHAT DOES THE HEALTH STATUS OF OUR COMMUNITY LOOK LIKE? THE HEALTH NEEDS IDENTIFIED FROM THE ASSESSMENT WILL BE PRIORITIZED, AND BRYAN WILL WORK WITH ITS COMMUNITY PARTNERS TO DEVELOP DETAILED ACTION PLANS ON HOW THESE NEEDS CAN BE ADDRESSED BRYAN WILL UPDATE SERVICE LINES AND OVERALL STRATEGIC PRIORITIES FOR THE ORGANIZATION TO ENSURE THAT OUR STRENGTHS AND AVAILABLE RESOURCES ARE ALIGNED WITH THE HEALTH NEEDS OF OUR COMMUNITY IN ADDITION TO PARTICIPATION IN COMMUNITY HEALTH NEEDS ASSESSMENTS, BRYAN CONDUCTS AN ANNUAL PERCEPTION SURVEY BOTH LOCALLY, IN LINCOLN-LANCASTER COUNTY AND REGIONALLY ACROSS THE STATE THE SURVEY ASSESSES PERCEPTION OF THE QUALITY AND AVAILABILITY OF HEALTH CARE PROVIDERS IN THE REGION IN ADDITION, AS PART OF THE ANNUAL STRATEGIC PLANNING PROCESS, THE MEDICAL CENTER ASSESSES MARKET SHARE AND UTILIZATION TRENDS AS WELL AS CHANGES IN POPULATION DEMOGRAPHICS

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	IN KEEPING WITH BRYAN MEDICAL CENTER'S MISSION TO TREAT ALL PATIENTS WITH COMPASSION, BRYAN OFFERS A FINANCIAL ASSISTANCE PROGRAM TO PATIENTS WHO CANNOT AFFORD TO PAY FOR PART OR ALL OF THE CARE THEY RECEIVE EDUCATION REGARDING OUR FINANCIAL ASSISTANCE PROGRAM IS PROVIDED AT EACH NEW EMPLOYEE ORIENTATION SO THAT EACH EMPLOYEE WILL HAVE A CLEAR UNDERSTANDING OF THE FINANCIAL ASSISTANCE THAT IS AVAILABLE TO OUR PATIENTS BRYAN HAS TRAINED FINANCIAL COUNSELORS WHO WORK INDIVIDUALLY WITH PATIENTS PRE-REGISTRATION AND POST-DISCHARGE, OR AT ANY OTHER TIME THE STAFF ENCOUNTERS INFORMATION DETAILING THE PATIENT'S FINANCIAL NEED UNINSURED PATIENTS WHO ARE ADMITTED TO BRYAN WILL AUTOMATICALLY RECEIVE A CONSULTATION WITH A FINANCIAL COUNSELOR THE COUNSELORS RECOMMEND APPROPRIATE ASSISTANCE SUCH AS FEDERAL, STATE OR LOCAL PROGRAMS, OR ELIGIBILITY FOR ASSISTANCE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY WHEN APPLICABLE, THE FINANCIAL COUNSELORS PROVIDE ASSISTANCE FOR QUALIFYING FOR THE FINANCIAL ASSISTANCE POLICY OR VARIOUS GOVERNMENT PROGRAMS, SUCH AS MEDICAID A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY, INCLUDING THE PHONE NUMBER TO CONTACT A BILLING CUSTOMER SERVICE REPRESENTATIVE, IS PROVIDED 1) ON BRYAN'S WEBSITE, 2) IN ALL HOSPITAL REGISTRATION AREAS, INCLUDING THE EMERGENCY DEPARTMENT, 3) IN BILLING OFFICES, 4) IN ALL INPATIENT ADMISSION PACKETS, AND 5) ON EACH BILLING STATEMENT THE ORGANIZATION'S PROCEDURE IS TO MAIL THE FINANCIAL ASSISTANCE POLICY AND APPLICATION FORM TO PATIENTS FREE OF CHARGE UPON REQUEST PATIENTS MAY APPLY FOR FINANCIAL ASSISTANCE AT ANY POINT FROM PRE-ADMISSION TO THE FINAL PAYMENT OF THE BILL, AS WE RECOGNIZE THAT A PATIENT'S ABILITY TO PAY OVER AN EXTENDED PERIOD OF TIME MAY BE SUBSTANTIALLY ALTERED DUE TO ILLNESS OR FINANCIAL HARDSHIP, RESULTING IN A NEED FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
Community information	Schedule H, Part VI, Line 4	BRYAN MEDICAL CENTER PROVIDES A NETWORK OF COMPREHENSIVE HEALTH CARE SERVICES TO THE RESIDENTS OF THE COMMUNITIES WE SERVE BRYAN IS LOCATED IN THE CAPITAL CITY OF LINCOLN, NEBRASKA, THE STATE'S SECOND LARGEST METROPOLITAN AREA WHILE BRYAN SERVES A REGIONAL GEOGRAPHIC AREA EXTENDING BEYOND THE COUNTY, LANCASTER COUNTY RESIDENTS ACCOUNT FOR 66 6% OF PATIENTS SERVED IN FISCAL YEAR 2012, BRYAN ADMITTED 21,857 PATIENTS AND CARED FOR 68,352 EMERGENCY ROOM PATIENTS APPROXIMATELY 15 1% OF THE PATIENTS ADMITTED WERE MEDICAID, AND 38 8 % WERE MEDICARE IN 2010, THE MEDIAN INCOME IN LANCASTER COUNTY WAS ESTIMATED AT $50,197, AND 14 8% OF THE POPULATION HAD FAMILY INCOMES BELOW THE POVERTY LEVEL THE PERCENT OF UNINSURED ADULTS AGED 18 TO 64 HAS INCREASED STEADILY SINCE 2005, WITH AN OVERALL ESTIMATED UNINSURED RATE OF 11% IN 2009 CANCER REMAINED THE LEADING CAUSE OF DEATH FOR LANCASTER COUNTY IN 2011, FOLLOWED BY HEART DISEASE, CHRONIC LUNG DISEASE, UNINTENTIONAL INJURIES, CEREBROVASCULAR DISEASE, AND ALZHEIMER'S DISEASE BRYAN AND ST ELIZABETH REGIONAL MEDICAL CENTER ARE THE PRIMARY HOSPITALS SERVING LANCASTER COUNTY THE CENSUS BUREAU REPORTED THAT THE COUNTY'S POPULATION GREW OVER THE DECADE BY OVER 14%, FROM 250,291 TO 285,407, WITH VERY HIGH GROWTH IN MINORITY POPULATIONS DOUBLE DIGIT GROWTH IS EXPECTED TO CONTINUE OVER THE NEXT FOUR DECADES BY AGE, THE LARGEST RATE OF GROWTH IS PROJECTED FOR THE 65+ AGE GROUP BECAUSE OF LINCOLN'S SIZE, RELATIVE STABLE ECONOMY, AND EDUCATIONAL OPPORTUNITIES , THE U S STATE DEPARTMENT DESIGNATED LINCOLN AS "REFUGEE FRIENDLY" IN THE 1970S SINCE THE 70S, WAVES OF IMMIGRANTS FROM ACROSS THE WORLD HAVE RESETTLED IN LINCOLN LINCOLN PUBLIC SCHOOLS NOW INCLUDE CHILDREN SPEAKING APPROXIMATELY 56 LANGUAGES OTHER THAN ENGLISH LANCASTER COUNTY'S DEMOGRAPHIC CHANGES SINCE 2000 REFLECT THE INCREASED DIVERSITY AS OVER THE LAST DECADE, THE MINORITY POPULATION IN LANCASTER COUNTY INCREASED BY 16,481, OR BY 58 4% IN 2010, THE MINORITY POPULATION REPRESENTS 15 7% OF THE TOTAL POPULATION, AN INCREASE IN REPRESENTATION FROM 11 3% OF THE TOTAL 2000 POPULATION OVER THE LAST DECADE, PERSONS OF HISPANIC ORIGIN (MAY BE OF ANY RACE) NEARLY DOUBLED IN SIZE AS THERE WAS A 97 8% INCREASE IN LATINO/LATINA POPULATION OVER THE DECADE THE AFRICAN AMERICAN AND ASIAN POPULATIONS THAT ESSENTIALLY TIE AS THE SECOND LARGEST RACIAL GROUPS HAVE ALSO GROWN OVER THE DECADE PROJECTED GROWTH IN MINORITY POPULATIONS CHALLENGES US TO ACCOMMODATE DIVERSE LANGUAGE AND CULTURAL NEEDS WITH THE SERVICE AREA RAPIDLY EXPANDING, AND THE OVER 65 POPULATION EXPECTED TO GROW BY OVER 16% IN THE NEXT FIVE YEARS, BRYAN RECOGNIZES THE IMMENSE NEEDS OF OUR SERVICE AREA ARE EXPANDING AND CHANGING

Identifier	ReturnReference	Explanation
Promotion of community health	Schedule H, Part VI, Line 5	BRYAN MEDICAL CENTER HAS PROVIDED HIGH QUALITY, COMPREHENSIVE MEDICAL SERVICES TO BENEFIT THE COMMUNITY FOR OVER 86 YEARS, AND IS COMMITTED TO IDENTIFYING AND ADDRESSING NEEDS IN THE COMMUNITY IN ORDER TO PROMOTE THE PHYSICAL, EDUCATIONAL AND ECONOMIC HEALTH OF OUR COMMUNITY IN THE FUTURE FUNDAMENTAL TO OUR COMMUNITY COMMITMENT IS THE LEADERSHIP OF OUR LOCAL GOVERNING BOARD BRYAN'S GOVERNING BOARD CONSISTS OF MEDICAL PROFESSIONALS, BUSINESS PROFESSIONALS, AND COMMUNITY LEADERS ALL OF WHOM RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA, AND UNDERSTAND THE NEEDS OF THE COMMUNITY THESE VOLUNTEERS DEDICATE THEIR TIME, WISDOM, INSIGHTS, AND EXPERTISE TO SET POLICY AND STRATEGIC DIRECTION TO ENSURE THAT BRYAN'S VISION, MISSION AND STRATEGIC PLANS ARE ALIGNED WITH ITS CHARITABLE PURPOSE THE MAJORITY OF THE BOARD MEMBERS ARE INDEPENDENT BOARD MEMBERS WHO ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS OF THE ORGANIZATION THE MEDICAL STAFF OF THE ORGANIZATION IS OPEN TO ALL PHYSICIANS IN THE COMMUNITY WHO MEET MEMBERSHIP AND CLINICAL PRIVILEGES REQUIREMENTS AS OF MAY 31, 2012, BRYAN HAD AN ORGANIZED MEDICAL STAFF OF 632 PHYSICIANS AND 19 DENTISTS AND DENTAL SPECIALISTS, FROM MORE THEN 32 MEDICAL AND SURGICAL FIELDS AS A NON-PROFIT MEDICAL CENTER, SURPLUS FUNDS ARE CONTINUOUSLY UTILIZED TO MAINTAIN ACCESS TO LIMITED PATIENT SERVICES AND TO EXPAND ACCESS POINTS OF CARE TO PATIENTS THROUGHOUT THE COMMUNITY, INCLUDING BUT NOT LIMITED TO 1) PROVIDING A COMPLETE DIAGNOSTIC AND INTERVENTIONAL CARDIAC PROGRAM, 2) PROVIDING A COMPREHENSIVE LEVEL II TRAUMA CENTER FOR SOUTHEAST NEBRASKA WHICH PROVIDES 24-HOUR COVERAGE OF EMERGENCY SERVICES, 3) FUNDING FOR AN AIR AMBULANCE SERVICE THAT IS AVAILABLE 24-HOURS A DAY TO TRANSPORT PATIENTS TO THE HOSPITAL WITHIN A 160-MILE RADIUS OF LINCOLN, 4) PROVIDING A HOSPITAL-BASED RESIDENTIAL TREATMENT SUBSTANCE ABUSE FACILITY IN LINCOLN, WHICH SERVES PATIENTS THAT STRUGGLE WITH ADDICTION TO DRUGS AND ALCOHOL FROM SOUTHEAST NEBRASKA AND MANY OTHER STATES 5) PROVIDING HOSPITAL-BASED MENTAL HEALTH CARE TO LINCOLN AND SURROUNDING COMMUNITIES (DURING TAX YEAR 2013, SURPLUS FUNDS, IN ADDITION TO FUNDS RAISED IN A CAPITAL CAMPAIGN, WILL BE USED TO BUILD NEW FACILITIES FOR MENTAL HEALTH AND SUBSTANCE ABUSE), AND 6) PROVIDING A STATE-OF-THE-ART WOMEN AND CHILDREN'S TOWER WHICH INCLUDES A NEONATAL INTENSIVE CARE UNIT BRYAN IS COMMITTED TO TEACHING AND TRAINING THE HEALTH CARE PROFESSIONALS OF TOMORROW OUR COLLEGE OF HEALTH SCIENCES OFFERS GRADUATE AND UNDERGRADUATE DEGREES THROUGH ITS SCHOOL OF NURSING, SCHOOL OF HEALTH PROFESSIONALS, AND SCHOOL OF NURSE ANESTHESIA PROGRAMS MANY OF THE GRADUATES STAY IN LINCOLN OR THE SURROUNDING AREA, THEREBY PROVIDING A CONTINUOUS SUPPLY OF MEDICAL PROFESSIONALS FOR THE COMMUNITY IN ADDITION, THE MEDICAL CENTER ASSURES CONTINUING QUALITY HEALTH IN OUR COMMUNITY THROUGH RESIDENCY PROGRAMS, WORKSHOPS AND SEMINARS, AND CLINICAL EDUCATION PROGRAMS

Identifier	ReturnReference	Explanation
Affiliated health care system	Schedule H, Part VI, Line 6	BRYAN MEDICAL CENTER IS PART OF THE BRYAN HEALTH SYSTEM, ONE OF THE LARGEST NON-PROFIT, LOCALLY OWNED HEALTH CARE ORGANIZATIONS IN THE REGION THE SYSTEM EXISTS TO PROMOTE AND PROVIDE ACCESS TO QUALITY HEALTH CARE, PROVIDE MEDICAL EDUCATION, AND COMMUNITY SERVICE THE COMMUNITY BENEFITS PROVIDED BY THE SYSTEM INCLUDE 1) PROVIDING FREE OR DISCOUNTED HEALTH CARE TO THE UNINSURED AND UNDERINSURED, 2) PROVIDING GOVERNMENTAL SPONSORED PROGRAMS SUCH AS MEDICARE AND MEDICAID, 3) HEALTH PROFESSIONALS' EDUCATION 4) COMMUNITY HEALTH IMPROVEMENT SERVICES AND 5) CASH AND IN-KIND CONTRIBUTIONS TO OTHER NON-PROFIT ORGANIZATIONS THE SYSTEM PROVIDES A FULL SPECTRUM OF PREVENTION, WELLNESS, ACUTE CARE AND REHABILITATION SERVICES TO URBAN, SUBURBAN AND RURAL COMMUNITIES IN NEBRASKA, KANSAS, IOWA, MISSOURI AND SOUTH DAKOTA THE SYSTEM CONSISTS OF TWO ACUTE-CARE HOSPITALS, NUMEROUS OUTPATIENT CLINICS, A PHYSICIAN NETWORK, A COLLEGE, AN URGENT CARE CENTER, A HEALTH AND WELLNESS FACILITY, A PHILANTHROPIC FOUNDATION AND OTHER HEALTHCARE PROVIDERS PREMIER SERVICES INCLUDE CARDIOLOGY, NEUROSCIENCE, ORTHOPEDICS, VASCULAR, TRAUMA AND EMERGENCY CENTERS, INTENSIVE CARE, WOMEN'S AND CHILDREN'S HEALTH, ONCOLOGY, IMAGING AND MENTAL HEALTH

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 47-0376552
Name: BRYAN MEDICAL CENTER

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

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? **11** Name and address	Type of Facility (Describe)
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES
BRYAN MEDICAL CENTER 1500 SOUTH 48TH STREET SUITE 400 LINCOLN, NE 68506	CATH LAB SERVICES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 14

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	THE CONTRIBUTIONS COMMITTEE OF BRYAN HEALTH OVERSEES THE GRANT ALLOCATION AND MANAGEMENT FOR THIS ORGANIZATION EACH POTENTIAL RECIPIENT IS REQUIRED TO APPLY FOR A GRANT THE CONTRIBUTIONS COMMITTEE REVIEWS AND DISCUSSES ALL SUBMITTED REQUESTS IN DETAIL GRANTS ARE AWARDED BASED ON NEED AND ELIGIBILITY

Additional Data

Return to Form

Software ID: 11000230
Software Version: v2011.1.0
EIN: 47-0376552
Name: BRYAN MEDICAL CENTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN HEART ASSOCIATION1550 SOUTH 70TH LINCOLN,NE 68506	13-5613797	501(C)(3)	35,000	0	N/A	N/A	HEART WALK TO SUPPORT EDUCATION & RESEARCH
CLINIC WITH A HEART1701 S 17TH ST STE 4G LINCOLN,NE 68502	20-2850139	501(C)(3)	25,400	0	N/A	N/A	SUPPORT FOR GENERAL OPERATIONS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
YMCA570 FALLBROOK BLVD 210 LINCOLN,NE 68521	46-0376578	501(C)(3)	15,000	0	N/A	N/A	CAPITAL CONSTRUCTION
AMERICAN RED CROSS220 OAK CREEK DRIVE LINCOLN,NE 68528	53-0196605	501(C)(3)	12,500	0	N/A	N/A	EMERGENCY RESPONSE AT HUSKER SPORT EVENTS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MADONNA REHAB HOSPITAL5401 SOUTH ST LINCOLN,NE 68506	23-7159940	501(C)(3)	10,400	0	N/A	N/A	SUPPORT FOR GENERAL OPERATIONS
LINCOLN CHILDRENS' MUSEUM1420 P STREET LINCOLN,NE 68508	47-0716636	501(C)(3)	10,000	0	N/A	N/A	CAPITAL CONSTRUCTION OF HEALTHCARE EXHIBIT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LINCOLN CHILDRENS' ZOO 1222 S 27TH ST LINCOLN,NE 68502	47-0482255	501(C)(3)	10,000	0	N/A	N/A	SUPPORT FOR GENERAL OPERATIONS
LINCOLN PARKS & REC DEPARTMENT 2740 A ST LINCOLN,NE 68510	36-3853746	501(C)(3)	10,000	0	N/A	N/A	ANTELOPE VALLEY CAPITAL CAMPAIGN

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY 5733 S 34TH ST LINCOLN,NE 68516	74-1185665	501(C)(3)	5,000	0	N/A	N/A	MAKING STRIDES WALK TO SUPPORT GEN OPERATION
NEBRASKA STATE STROKE ASSN 6900 L ST LINCOLN,NE 68510	36-3428710	501(C)(3)	5,000	0	N/A	N/A	STROKE CAMP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LINCOLN MEDICAL EDUCATION PARTNERSHIP4600 VALLEY RD NO 225 LINCOLN,NE 68510	47-0553011	501(C)(3)	5,000	0	N/A	N/A	SUPPORT FOR GENERAL OPERATIONS
TEAMMATES6801 O ST LINCOLN,NE 68510	47-0840990	501(C)(3)	5,000	0	N/A	N/A	GALA PARTNERSHIP TO SUPPORT GEN OPERATIONS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SOLIDARITY BRIDGE INC1577 FLORENCE AVE EVANSTON,IL 60202	36-4481213	501(C)(3)	0	15,000	FMV	SUPPLIES	SUPPORT FOR GENERAL OPERATIONS
MATT TALBOT KITCHEN1911 R STREET LINCOLN,NE 68503	36-3945814	501(C)(3)	0	7,200	FMV	FOOD SUPPLIES	SUPPORT FOR GENERAL OPERATIONS

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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**	Yes	
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**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☐ 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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
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) CAROLYN CODY MD	(i)	166,500	18,535	47,914	10,280	11,710	254,939	0
	(ii)	0	0	0	0	0	0	0
(2) DAVID BINGHAM MD	(i)	519,968	328,377	2,286	13,475	18,264	882,370	0
	(ii)	0	0	0	0	0	0	0
(3) DAVID HUGHES MD	(i)	484,223	11,458	6,799	4,982	11,096	518,559	0
	(ii)	0	0	0	0	0	0	0
(4) DAVID REESE	(i)	161,358	19,877	22,599	14,523	22,394	240,751	0
	(ii)	0	0	0	0	0	0	0
(5) EDWARD RAINES MD	(i)	844,886	18,750	2,388	15,925	22,191	904,140	0
	(ii)	0	0	0	0	0	0	0
(6) ELIZABETH MACLEOD WALLS PHD	(i)	174,425	21,855	50,469	5,309	21,862	273,919	0
	(ii)	0	0	0	0	0	0	0
(7) JOHN WOODRICH	(i)	334,564	31,350	112,018	12,939	23,231	514,102	0
	(ii)	0	0	0	0	0	0	0
(8) KATHLEEN CAMPBELL	(i)	198,468	24,512	52,092	11,441	7,824	294,337	0
	(ii)	0	0	0	0	0	0	0
(9) KIMBERLY RUSSEL	(i)	0	0	0	0	0	0	0
	(ii)	643,860	74,317	259,039	13,475	17,919	1,008,610	0
(10) MATTHEW GOETTSCH MD	(i)	344,135	41,667	3,680	2,423	22,382	414,287	0
	(ii)	0	0	0	0	0	0	0
(11) RUSSELL GRONEWOLD	(i)	0	0	0	0	0	0	0
	(ii)	324,755	34,862	88,341	13,475	23,521	484,954	0
(12) SHIRLEY TRAVIS	(i)	179,035	19,968	86,041	21,868	8,922	315,834	0
	(ii)	0	0	0	0	0	0	0
(13) STUART MYERS MD	(i)	491,700	210,105	5,452	13,475	22,191	742,923	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
Travel for companions	Schedule J, Part I, Line 1a	SEVERAL OF THE MEMBERS OF THE BOARD OF THE TRUSTEES ARE INDEPENDENT COMMUNITY MEMBERS WHO ARE VOLUNTEER BOARD MEMBERS, AND DO NOT RECEIVE ANY COMPENSATION FOR THEIR TIME AND DUTIES AS MEMBERS OF THE BOARD OF TRUSTEES RESPONSIBILITIES OF TRUSTEES ARE COMPLEX, AND EFFECTIVE GOVERNANCE DEPENDS UPON HAVING BOARD MEMBERS THAT ARE WELL EDUCATED ABOUT ALL ASPECTS OF HEALTH CARE AND HEALTH CARE GOVERNANCE BRYAN MEDICAL CENTER ENCOURAGES ONGOING EDUCATION OF ITS TRUSTEES BY PROVIDING REIMBURSEMENT FOR REASONABLE TRAVEL EXPENSES THAT FURTHER THE MISSION OF BRYAN MEDICAL CENTER REIMBURSEMENT FOR COMPANIONS OF VOLUNTEER TRUSTEES IS LIMITED BY THE BOARD OF TRUSTEES' TRAVEL POLICY TO AIR TRAVEL AT THE COACH LEVEL ALL TRAVEL OF COMPANIONS IS APPROVED IN ADVANCE BY THE CHIEF EXECUTIVE OFFICER OF BRYAN HEALTH, AND SUBSTANTIATION OF ALL TRAVEL RELATED EXPENSES IS REQUIRED BEFORE PAYMENT THIS BENEFIT IS TREATED AS TAXABLE COMPENSATION TO THE TRUSTEES
Arrangement used to establish the top management official's compensation	Schedule J, Part I, Line 3	BRYAN HEALTH'S BOARD OF TRUSTEES BELIEVES COMPENSATION FOR THE SENIOR MANAGEMENT TEAM MUST REFLECT THE COMPLEXITIES OF LEADING AND MANAGING A MULTI-HOSPITAL HEALTH SYSTEM THAT PROVIDES SERVICES THROUGHOUT MUCH OF THE STATE RECOGNIZING THAT ITS LEADERS ARE RESPONSIBLE FOR THE QUALITY OF CARE, PATIENT SERVICES AND OVERALL FINANCIAL HEALTH OF THE LARGEST PRIVATE EMPLOYER IN LINCOLN/LANCASTER COUNTY, BRYAN HEALTH'S BOARD HAS ESTABLISHED A COMPENSATION PLAN THAT MATCHES THIS LEVEL OF RESPONSIBILITY THIS PLAN, KNOWN AS THE SENIOR MANAGEMENT COMPENSATION PHILOSOPHY IS REVIEWED AT LEAST ANNUALLY BY BRYAN HEALTH'S BOARD OF TRUSTEES AND THE COMPENSATION COMMITTEE THIS COMPENSATION PHILOSOPHY TARGETS BASE SALARY FOR SENIOR MANAGERS AT THE 50TH PERCENTILE OF THE MARKET THE COMPENSATION COMMITTEE IS APPOINTED BY BRYAN HEALTH'S BOARD OF TRUSTEES AND IS MADE UP OF INDEPENDENT COMMUNITY LEADERS WHO ALL SERVE VOLUNTARILY, AND WHO MUST ADHERE TO A STRINGENT CONFLICT OF INTEREST POLICY EXECUTIVE COMPENSATION IS DETERMINED AND REVIEWED PURSUANT TO GUIDELINES OUTLINED IN THE INTERMEDIATE SANCTION RULES UNDER IRC SECTION 4958 INCLUDING TAKING STEPS TO MEET THE REBUTTABLE PRESUMPTION STANDARD OF REASONABLENESS UNDER TREASURY REGULATION SECTION 53 4958-6 THE COMPENSATION COMMITTEE CONDUCTS A COMPREHENSIVE ANNUAL REVIEW OF ALL COMPENSATION PROVIDED BY THE ORGANIZATION TO THE SENIOR MANAGEMENT TEAM THIS REVIEW IS CONDUCTED BY THE COMMITTEE BY UTILIZING NATIONAL SALARY SURVEYS, CONDUCTED BY INDEPENDENT EXTERNAL FIRMS COMPENSATION FOR SENIOR MANAGERS IS COMPARED TO COMPENSATION OF SENIOR MANAGERS AT LIKE INSTITUTIONS ACROSS THE U S TO DETERMINE THAT THE VALUE OF COMPENSATION PROVIDED ARE REASONABLE AND AT FAIR MARKET VALUE THE COMPENSATION COMMITTEE ALSO WORKS DIRECTLY WITH AN EXTERNAL INDEPENDENT COMPENSATION CONSULTANT TO REVIEW THE REASONABLENESS OF TOTAL COMPENSATION PROVIDED TO THE SENIOR MANAGEMENT TEAM, AND TO ASSURE THAT THE TOTAL COMPENSATION PAID CONFORMS TO THE OVERALL COMPENSATION PHILOSOPHY THE COMPENSATION CONSULTANT PROVIDES WRITTEN OPINIONS TO THE COMPENSATION COMMITTEE THAT ASSESSES THE REASONABLENESS OF THE TOTAL EXECUTIVE COMPENSATION PAID TO SENIOR MANAGERS THE ANNUAL COMPENSATION REVIEW PROCEDURE WAS COMPLETED BY THE COMPENSATION COMMITTEE ON MAY 22, 2012 ALL DECISIONS OF THE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED IN THE COMPENSATION COMMITTEE MINUTES WHICH ARE TIMELY REVIEWED AND APPROVED BY THE COMMITTEE
Severance or change-of-control payment	Schedule J, Part I, Line 4a	ELIZABETH MACLEOD WALLS RECEIVED SEVERANCE PAYMENTS TOTALING $35,252 DURING CALENDAR YEAR 2011 THESE SEVERANCE PAYMENTS WERE INCLUDED IN MS WALLS'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	IN ORDER TO ATTRACT AND RETAIN TALENTED, EXPERIENCED EXECUTIVES, BRYAN HEALTH OFFERS A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN TO ELIGIBLE EMPLOYEES THE FOLLOWING PEOPLE LISTED IN FORM 990, PART VII, SECTION A, LINE 1A PARTICIPATED IN, OR RECEIVED A PAYMENT FROM, A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DURING THE TAX YEAR KATHLEEN CAMPBELL $43,764, CAROLYN CODY, M D $36,027, DAVID REESE $8,507, KIMBERLY RUSSEL $209,018, SHIRLEY TRAVIS $39,532, ELIZABETH MACLEOD WALLS $8,664, JOHN WOODRICH $99,780, AND RUSSELL GRONEWOLD $73,691
Compensation contingent on revenues of the organization	Schedule J, Part I, Line 5a	IN THE CASE OF CERTAIN PHYSICIAN EMPLOYEE AGREEMENTS, COMPENSATION IS PAID ON A PERCENTAGE OF PROFESSIONAL COLLECTIONS PERFORMED ABOVE A PREDETERMINED THRESHOLD
Non-fixed payments	Schedule J, Part I, Line 7	BRYAN HEALTH OFFERS A MARKET COMPETITIVE INCENTIVE COMPENSATION PROGRAM FOR MEMBERS OF MANAGEMENT INCENTIVE COMPENSATION IS BASED ON ACHIEVING OBJECTIVE ORGANIZATIONAL AND INDIVIDUAL GOALS THE WEIGHTS ASSIGNED TO EACH GOAL MAY CHANGE ON AN ANNUAL BASIS
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES & KEY EMPLOYEES	SCHEDULE J, PART II	IN KEEPING WITH BRYAN HEALTH'S BELIEFS AND STANDARDS OF BEHAVIOR REGARDING STEWARDSHIP, NO BOARD MEMBER SERVING ON THE BOARD OF TRUSTEES, OR ANY AFFILIATED BOARD, IS COMPENSATED FOR THEIR SERVICE AS A BOARD MEMBER COMPENSATION AMOUNTS REPORTED ARE FOR SERVICES PROVIDED AS MEDICAL PROFESSIONALS OR EXECUTIVES OF THE ORGANIZATION, OR A RELATED ORGANIZATION COMPENSATION AMOUNTS REPORTED ON SCHEDULE J, PART II ARE BASED ON THE CALENDAR YEAR ENDED DECEMBER 31, 2011

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSPITAL AUTHORITY NO 1 OF LANCASTER COUNTY NE	47-0490169	513886RR4	12-21-2006	61,381,548	SERIES 2006 BONDS REFUNDED PRIOR ISSUES - (09/18/1997), (10/31/1997)		X		X		X
B	HOSPITAL AUTHORITY NO 1 OF LANCASTER COUNTY NE	47-0721900	513886SR3	05-27-2008	115,216,759	SERIES 2008 A & B BONDS REFUNDED PRIOR ISSUES - (12/20/2002), (02/08/2007)		X		X		X
C	HOSPITAL AUTHORITY NO 1 OF SALINE COUNTY NE	47-0843167	79517TAW6	05-27-2008	13,480,000	SERIES 2008C BONDS REFUNDED PRIOR ISSUE - (2/8/2007)		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	8,085,000	12,055,000	525,000	
2	Amount of bonds defeased	0	0	0	
3	Total proceeds of issue	63,974,522	115,220,438	13,480,597	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	0	
6	Proceeds in refunding escrow	0	0	0	
7	Issuance costs from proceeds	555,587	951,595	88,670	
8	Credit enhancement from proceeds	0	859,107	141,505	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	0	0	0	
11	Other spent proceeds	63,418,935	113,379,736	13,250,422	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2001	2008	2003	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		
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?	X		X		X			
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			
b	Name of provider			PIPER JAFFRAY		PIPER JAFFRAY			
c	Term of hedge			230		230			
d	Was the hedge superintegrated?				X		X		
e	Was a hedge terminated?				X		X		
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider								
c	Term of GIC				00				
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X	X		X			

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
TOTAL PROCEEDS OF ISSUE	PART II, LINE 3	THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
PART III, PRIVATE BUSINESS USE	PART III, LINE 1	PART III HAS NOT BEEN COMPLETED GIVEN THAT ALL BONDS LISTED IN ROWS A THROUGH C OF PART I, WERE ISSUED SOLELY TO REFUND BONDS ISSUED PRIOR TO 2003
ROW B, COLUMN (C) CUSIP NUMBERS	PART I	THE BOND FROM HOSPITAL AUTHORITY NO 1 OF LANCASTER COUNTY, NE HAS 3 SEPARATE CUSIP NUMBERS A 513886SR3, B-1 513886SS1, B-2 513886ST9
Procedures to take corrective action	Schedule K, Part V	BRYAN MEDICAL CENTER UPDATED ITS WRITTEN TAX EXEMPT POST ISSUANCE COMPLIANCE PROCEDURES DURING FISCAL YEAR 2013 TO INCLUDE PROVISIONS TO ENSURE THAT VIOLATIONS OF FEDERAL TAX REQUIREMENTS ARE TIMELY IDENTIFIED AND CORRECTED THROUGH THE VOLUNTARY CLOSING AGREEMENT PROGRAM (VCAP) IF SELF-REMEDIATION IS NOT AVAILABLE UNDER APPLICABLE REGULATIONS

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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
(1) MATTHEW GOETTSCH MD COMPENSATION PACKAGE		X	125,000	52,083		No		No	Yes	
Total . . . . . ▶ $				52,083						

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) NEBRASKA EMERGENCY MEDICINE	EDWARD MLINEK IS AN OFFICER OF NEBRASKA EMERGENCY MEDICINE	1,120,888	PAYMENT FOR EMERGENCY PHYS		No
(2) EDWARD MLINEK MD	AN OFFICER OF E D ASSOCIATES, LLC	345,478	PAYMENTS FOR MED DIRECTOR FEES		No
(3) KEVIN MOTA MD	AN OFFICER OF PRAIRIE SURGICAL ASSOCIATES, PC	133,725	PAYMENT FOR PHYSICIAN SERVICES		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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

Identifier	Return Reference	Explanation
Family/business relationships amongst interested persons	Form 990, Part VI, Section A, Line 2	GENE BRAKE AND DAVID REESE - FAMILY RELATIONSHIP, MANY OF THE PERSONS LISTED IN PART VII, SECTION A HAVE A "BUSINESS RELATIONSHIP" WITH EACH OTHER BY VIRTUE OF THEIR EMPLOYMENT BY A BRYAN HEALTH SYSTEM ENTITY -

Identifier	Return Reference	Explanation
Significant changes to organizational documents	Form 990, Part VI, Section A, Line 4	BRYAN MEDICAL CENTER'S BYLAWS WERE AMENDED EFFECTIVE JULY 11, 2011 THERE WERE A NUMBER OF MINOR CHANGES TO THE BYLAWS, HOWEVER THE FOLLOWING IS A SIGNIFICANT CHANGE. THE NUMBER OF BOARD MEMBERS REQUIRED TO PROVIDE A WRITTEN CONSENT TO APPROVE AN ACTION OF A BOARD, IN LIEU OF A MEETING, INCREASED FROM "THREE-FOURTHS (3/4)" OF ALL TRUSTEES ENTITLED TO VOTE TO "AT LEAST FOUR-FIFTHS (4/5)" OF ALL TRUSTEES

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	AS STATED IN THE CORPORATION'S ORGANIZING DOCUMENTS, THE SOLE CORPORATE MEMBER OF THE ORGANIZATION IS BRYAN HEALTH BRYAN HEALTH HAS THE RIGHTS UNDER THE ORGANIZING DOCUMENTS TO (1) APPROVE SIGNIFICANT DECISIONS OF THE ORGANIZATION'S GOVERNING BODY, (2) ELECT THE MEMBERS OF THE GOVERNING BODY, AND (3) RECEIVE ANY REMAINING ASSETS AFTER DISSOLUTION OF THE ORGANIZATION

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	BRYAN HEALTH AS SOLE CORPORATE MEMBER OF THE ORGANIZATION, HAS THE RIGHT UNDER THE ORGANIZING DOCUMENTS TO REMOVE ANY TRUSTEE FROM OFFICE AT ANY TIME, WITH OR WITHOUT CAUSE BY A VOTE OF AT LEAST TWO-THIRDS (2/3) OF ALL THE VOTING TRUSTEES OF BRYAN HEALTH

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	BRYAN HEALTH IS THE SOLE MEMBER OF BRYAN MEDICAL CENTER ("MEDICAL CENTER") PURSUANT TO THE GOVERNING DOCUMENTS, THE BOARD OF THE MEDICAL CENTER MAY MANAGE THE AFFAIRS OF THE CORPORATION, HOWEVER, THE BOARD MAY NOT, WITHOUT THE PRIOR APPROVAL OF THE HEALTH SYSTEM (1) ADOPT ANY LONG-TERM CAPITAL OR OPERATIONAL BUDGET, (2) ADOPT ANY CHANGES IN ANY ANNUAL OR LONG-TERM CAPITAL BUDGET OR OPERATIONAL EXPENSE BUDGET EXCEEDING $5,000,000 IN ANY SINGLE TRANSACTION OR $10,000,000 IN ANY CORPORATION FISCAL YEAR, (3) APPROVE OR IMPLEMENT AMENDMENTS TO ITS MISSION STATEMENT OR STRATEGIC PLAN, (4) APPROVE ANY INDEBTEDNESS OR INCUR A MORTGAGE OR LIEN OF ANY KIND OR NATURE ON ASSETS OF THE CORPORATION WHERE THE BORROWING OR INDEBTEDNESS EXCEEDS $5,000,000 IN ANY SINGLE TRANSACTION OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (5) ENGAGE IN OR ENTER INTO ANY TRANSACTION OR TRANSACTIONS PROVIDING FOR THE TRANSFER, SALE OR OTHER DISPOSITION OF CAPITAL ASSETS IN ANY SINGLE TRANSACTION OF $5,000,000 OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (6) APPROVE THE ELECTION OF MEMBERS OF THE BOARD, (7) APPROVE THE APPOINTMENT OF THE SYSTEM PRESIDENT/CHIEF EXECUTIVE OFFICER, (8) APPROVE PARTICIPATION IN OTHER HEALTH CARE SYSTEMS BY AFFILIATION OR MERGER, (9) APPROVE ITS LIQUIDATION OR DISSOLUTION, (10) ORGANIZE OR ACQUIRE, OR AUTHORIZE THE ORGANIZATION OR ACQUISITION OF ANY INTEREST IN, AS ALLOWED BY THE CODE, OF ANY CORPORATION, ASSOCIATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, TRUST, SHARED SERVICE ARRANGEMENT, JOINT VENTURE OR OTHER ENTITY, DIRECTLY OR INDIRECTLY, WHERE THE CAPITAL EXPENDITURES OR OPERATING EXPENSES BY THE CORPORATION IN CONNECTION WITH SUCH ORGANIZATION OR ACQUISITION IN ANY SINGLE TRANSACTION EXCEEDS $5,000,000 OR A TOTAL OF $10,000,000 IN ANY CORPORATION FISCAL YEAR, (11) AMEND THE ARTICLES OF INCORPORATION OR BYLAWS OF THE CORPORATION, OR (12) TAKE ANY OTHER ACTIONS WHICH MAY BE INCONSISTENT WITH THE SYSTEM'S GOALS AND OBJECTIVES

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	THIS 990 WAS PREPARED BY BRYAN HEALTH'S TAX DIVISION DURING THE RETURN PREPARATION PROCESS, THE TAX DIVISION WORKS DILIGENTLY WITH OTHER DEPARTMENTS INCLUDING HUMAN RESOURCES, FINANCE, LEGAL, AND DEVELOPMENT TO GATHER INFORMATION TO COMPLETE FORM 990 AND ATTACHED SCHEDULES IN AN ACCURATE AND THOROUGH MANNER THIS 990 WAS REVIEWED BY THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND OTHER KEY OFFICERS OF BRYAN HEALTH THIS 990 WAS ALSO REVIEWED BY AN INDEPENDENT ACCOUNTING FIRM BRYAN HEALTH'S BOARD OF TRUSTEES HAS DELEGATED THE REVIEW OF THE FORM 990 TO THE BOARD'S FINANCE COMMITTEE. EACH MEMBER OF THE FINANCE COMMITTEE RECEIVED A COMPLETE COPY OF THIS 990, PRIOR TO FILING THE FORM WITH THE INTERNAL REVENUE SERVICE.

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	BRYAN MEDICAL CENTER HAS ADOPTED A WRITTEN CONFLICT OF INTEREST POLICY THAT IS MONITORED AND ENFORCED BY THE GOVERNANCE COMMITTEE OF THE BOARD OF TRUSTEES OF BRYAN HEALTH BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES ARE REQUIRED TO ANNUALLY COMPLETE A CONFLICT OF INTEREST AND DISCLOSURE QUESTIONNAIRE TO IDENTIFY ANY FAMILY AND BUSINESS RELATIONSHIPS AND TRANSACTIONS, OR OTHER TRANSACTIONS THAT MAY POSE A POTENTIAL CONFLICT THE QUESTIONNAIRES REQUIRES EACH COVERED PERSON TO SIGN A STATEMENT CERTIFYING THAT HE/SHE (1) HAS REPORTED INFORMATION THAT IS CORRECT AND COMPLETE TO THE BEST OF THEIR KNOWLEDGE, (2) HAS READ THE CONFLICT OF INTEREST POLICY AND UNDERSTANDS THE POLICY, AND (3) AGREES TO COMPLY WITH ALL REQUIREMENTS OF THE POLICY COVERED PERSONS ARE ALSO REQUIRED TO DISCLOSE REAL OR POTENTIAL CONFLICTS AT THE TIME SUCH CONFLICTS ARISE PERSONS WHO HAVE NOT RETURNED QUESTIONNAIRES ARE CONTACTED ADDITIONAL TIMES IN AN EFFORT TO RECEIVE COMPLETE AND ACCURATE RESPONSES FROM ALL PERSONS FAILURE TO COMPLETE THE QUESTIONNAIRE CAN RESULT IN DISCIPLINARY ACTIONS THE QUESTIONNAIRES ARE REVIEWED IN DETAIL BY THE GOVERNANCE COMMITTEE OF BRYAN HEALTH CONFLICTS ARE CLOSELY MONITORED BY MEMBERS OF THE GOVERNANCE COMMITTEE THE CONFLICT OF INTEREST POLICY HAS RESTRICTIONS FOR ANY BOARD MEMBER WITH A CONFLICT OF INTEREST, SUCH AS, PROHIBITING THEM FROM PARTICIPATING IN DELIBERATIONS AND VOTING WITH REGARD TO CERTAIN TRANSACTIONS IN WHICH THEY HAVE AN INTEREST

Identifier	Return Reference	Explanation
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	BRYAN HEALTH'S BOARD OF TRUSTEES BELIEVES COMPENSATION FOR THE SENIOR MANAGEMENT TEAM MUST REFLECT THE COMPLEXITIES OF LEADING AND MANAGING A MULTI-HOSPITAL HEALTH SYSTEM THAT PROVIDES SERVICES THROUGHOUT MUCH OF THE STATE. RECOGNIZING THAT ITS LEADERS ARE RESPONSIBLE FOR THE QUALITY OF CARE, PATIENT SERVICES AND OVERALL FINANCIAL HEALTH OF THE LARGEST PRIVATE EMPLOYER IN LINCOLN/LANCASTER COUNTY, BRYAN HEALTH'S BOARD HAS ESTABLISHED A COMPENSATION PLAN THAT MATCHES THIS LEVEL OF RESPONSIBILITY. THIS PLAN, KNOWN AS THE SENIOR MANAGEMENT COMPENSATION PHILOSOPHY IS REVIEWED AT LEAST ANNUALLY BY BRYAN HEALTH'S BOARD OF TRUSTEES AND THE COMPENSATION COMMITTEE. THIS COMPENSATION PHILOSOPHY TARGETS BASE SALARY FOR SENIOR MANAGERS AT THE 50TH PERCENTILE OF THE MARKET. THE COMPENSATION COMMITTEE IS APPOINTED BY BRYAN HEALTH'S BOARD OF TRUSTEES AND IS MADE UP OF INDEPENDENT COMMUNITY LEADERS WHO ALL SERVE VOLUNTARILY, AND WHO MUST ADHERE TO A STRINGENT CONFLICT OF INTEREST POLICY. EXECUTIVE COMPENSATION IS DETERMINED AND REVIEWED PURSUANT TO GUIDELINES OUTLINED IN THE INTERMEDIATE SANCTION RULES UNDER IRC SECTION 4958 INCLUDING TAKING STEPS TO MEET THE REBUTTABLE PRESUMPTION STANDARD OF REASONABLENESS UNDER TREASURY REGULATION SECTION 53 4958-6. THE COMPENSATION COMMITTEE CONDUCTS A COMPREHENSIVE ANNUAL REVIEW OF ALL COMPENSATION PROVIDED BY THE ORGANIZATION TO THE SENIOR MANAGEMENT TEAM. THIS REVIEW IS CONDUCTED BY THE COMMITTEE BY UTILIZING NATIONAL SALARY SURVEYS, CONDUCTED BY INDEPENDENT EXTERNAL FIRMS. COMPENSATION FOR SENIOR MANAGERS IS COMPARED TO COMPENSATION OF SENIOR MANAGERS AT LIKE INSTITUTIONS ACROSS THE U.S. TO DETERMINE THAT THE VALUE OF COMPENSATION PROVIDED ARE REASONABLE AND AT FAIR MARKET VALUE. THE COMPENSATION COMMITTEE ALSO WORKS DIRECTLY WITH AN EXTERNAL INDEPENDENT COMPENSATION CONSULTANT TO REVIEW THE REASONABLENESS OF TOTAL COMPENSATION PROVIDED TO THE SENIOR MANAGEMENT TEAM, AND TO ASSURE THAT THE TOTAL COMPENSATION PAID CONFORMS TO THE OVERALL COMPENSATION PHILOSOPHY. THE COMPENSATION CONSULTANT PROVIDES WRITTEN OPINIONS TO THE COMPENSATION COMMITTEE THAT ASSESSES THE REASONABLENESS OF THE TOTAL EXECUTIVE COMPENSATION PAID TO SENIOR MANAGERS. THE ANNUAL COMPENSATION REVIEW PROCEDURE WAS COMPLETED BY THE COMPENSATION COMMITTEE ON MAY 22, 2012. ALL DECISIONS OF THE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED IN THE COMPENSATION COMMITTEE MINUTES WHICH ARE TIMELY REVIEWED AND APPROVED BY THE COMMITTEE.

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	SEE FORM 990, PART VI, SECTION B, LINE 15A

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	THE ORGANIZATION'S ARTICLES OF INCORPORATION AND AMENDMENTS ARE AVAILABLE TO THE PUBLIC ON THE NEBRASKA SECRETARY OF STATE'S WEBSITE AT WWW SOS NE GOV ALSO, THIS ORGANIZATION IS INCLUDED WITHIN THE CONSOLIDATED FINANCIAL STATEMENTS OF BRYAN HEALTH THAT ARE MADE AVAILABLE TO THE PUBLIC BY THE POSTING OF THESE DOCUMENTS THROUGH THE MUNICIPAL SECURITIES RULEMAKING BOARD WEBSITE AT EMMA MSRB ORG THE ORGANIZATION'S OTHER GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE GENERALLY NOT MADE AVAILABLE TO THE PUBLIC FEDERAL TAX LAWS DO NOT REQUIRE THAT GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES AND FINANCIAL STATEMENTS BE MADE AVAILABLE FOR PUBLIC INSPECTION

Identifier	Return Reference	Explanation
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES & KEY EMPLOYEES	FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (D)	IN KEEPING WITH BRYAN HEALTH'S BELIEFS AND STANDARDS OF BEHAVIOR REGARDING STEWARDSHIP, NO BOARD MEMBER SERVING ON BRYAN MEDICAL CENTER'S BOARD, OR ANY AFFILIATED BOARD, IS COMPENSATED FOR THEIR SERVICES AS BOARD MEMBERS COMPENSATION AMOUNTS REPORTED ARE FOR SERVICES PROVIDED AS MEDICAL PROFESSIONALS OR EXECUTIVES OF THE ORGANIZATION, OR A RELATED ORGANIZATION COMPENSATION AMOUNTS REPORTED ON FORM 990, PART VII, SECTION A, COLUMNS (D),(E) AND (F) ARE BASED ON THE CALENDAR YEAR ENDED DECEMBER 31, 2011

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -6337232, TRANSFERS (TO) FROM RELATED ENTITY - -35243427, PENSION LIABILITY ADJUSTMENT - -34194278, CHANGE IN TEMP RESTRICTED INTEREST IN BRYAN FOUNDATION - 1344773, OTHER CHANGES IN TEMP RESTRICTED NET ASSETS, NET - -4953, DEFERRED TAX, NET - -263210, CORPORATE COST ALLOCATION TRANSFERS - 22921889, CHANGE IN PERMANENTLY RESTRICTED INTEREST IN BRYAN FOUNDATION - 100543, ROUNDING - 2,

Identifier	Return Reference	Explanation
OVERSIGHT OF CONSOLIDATED AUDIT	FORM 990, PART XII, LINE 2C	BRYAN MEDICAL CENTER'S FINANCIAL STATEMENTS WERE AUDITED AS PART OF A CONSOLIDATED FINANCIAL STATEMENT FOR BRYAN HEALTH, THE ORGANIZATION'S SOLE MEMBER THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES OF BRYAN HEALTH IS RESPONSIBLE FOR OVERSEEING THE AUDIT OF THE FINANCIAL STATEMENTS, AND THE SELECTION OF THE INDEPENDENT ACCOUNTING FIRM THAT PERFORMS THE AUDIT

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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
BRYAN MEDICAL CENTER

Employer identification number
47-0376552

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) BRYAN HEALTH SYSTEM 1600 SOUTH 48TH STREET LINCOLN, NE 68506 36-3414823	HEALTHCARE	NE	501(C)(3)	11 - Type III - FI	BRYAN HEALTH		No
(2) CRETE AREA MEDICAL CENTER 2910 BETTEN DRIVE CRETE, NE 68333 47-0841285	HEALTHCARE	NE	501(C)(3)	3	BRYAN HEALTH		No
(3) BRYAN FOUNDATION 1600 SOUTH 48TH STREET LINCOLN, NE 68506 23-7005720	FUNDRAISING	NE	501(C)(3)	7	BRYAN HEALTH		No
(4) BRYAN PHYSICIAN NETWORK 1600 SOUTH 48TH STREET LINCOLN, NE 68506 20-1357375	HEALTHCARE	NE	501(C)(3)	9	BRYAN HEALTH		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) BRYAN ENTERPRISES INC 1600 SOUTH 48TH STREET LINCOLN, NE 68506 47-0701037	MEDICAL SERVICES	NE	NA	C CORPORATION	0	0	0 %
(2) INTEGRATED CARDIOLOGY GROUP LLC 1600 SOUTH 48TH STREET LINCOLN, NE 68506 47-0844961	CARDIOLOGY	NE	NA	C CORPORATION	0	0	0 %

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

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

BRYANLGH HEALTH SYSTEM
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2012 and 2011

BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2012 and 2011

CONTENTS

Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
BryanLGH Health System and Subsidiaries

We have audited the accompanying consolidated balance sheet of BryanLGH Health System and Subsidiaries (the "System") as of May 31, 2012 and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended These financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these financial statements based on our audit We did not audit the financial statements of BryanLGH Heart Institute, BryanLGH Foundation, and Crete Area Medical Center, wholly owned subsidiaries, which statements reflect total assets and revenue constituting 6% and 7%, respectively as of and for the year ended May 31, 2012 of the related consolidated totals Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for BryanLGH Heart Institute, BryanLGH Foundation, and Crete Area Medical Center, are based solely on the report of the other auditors The consolidated financial statements of BryanLGH Health System and Subsidiaries as of May 31, 2011 were audited by other auditors whose report dated September 15, 2011, expressed an unqualified opinion on those statements

We conducted our audit 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 consolidated financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of May 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

As discussed in Note 1 to the consolidated financial statements, effective June 1, 2011 the System designated its investments as trading securities

Our audit was conducted for the purpose of forming an opinion on the 2012 consolidated financial statements as a whole The May 31, 2012 consolidating balance sheet, consolidating statement of operations, consolidating statement of changes in net assets, BryanLGH Medical Center's statement of cash flows, and BryanLGH College of Health Sciences' statement of revenue and expenses are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and are 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 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 other information directly to the underlying accounting and such records used to prepare the consolidated financial statements or to the 2012 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, based on our audit and the reports of other auditors, the 2012 consolidating information is fairly stated in all material respects in relation to the 2012 consolidated financial statements as a whole The May 31, 2011 BryanLGH Medical Center's statement of cash flows and BryanLGH College of Health Sciences' statement of revenue and expenses are presented for purposes of additional analysis and are not a required part of the basic 2011 financial statements The information has been subjected to the auditing procedures applied by other auditors in the audit of the 2011 consolidated financial statements and certain additional procedures, including comparing and reconciling other information directly to the underlying accounting and other records used to prepare the 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 The other auditors whose report dated September 15, 2011 expresses an opinion that such information was fairly stated in all material respects in relation to the 2011 financial statements as a whole

Crowe Horwath LLP

Chicago, Illinois
September 10, 2012

BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
May 31, 2012 and 2011
(In Thousands)

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 121,050	$ 92,838
Investments limited as to use	7,951	7,870
Patient accounts receivable, net of allowances for estimated uncollectible accounts of $14,704 in 2012 and $13,891 in 2011	58,154	52,117
Inventories	9,671	8,328
Other current assets	11,847	11,383
Total current assets	208,673	172,536
Investments	202,900	201,088
Property and equipment, net	369,671	377,134
Deferred financing costs, net	1,263	1,367
Insurance recoveries receivable	1,783	-
Other long-term assets	22,359	20,279
Total assets	$ 806,649	$ 772,404
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	$ 6,271	$ 6,147
Accounts payable	14,394	12,675
Accrued interest	1,955	2,045
Accrued salaries and wages	7,707	7,034
Accrued employee benefits	17,600	15,427
Estimated third-party payor settlements	2,572	3,902
Other current liabilities	11,106	10,041
Total current liabilities	61,605	57,271
Long-term debt, less current installments	162,364	168,795
Accrued liability for self-insured claims	2,679	725
Accrued pension benefit obligations	84,173	55,069
Other liabilities	26,758	17,953
Total liabilities	337,579	299,813
Commitments and contingencies		
Net assets		
Unrestricted	457,006	462,018
Temporarily restricted	6,982	5,593
Permanently restricted	5,082	4,980
Total net assets	469,070	472,591
Total liabilities and net assets	$ 806,649	$ 772,404

See accompanying notes

BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended May 31, 2012 and 2011
(In Thousands)

	2012	2011
Unrestricted revenue		
Net patient service revenue	$ 496,699	$ 478,107
Other operating revenue	30,554	27,429
Total unrestricted revenue	527,253	505,536
Expenses		
Salaries	192,876	192,300
Employee benefits	64,071	68,949
Professional fees	25,345	25,493
Supplies	81,773	83,115
Bad debts	20,210	17,819
Interest	3,386	3,733
Depreciation and amortization	38,221	37,376
Other	62,036	58,681
Total expenses	487,918	487,466
Operating income	39,335	18,070
Nonoperating gains (losses)		
Investment income, net	4,821	5,410
Realized gain on investments, net	2,232	13,264
Unrealized loss on investments, net	(6,528)	-
Other-than-temporary investment impairment losses	-	(394)
Reclassification of net unrealized gains on securities transferred to trading categories	10,715	-
Change in fair market value of interest rate swaps	(8,524)	(352)
Deferred tax, net	60	(28)
Other, net	570	(184)
Total nonoperating gains, net	3,346	17,716
Excess of revenues over expenses	42,681	35,786
Unrealized gains on investments, net	-	3,012
Reclassification of net unrealized gains on securities transferred to trading categories	(10,715)	-
Pension liability adjustment	(37,063)	7,303
Contributions of real property	85	46
Net assets released from restrictions	-	450
(Decrease) increase in unrestricted net assets	$ (5,012)	$ 46,597

See accompanying notes

BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Years ended May 31, 2012 and 2011
(In Thousands)

	2012	2011
Unrestricted net assets:		
Excess of revenues over expenses	$ 42,681	$ 35,786
Unrealized gains on investments, net	-	3,012
Reclassification of net unrealized gains on securities transferred to trading categories	(10,715)	-
Pension liability adjustment	(37,063)	7,303
Contributions of real property	85	46
Net assets released from restrictions	-	450
(Decrease) increase in unrestricted net assets	(5,012)	46,597
Temporarily restricted net assets:		
Contributions	1,795	1,444
Investment income	411	492
Other-than-temporary investment impairment losses	-	(58)
Unrealized (losses) gains on investments, net	(501)	360
Net assets released from restrictions and other, net	(316)	(693)
Increase in temporarily restricted net assets	1,389	1,545
Permanently restricted net assets:		
Contributions	115	177
Other	(13)	3
Increase in permanently restricted net assets	102	180
(Decrease) increase in net assets	(3,521)	48,322
Net assets at beginning of year	472,591	424,269
Net assets at end of year	$ 469,070	$ 472,591

See accompanying notes

BRYANLGH HEALTH SYSTEM AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended May 31, 2012 and 2011
(In Thousands)

	2012	2011
Operating activities		
(Decrease) increase in net assets	$ (3,521)	$ 48,322
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Unrealized gains on investments, net	-	(3,372)
Other-than-temporary investment impairment losses	-	452
Pension liability adjustment	37,063	(7,303)
Change in fair market value of interest rate swaps	8,524	352
Contributions of real property	(85)	(46)
Deferred tax, net	(60)	28
Depreciation and amortization	38,221	37,376
Loss on disposal of property and equipment	200	443
Increase in trading investments, net	(3,405)	-
Bad debts	20,210	17,819
(Increase) decrease in		
Patient accounts receivable	(26,247)	(19,232)
Inventories	(1,343)	(13)
Other assets	(2,247)	(3,301)
Increase (decrease) in		
Accounts payable	1,719	237
Accrued expenses and certain other liabilities	(1,903)	2,385
Estimated third-party payor settlements	(1,330)	2,383
Net cash from operating activities	65,796	76,530
Investing activities		
Increase in investments and investments limited as to use, net	-	(18,804)
Additions to property and equipment	(31,297)	(29,103)
Proceeds from sale of property and equipment	587	346
Increase in investing portion of other assets	(567)	(683)
Net cash used in investing activities	(31,277)	(48,244)
Financing activities		
Principal payments on long-term debt	(6,075)	(5,815)
Other, net	(232)	(404)
Net cash used in financing activities	(6,307)	(6,219)
Net increase in cash and cash equivalents	28,212	22,067
Cash and cash equivalents at beginning of year	92,838	70,771
Cash and cash equivalents at end of year	$ 121,050	$ 92,838

See accompanying notes

NOTE 1 - ORGANIZATION

BryanLGH Health System (the Health System) is the parent holding company of BryanLGH Medical Center, BryanLGH Enterprises, Inc , BryanLGH Foundation, Crete Area Medical Center, BryanLGH Physician Network, and Integrated Cardiology Group, L L C , d/b/a BryanLGH Heart Institute, herein collectively referred to as the "System " The Health System provides financial and management assistance to its members The Health System is organized as a nonprofit corporation

BryanLGH Medical Center (the Medical Center) is a nonprofit, 639 licensed acute-care bed regional medical center, which includes two acute care campuses, the East Campus and the West Campus, both located in Lincoln, Nebraska The Medical Center offers a comprehensive range of medical services to residents of Lancaster County and greater Nebraska, and is especially recognized as a leading referral hospital, providing a complete cardiac medical specialty program, including open-heart surgery on the East Campus, and a neurosciences institute, as well as trauma and mental health services, on the West Campus Substantially all of the Medical Center's expenses relate to providing health care services The Medical Center is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code

BryanLGH Enterprises, Inc (Enterprises) is a taxable entity that has investments in healthcare joint ventures, as well as operating a health and wellness facility under the trade name LifePointe

BryanLGH Foundation (the Foundation) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Foundation was organized to support and encourage health and human services through providing financial and fund-raising assistance principally to the Medical Center and BryanLGH College of Health Sciences The Foundation's Board of Trustees is elected by the Board of Trustees of the Health System

Crete Area Medical Center (CAMC) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code CAMC operates a 24 licensed bed critical access hospital and two physician clinics, serving patients principally from Saline and Lancaster Counties

BryanLGH Physician Network (Physician Network) is a nonprofit corporation as described in Section 501(c)(3) of the Code, and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code Physician Network provides a continuum of healthcare services to patients in Lincoln, Nebraska and the surrounding community through the employment of physicians providing primary and specialty care services to members of the community

Integrated Cardiology Group, L L C , d/b/a BryanLGH Heart Institute (BHI), is a physician practice specializing in the provision of cardiac services to patients in and around the city of Lincoln, Nebraska, as well as cardiac services to greater Nebraska BHI has elected to be taxed as a C corporation for federal income tax purposes

The consolidated financial statements include the accounts of the Health System and its wholly owned subsidiaries All significant intercompany balances and transactions have been eliminated in consolidation

(Continued)

(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified with Board of Trustees-designated investments limited as to use and long-term investments, are considered cash equivalents The System routinely invests in money market mutual funds These funds generally invest in highly liquid U S government and agency obligations Financial instruments that potentially subject the System to concentrations of credit risk include the System's cash and cash equivalents The System places its cash and cash equivalents with institutions with high credit quality However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits

Net Patient Service Revenue The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and other insurers for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors

Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions Provisions for third-party payor settlements and adjustments are estimated in the period the related services are rendered, and adjusted in future periods as additional information becomes available, and as final settlements are determined Laws and regulations governing the Medicare and Medicaid programs are complex, and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Adjustments to revenue related to prior periods increased net patient service revenue by approximately $6,900 and $2,300 for the years ended May 31, 2012 and 2011 respectively

A summary of patient service revenue is as follows

	2012	2011
Gross charges	$ 1,134,157	$ 1,077,275
Charity care	(34,773)	(34,034)
Deductions from charges	(602,685)	(565,134)
Net patient service revenue	$ 496,699	$ 478,107

The System receives payment for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers, and patients During 2012 and 2011, approximately 30% and 31%, respectively, of the System's net revenues related to patients participating in the Medicare program, 4% for both years, from the Medicaid program, and 33% and 32%, respectively, from a specific managed care payor

The System recognizes that revenue and receivables from government agencies are significant to the System's operations, but does not believe that there are significant credit risks associated with these governmental agencies At May 31, 2012 and 2011, the System has 22% and 26%, respectively, of net accounts receivable due from Medicare, and 33% for both years, of net accounts receivable due from a specific managed care payor The System does not believe that there are any other significant concentrations of revenues from any particular payor that would subject the System to any significant credit risks in the collection of its accounts receivable The System grants credit to its patients, most of whom are local or state residents, and are insured under third-party arrangements

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additions to the allowance for estimated uncollectible accounts are made by means of the provision for estimated uncollectible accounts (bad debts expense) Accounts written off as uncollectible are deducted from the allowance, and subsequent recoveries are added

The amount of the allowance for estimated uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators Information used in management's assessment includes its review of historical collections and write-offs that represent a majority of the System's revenue and accounts receivable Management evaluates the collectibility of accounts receivable by evaluating its payor composition and aging, and by utilizing its review of the results of historical collections and write-off experience, adjusted for changes in trends and conditions, to determine the allowance for the current reporting date After satisfaction of amounts due from insurance, the System follows established guidelines for placing certain past due patient balances with collection agencies The System does not charge interest on patient accounts receivable which are past due

Regulatory Compliance As is the case with certain other hospitals and health systems, various federal and state agencies have initiated inquiries and investigations regarding reimbursement claims by the System, and certain other patient practices The ultimate resolution of these matters, including liabilities, if any, cannot be determined at this time However, it is management's opinion that the results of these inquiries and investigations will not have a material adverse impact on the consolidated financial statements

Charity Care The System provides care to patients who are deemed unable to pay for services provided to them Patients who meet certain criteria under the System's charity care policy are provided service without charge, or at amounts less than their established rates Accordingly, such amounts are not reported as revenue in the accompanying consolidated financial statements

Inventories Inventories, which consist primarily of drugs and supplies, are determined primarily by physical count, and are stated at the lesser of cost (first-in, first-out method) or market value

Investments Investments include both undesignated assets and assets limited as to use Undesignated assets consist of equities, mutual funds, individual government and corporate bonds, and alternative investments Investments limited as to use include assets set aside by the Board of Trustees for, among other things, future capital improvements, retirement of debt, and for claims in excess of professional liability and health insurance, all over which the Board retains control and which it may, at its discretion, subsequently use for other purposes Investments limited as to use also include investments held by trustees under indenture agreements and student loan funds Amounts required to meet certain current liabilities of the System, including current installments of long-term debt and accrued interest to be paid from the trusteed assets, have been classified as current investments limited as to use in the consolidated balance sheets

On June 1, 2011, the Board of Trustees elected to release the designations on funds previously designated for capital acquisitions and construction

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets Fair value is determined primarily on the basis of quoted market prices

(Continued)

(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Limited partnership values are stated at fair value as estimated in an unquoted market utilizing the market approach Fair values of the limited partnerships are determined by the investment managers or general partners Changes in the fair value of investments in limited partnerships are recorded as investment income Certain of the partnerships may hold some securities without readily determinable fair values, and consequently, the general partner may estimate the fair value for such securities These estimates may differ from the values that would have been used had a ready market existed, and may also differ from the values at which such investments may be sold

Effective June 1, 2011, the System designated its investments as trading securities As a result of this designation, $10,715 (excludes temporarily restricted amounts) of cumulative net unrealized gains on the trading portfolio as of June 1, 2011, not previously recognized in earnings, were recognized as nonoperating gains For the year ended May 31, 2011, unrealized gains or losses on investments are excluded from the excess of revenues over expenses, unless the loss is determined to be other than temporary as discussed below

For the year ended, May 31, 2011, in order to evaluate the realizable value of its investments, the System's management evaluated the available facts and circumstances, including its investment intent and estimated 12-month target prices This evaluation required significant judgment, including determinations involving the estimation of the outcome of future events, and also consisted of an accumulation of factors about general market conditions, which reflected prospects for the economy as a whole, the specific industries, and/or the specific securities under consideration These factors were considered by management in determining whether the security still had earnings potential in the near future, and whether the security had an anticipated recovery in market value

Management's position as to why an impairment is temporary, and no adjustment to the cost basis is deemed necessary, includes

- The intent and ability to retain the investments for a period of time sufficient to allow for the anticipated recovery in market value
- The decline in fair value has not existed for an extended period of time to suggest other than routine market fluctuations
- The individual stocks still have earnings potential in the near term sufficient to recover any decline in investment balance

Property and Equipment Property and equipment are stated at cost or, if donated, at fair value at the date of gift Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets as follows

Land improvements	20 years
Buildings and improvements	20-40 years
Equipment	3-15 years

Leasehold improvements are depreciated over the term of the corresponding lease, or the life of the asset, whichever is less

Donated property and equipment are recorded at fair value at the date of donation, and are then depreciated similar to purchased property and equipment

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Impairment The System considers whether indicators of impairment are present, and performs the necessary test to determine if the carrying value of an asset is appropriate Impairment write-downs are recognized in operating income at the time the impairment is identified, except for alternative investment impairments, which are recognized in investment income

Costs of Borrowings Costs incurred in connection with the issuance of debt are amortized over the term of the bonds using the bonds outstanding method, approximating the effective interest method

Tax-Exempt Status and Income Taxes With the exception of two taxable subsidiaries, the System is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code Several of the organizations realized certain income which the Internal Revenue Service considers to be unrelated business income subject to income tax For the years ended May 31, 2012 and 2011, no tax was due related to these operations

Under ASC, Subtopic 740-10, *Income Taxes*, the System must recognize the tax benefit from an uncertain tax position only if it is "more-likely-than-not" that the tax position will be sustained on examination by the applicable taxing authorities, based on the technical merits of the position The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes and accounting in interim periods and requires increased disclosure There were no uncertain tax benefits identified and recorded as a liability upon the adoption of ASC 740 or at May 31, 2012 and 2011 The System does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months

Tax returns filed by the System are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return Tax returns filed by the System and its subsidiaries are no longer subject to examination for the years ended May 31, 2008 and prior

Financial Instruments Financial instruments consist of cash and cash equivalents, patient accounts receivable, investments limited as to use, long-term investments, interest rate swaps, current liabilities, and long-term debt obligations Management's estimate of the fair value of investments limited as to use, long-term investments, interest rate swaps, and long-term debt is described in Notes 4 and 7, respectively

Derivative Financial Instruments As part of its debt management programs, the System may enter into interest rate swaps The System recognizes all derivative instruments as either assets or liabilities in the balance sheets at fair value The System uses pricing models for various types of derivative instruments that take into account the present value of estimated future cash flows

The System does not account for any of its interest rate swap agreements as hedges, and accordingly, the gains and losses resulting from changes in the fair values are reflected in the consolidated statements of operations as nonoperating gains (losses) Included in other expenses in the consolidated statements of operations are net settlement payments on interest rate swap agreements

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Classification of Expenses The Medical Center, BHI, Physician Network, and Enterprises provide general healthcare services to residents of Lancaster County and greater Nebraska, including acute inpatient, subacute inpatient, outpatient, ambulatory, and mental health, as well as related general and administrative services CAMC, as a critical access hospital, serves patients and residents principally from Saline and Lancaster Counties in Nebraska

The System does not present expense information by functional classification because its resources and activities are primarily related to providing healthcare services Furthermore, since the System receives substantially all of its resources from providing healthcare services in a manner similar to a business enterprise, other indicators contained in these financial statements are considered important in evaluating how well management has discharged its stewardship responsibilities

Performance Indicator The System's performance indicator (excess of revenues over expenses) includes all changes in unrestricted net assets other than unrealized gains and losses on investments (for the year ended May 31, 2011 only), contributions of real property, net assets released from restrictions, and pension liability adjustment

Operating and Nonoperating Income (Expense) Activities directly associated with the furtherance of the System's mission are considered operating activities Other activities that result in gains or losses peripheral to the System's primary mission are considered to be nonoperating Nonoperating activities include investment income (loss), other-than-temporary investment impairment losses (for the year-ended May 31, 2011 only), unrealized gains or losses on investments (for the year ended May 31, 2012 only), changes in fair market value of interest rate swaps, deferred tax benefit, and other

Pledges, Bequests, and Gifts for Specific Purposes Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or the condition has been satisfied Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released due to satisfaction of program restrictions Donor-restricted contributions whose restrictions are met within the same year as received, and contributions received by donors without restrictions, are reflected as other operating revenue in the accompanying consolidated statements of operations

Temporarily and Permanently Restricted Net Assets Temporarily restricted net assets are those assets whose use has been limited by donors to a specific time period, or for plant expansion purposes Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, and whose related income is to be primarily used for research, education, and nursing endowment scholarships

(Continued)

(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily restricted net assets at May 31 are available for the following activities

	2012	2011
Research and education	$ 4,914	$ 3,472
Nursing endowment scholarships	712	810
Other	1,356	1,311
	$ 6,982	$ 5,593

Permanently restricted net assets a May 31 are available for the following activities

	2012	2011
Research and education	$ 2,362	$ 2,325
Nursing endowment scholarships	2,477	2,413
Other	243	242
	$ 5,082	$ 4,980

Use of Estimates The preparation of financial statements in conformity with U S generally accepted accounting principles 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 Estimates and assumptions also affect the reported amounts of revenues and expenses during the year Actual results could differ from management's estimates

Recent Accounting Guidance In August 2010, the FASB issued ASU No 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes, and that cost be identified as the direct and indirect costs of providing the charity care, and requires disclosure of the method used to identify or determine such costs This ASU is effective for the System on June 1, 2011 The System has implemented this ASU and is reflected in Note 3 of these consolidated financial statements

In August 2010, the FASB issued ASU No 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* The amendments in this ASU clarify that a healthcare entity may not net insurance recoveries against related claim liabilities In addition, the amount of the claim liability must be determined without consideration of insurance recoveries This ASU is effective for the System on June 1, 2011 In connection with the System's adoption of ASU 2010-24, the System recorded a $1,783 insurance recoveries receivable and related liability as of May 31, 2012 which represents the System's estimate of its recoveries for certain medical malpractice claims The adoption of ASU 2010-24 had no impact on the Corporation's results of operations or cash flows

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In July 2011, the FASB issued ASU No 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)* The amendments in this update require certain healthcare entities 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, those healthcare entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts), as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The amendments in this ASU are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted The System is currently evaluating the impact on its financial position and results of operations from the adoption of this pronouncement

NOTE 3 - CHARITY CARE

In accordance with its mission objectives, the System provides free care to patients who lack financial resources to pay for the services they receive Included in the provision for contractual allowances is the value (at standard charges) of these services to patients who are unable to pay, that is eliminated from net patient service revenues when it is determined they qualify under the System's charity care policy The estimated cost incurred by the System to provide these services to patients who are unable to pay was approximately $13,155 and $13,684 for the years ended May 31, 2012 and 2011, respectively The estimated cost of these charity care services was determined using a ratio of costs to gross charges and applying that ratio to the gross charges associated with providing care to charity patients for the period Gross charges associated with providing care to charity patients includes only the related charges for those patients who are financially unable to pay and qualify under the System's charity care policy and that do not otherwise qualify for reimbursement from a governmental program During the years ended May 31, 2012 and 2011, the System received no funds to help defray the costs of indigent care

NOTE 4 - FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurement), and the lowest priority to unobservable inputs (Level 3 measurement)

Certain of the System's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income, equity instruments, and interest rate swap agreements The three levels of the fair value hierarchy, and descriptions of the valuation methodologies used for instruments measured at fair value, are as follows

Level I - Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date

(Continued)

(In Thousands)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Pricing inputs other than quoted prices included in Level 1, which are either directly observable, or that can be derived or supported from observable data as of the reporting date

Level 3 - Pricing inputs include those that are significant to the fair value of the financial asset or financial liability, and are not observable from objective sources These inputs may be used with internally developed methodologies that result in management's best estimate of fair value

There were no significant transfers into or out of Level 1 or Level 2 that occurred between June 1, 2011 and May 31, 2012

The fair value of financial assets and financial liabilities, measured at fair value on a recurring basis, was determined using the following inputs at May 31, 2012

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and temporary cash investments	$ 21,731	$ -	$ -	$ 21,731
Certificates of deposit	-	15,160	-	15,160
Equity securities				
Mutual funds – equity securities	47,729	-	-	47,729
Mutual funds – equity securities international	22,572	-	-	22,572
Mutual funds - fixed income	50,666	-	-	50,666
Mutual funds - fixed income international	12,170	-	-	12,170
Common stock	3,845	-	-	3,845
Common stock - international	929	-	-	929
Fixed income securities				
Government-sponsored enterprise securities	-	17,159	-	17,159
Corporate bonds	-	3,315	-	3,315
Limited partnerships	-	-	15,478	15,478
Other	97	-	-	97
Investments	159,739	35,634	15,478	210,851
Beneficial interest in charitable remainder trust	-	789	-	789
Total assets	$ 159,739	$ 36,423	$ 15,478	$ 211,640
Liabilities				
Interest rate swaps	$ -	$ 20,989	$ -	$ 20,989

(Continued)

(In Thousands)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The fair value of financial assets and financial liabilities, measured at fair value on a recurring basis, was determined using the following inputs at May 31, 2011

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and temporary cash investments	$ 53,646	$ -	$ -	$ 53,646
Certificates of deposit	-	15,719	-	15,719
Equity securities				
Mutual funds – equity securities	24,589	-	-	24,589
Mutual funds – equity securities international	17,966	-	-	17,966
Mutual funds - fixed income	33,192	-	-	33,192
Mutual funds - fixed income international	5,666	-	-	5,666
Common stock	10,043	-	-	10,043
Common stock - international	2,101	-	-	2,101
Fixed income securities				
Government-sponsored enterprise securities	-	14,014	-	14,014
Corporate bonds	-	2,966	-	2,966
Limited partnerships	-	-	28,961	28,961
Other	95	-	-	95
Investments	147,298	32,699	28,961	208,958
Beneficial interest in charitable remainder trust	-	762	-	762
Total assets	$ 147,298	$ 33,461	$ 28,961	$ 209,720
Liabilities				
Interest rate swaps	$ -	$ 12,465	$ -	$ 12,465

Fair value for Level 1 is based upon quoted market prices The fair values of certificates of deposit, government agency issues, and corporate bonds included in Level 2 are determined using quoted market prices from observable pricing sources at the reporting date The fair values of the beneficial interest in charitable trusts included in Level 2 are determined based on the fair value of the investments held in the trusts, net of the discounted estimated annuity liability based on life expectancy tables and discount rates appropriate with the risk involved The fair values of the interest rate swap contracts included in Level 2 are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved The valuations reflect a credit spread adjustment to the LIBOR discount curve in order to reflect the credit value adjustment for nonperformance risk The credit spread adjustment is derived from other comparable-rated entities priced in the bond market Level 3, which consists of alternative investments (principally a limited partnership interest in a hedge fund of funds), represents the System's ownership interest in the net asset value (NAV) of the partnership

(Continued)

(In Thousands)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The following table is a rollforward of the System's assets classified within Level 3 of the valuation hierarchy

	Hedge Fund of Funds	Real Estate	Other
Fair Value at June 1, 2010	$ 13,205	$ 6,318	$ 12,677
Settlements	-	-	(10,105)
Actual return on plan assets	1,021	1,132	4,713
Fair value at May 31, 2011	$ 14,226	$ 7,450	$ 7,285
Fair value at June 1, 2011	$ 14,226	$ 7,450	$ 7,285
Purchases	1,760	-	-
Settlements	-	(11,269)	(8,138)
Actual return on plan assets	(508)	3,819	853
Fair value at May 31, 2012	$ 15,478	$ -	$ -

Unrealized (depreciation) appreciation of ($508) and $6,866 related to the Level 3 investments is reported within investment income in the 2012 and 2011 statement of operations, respectively

Beneficial interests in charitable remainder trusts and the liability related to interest rate swaps are included in other long-term assets and other liabilities in the consolidated balance sheets, respectively

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, patient accounts receivable, and current liabilities approximate fair value due to the short-term nature of these financial instruments

The fair value of the System's fixed rate 2008A and 2006 Bonds is estimated using discounted cash flow analysis, based on the quoted market prices for similar types of borrowing arrangements, and approximates $81,100 and $82,800 at May 31, 2012 and 2011, respectively The fair value of the 2008B and 2008C Bonds approximately equals the carrying amount of $91,900 and $93,200 as of May 31, 2012 and 2011, respectively, and excludes the impact of third-party credit enhancements

Due to the volatility of the stock market, there is a reasonable possibility of changes in fair value and additional gains and losses in the near term subsequent to May 31, 2012

(Continued)

(In Thousands)

NOTE 5 - INVESTMENTS LIMITED AS TO USE AND LONG-TERM INVESTMENTS

Beginning June 1, 2011, BryanLGH Medical Center decided to aggregate investments when possible, subject to Board or other restrictions and the operating needs of the Medical Center At the same time, the Board elected to release the designations on funds previously designated for capital acquisitions and construction The following is a summary of investments included in the balance sheets as of May 31

	2012	2011
Board designated	$ 10,532	$ 141,269
Held under bond indenture agreements by trustee	8,188	8,330
Revocable trusts for self-insurance and other	1,907	1,436
Student loan funds	749	753
Undesignated	189,475	57,170
Total investments	$ 210,851	$ 208,958

Investments limited as to use and long-term investments as of May 31 are as follows

	2012	2011
Investments		
Cash and temporary investments	$ 21,731	$ 53,646
Certificates of deposit	15,160	15,719
Government-sponsored enterprise securities	17,159	14,014
Fixed income mutual funds	62,836	38,857
Marketable equity securities	75,075	54,700
Corporate bonds	3,315	2,966
Limited partnerships		
Real estate	-	7,450
Hedge fund of funds	15,478	14,226
Other	-	7,285
Accrued investment income	97	95
Total investments	$ 210,851	$ 208,958

The System's investments are exposed to various kinds and levels of risk Equity securities expose the System to market risk, performance risk, and liquidity risk Market risk is the risk associated with major movements of the equity markets Performance risk is the risk associated with a particular company's operating performance Liquidity risk is affected by the willingness of market participants to buy and sell

At May 31, 2012, the System held an investment in a limited partnership through a hedge fund of funds Through this investment, the System is involved indirectly in investment activities such as securities lending, short sales of securities, options, warrants, trading in futures and forward contracts, swap contracts, forward foreign currency contracts, and various domestic and international derivative products Derivatives are tools used to maintain asset mix or adjust portfolio risk exposure

(Continued)

(In Thousands)

NOTE 5 - INVESTMENTS LIMITED AS TO USE AND LONG-TERM INVESTMENTS (Continued)

While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment These interests have varying degrees of liquidity The hedge fund of funds investment requires a minimum of 70 days' notice prior to the end of any calendar quarter in order to divest, is subject to redemption provisions of the portfolio funds, and, if a divesture is requested, the proceeds to be received from the sale reflect market value as of the actual sale date

The gross unrealized gains and (losses) from investments at May 31, 2011 were $12,385 and ($37), respectively

For the year ended May 31, 2011, unrealized gains and temporary losses on investments that are not limited partnerships or other-than-temporary impairments are excluded from the excess of revenues over expenses since they are not trading investments

For the year ended May 31, 2011, the System evaluates its holdings for other-than-temporary declines in fair value below the cost basis If an investment is determined to have an other-than-temporary decline in fair value, the unrealized losses for the investment are realized in investment income The System has recorded other-than-temporary losses to investment income in the consolidated statements of operations of $452 for the year ended May 31, 2011

Investment return for the years ended May 31

	2012	2011
Interest and dividends	$ 5,727	$ 6,201
Net realized gains	2,473	14,006
Other-than-temporary impairment losses	-	(452)
Net unrealized (losses) gains	(7,029)	3,372
Total investment return	$ 1,171	$ 23,127
Included in other operating revenue	$ 736	$ 1,041
Included in nonoperating gains, net	7,053	18,280
Reported separately as a (decrease) increase in unrestricted net assets	(6,528)	3,012
Reported separately as a (decrease) increase in temporarily restricted net assets	(90)	794
Total investment return	$ 1,171	$ 23,127

Interest and dividend income on the revocable trust for self-insurance is included in other operating revenue with income earned on tax-exempt borrowings to the extent that the income earned is not capitalized All other interest and dividend income and realized gains and losses are included in other investment income The cost of substantially all securities sold is based on the specific identification method

(Continued)

(In Thousands)

NOTE 6 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of May 31

	2012	2011
Land	$ 11,427	$ 11,588
Land improvements	4,537	4,493
Buildings and improvements	432,297	426,076
Leasehold improvements	536	535
Equipment	255,619	245,617
	704,416	688,309
Accumulated depreciation	(345,693)	(320,913)
	358,723	367,396
Construction in progress	10,948	9,738
	$ 369,671	$ 377,134

NOTE 7 - LONG-TERM DEBT

The following reflects the Health System's long-term debt at May 31

	2012	2011
Series 2008A Revenue Bonds		
Serial, 2 5% - 5 0% per annum, due June 1, 2012 to 2018	$ 23,835	$ 26,840
Series 2008 B-1 Revenue Bonds		
Variable rate demand securities, daily interest rate period (0 22% per annum at May 31, 2012), due June 1, 2012 to 2031	39,485	40,055
Series 2008 B-2 Revenue Bonds		
Variable rate demand securities, weekly interest rate period (0 19% per annum at May 31, 2012), due June 1, 2012 to 2031	39,485	40,065
Series 2008 C Revenue Bonds		
Variable rate demand securities, weekly interest rate period (0 19% per annum at May 31, 2012), due June 1, 2012 to 2031	12,955	13,115
Series 2006 Revenue Bonds		
Serial, 4 0%- 5 0% per annum, due June 1, 2012 to 2022	51,380	53,140
	167,140	173,215
Capital leases for medical equipment	45	117
	167,185	173,332
Unamortized original issue premium, 2008A and 2006 bonds	1,450	1,610
Current portion	(6,271)	(6,147)
	$ 162,364	$ 168,795

(Continued)

(In Thousands)

NOTE 7 - LONG-TERM DEBT (Continued)

On May 27, 2008, Hospital Authority No 1 of Lancaster County, Nebraska, issued $114,860 of Hospital Revenue Refunding Bonds, Series 2008A (the 2008A Bonds), 2008 B-1, and 2008 B-2 (the 2008B Bonds), and Hospital Authority No 1 of Saline County, Nebraska, issued $13,480 of Hospital Revenue Refunding Bonds, Series 2008 C (the 2008C Bonds) Proceeds from the sale of the 2008A Bonds were used to refinance the Series 2002 variable rate obligations with par amounts totaling $31,890, with maturity dates through June 2018, and issuance costs of the 2008A Bonds Proceeds from the sale of the 2008B and 2008C Bonds were used to refinance the Series 2007A and 2007B auction rate securities with par amounts totaling $94,550, with maturity dates through June 2031, and issuance costs of the 2008B and 2008C Bonds The proceeds of the 2008C Bonds were loaned to CAMC in a manner coterminous to the underlying bond obligations

The Medical Center entered into a Letter of Credit agreement (the LOC) with a bank in conjunction with the 2008B and 2008C Bonds to enhance the marketability of the bonds Under the terms of the LOC, if bonds are not successfully remarketed, and thereby purchased by the bank, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and the System would pay a defined rate, based upon a formula within the agreement The current LOC expires May 27, 2015 The Medical Center pays a LOC commitment fee rate of 0 75% per annum, based on the Medical Center's credit rating, with a maximum rate of 1 15% per annum At May 31, 2012 and 2011, all bonds had been successfully remarketed

On December 13, 2006, Hospital Authority No 1 of Lancaster County, Nebraska, issued $59,465 of Hospital Revenue Refunding Bonds, Series 2006 (the 2006 Bonds) Proceeds from the sale of the 2006 Bonds were used to refinance the Series 1997A and 1997B fixed rate obligations with par amounts totaling $59,165, interest rates ranging from 5 100% to 5 375% per annum with maturity dates through June 2022, and issuance costs of the 2006 Bonds

Scheduled principal repayments on long-term debt for each of the next five fiscal years and thereafter are as follows

2013	$ 6,271
2014	10,119
2015	10,515
2016	10,855
2017	11,385
Thereafter	118,040
	$ 167,185

The obligations of the Medical Center for the 2008 Bonds and 2006 Bonds are general obligations secured by a pledge of the revenues of the Medical Center, but are not otherwise secured by any security interest in or mortgage on assets of the Medical Center or the System

The bond indenture assets held in the debt service reserve fund are to be used solely for the payment of principal and interest on the 2008 Bonds and 2006 Bonds These funds (approximately $8,188 at May 31, 2012 and $8,330 at May 31, 2011) consist of cash balances designated to fund the semiannual interest and annual principal payments on the outstanding bonds

(Continued)

(In Thousands)

NOTE 7 - LONG-TERM DEBT (Continued)

The financing documents contain certain restrictive covenants relating to debt service coverage, maintenance of minimum funding in certain bond indenture funds, and use and maintenance of Medical Center facilities

The amount of interest paid to the bondholders by the trustee was $3,619 and $3,895 in 2012 and 2011, respectively

NOTE 8 - INTEREST RATE SWAPS

The Medical Center has interest rate-related derivative instruments to manage its exposure on its variable rate debt instruments, and does not enter into derivative instruments for any purpose other than risk management purposes Interest rate swap contracts between the Medical Center and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate, and expose the Medical Center to market risk and credit risk

Credit risk is the risk that contractual obligations of the counterparties will not be fulfilled Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions Counterparty credit risk is managed by requiring high credit standards for the Medical Center's counterparties The Medical Center does not anticipate nonperformance by its counterparties

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken Management also mitigates risk through periodic reviews of their derivative positions in the context of their blended cost of capital

The following is a summary of the outstanding positions under these interest rate swap agreements at May 31

Bond Series	Maturity Date	Annual Rate Paid	Annual Rate Received	2012 Notional Amount	2011 Notional Amount
2008	June 1, 2031	3 681%-3 686%	68% of LIBOR	$ 91,925	$ 93,235

The fair value of derivative instruments at May 31

	Balance Sheet Location	2012	2011
Derivatives not designated as hedging instruments			
Interest rate contracts	Other liabilities	$ 20,989	$ 12,465

(Continued)

(In Thousands)

NOTE 8 - INTEREST RATE SWAPS (Continued)

Derivatives Not Designated as Hedging Instruments	Location of Loss on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Loss on Derivatives Recognized in Excess of Revenue Over Expenses 2012	2011
Interest rate contracts	Change in fair market value of interest rate swaps	$ (8,524)	$ (352)
	Other expense	(3,236)	(3,264)

NOTE 9 - PENSION PLANS

The Health System has a noncontributory, defined-benefit pension plan (the Plan) On January 1, 2007, the Plan was closed to new entrants, and benefits were frozen for participants under age 40 as of December 31, 2006 On January 1, 2012, all remaining participants' accrued benefits were frozen as of December, 31, 2011 No additional years of service will be earned after December 31, 2011, and no compensation earned by the participants with respect to any plan year after December 31, 2011 will be taken in to account for purposes of determining the participant's accrued benefit The Health System's funding policy is to contribute annually normal cost plus an amount equal to amortization of prior service liability over ten years

The following table sets forth the Plan's funded status, as recognized on the Health System's consolidated balance sheets as of May 31

	2012	2011
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	$ 205,613	$ 179,844
Service cost	3,679	6,111
Interest cost	10,507	10,379
Actuarial losses	46,446	13,024
Benefits paid	(4,239)	(3,745)
Curtailment	(29,383)	-
Projected benefit obligation at end of year	232,623	205,613
Change in plan assets		
Fair value of plan assets at beginning of year	150,544	120,121
Actual return on plan assets	(6,480)	26,168
Employer contributions	8,625	8,000
Benefits paid	(4,239)	(3,745)
Fair value of plan assets at end of year	148,450	150,544
Reconciliation of funded status		
Underfunded status	$ (84,173)	$ (55,069)
Accumulated benefit obligation at end of year	$ 232,623	$ 185,869
Fair value of plan assets at end of year	148,450	150,544
Funded status (based on accumulated benefit obligation)	$ (84,173)	$ (35,325)

(Continued)

(In Thousands)

NOTE 9 - PENSION PLANS (Continued)

	2012	2011
Items not yet recognized as a component of net periodic pension cost		
Net actuarial loss	$ 78,690	$ 46,548
Prior service benefit	-	(4,919)
Total plan	$ 78,690	$ 41,629

Changes in plan assets and benefit obligation recognized in unrestricted net assets include

	2012
Unrecognized actuarial loss	$ 63,970
Amortization of net loss	(2,444)
Amortization of prior service cost including curtailment recognition	4,919
Total plan	$ 66,445

Prior service credit and actuarial losses included in unrestricted net assets, and expected to be recognized in net periodic benefit cost during the year ending May 31, 2012, are $0 and $(1,625), respectively

The weighted-average annual rate assumptions used to determine the projected benefit obligation as of May 31 are as follows

	2012	2011
Discount rates	4 19%	5 41%
Rates of salary increase	N/A	3 00%

The impact of the decrease in annual discount rate from May 31, 2011 to May 31, 2012, on the projected benefit obligation of the Plan was an increase of approximately $46,000 at May 31, 2012, which was reflected as an actuarial loss

Weighted-average assumptions used to determine net periodic benefit costs are as follows

	2012	2011
Discount rates	5 41%	5 83%
Expected long-term return on plan assets	7 50%	7 50%
Rates of salary increase	3 00%	3 00%

(Continued)

(In Thousands)

NOTE 9 - PENSION PLANS (Continued)

The Plan's weighted-average asset allocations, by asset category, as of May 31, are as follows

	Target Asset Allocation	Plan Assets 2012	Plan Assets 2011
Equity securities	44 0%	44 3%	57 0%
Fixed income investments	46 0	45 2	32 8
Limited partnerships			
Hedge fund of funds	10 0	9 5	7 4
Cash and cash equivalents	0 0	1 0	2 8
Total	100 0%	100 0%	100 0%

The Plan's investments in the hedge fund of funds limited partnership is identical to that which is described in Note 5

The System employs a total return investment approach whereby a mix of marketable equity securities, fixed income investments (government and agency securities and corporate bonds), and limited partnerships are used to optimize the long-term return of plan assets for a prudent level of risk The System's goal is to maintain parity between the duration of assets and liabilities to meet the anticipated growth of liabilities, and, thus, risk tolerance is established through careful consideration of the Plan's liabilities and funded status The Plan's investment portfolio contains a diversified blend of marketable equity securities, fixed income investments, limited partnerships (including real estate) and an investment in a hedge fund of funds, and cash and cash equivalents The equity investments are further distributed across growth and value styles and large and small capitalizations

The fair value of pension plan assets was determined using the following inputs at May 31, 2012

	Level 1	Level 2	Level 3	Fair Value
Cash and temporary cash investments	$ 1,577	$ -	$ -	$ 1,577
Equity securities				
Mutual funds – equity securities	25,327	-	-	25,327
Mutual funds – international	20,221	-	-	20,221
Mutual funds – real estate	9,014	-	-	9,014
Mutual funds – commodity futures	11,070	-	-	11,070
Fixed income				
Mutual fund – fixed income securities	44,715	-	-	44,715
Mutual fund – fixed income international	9,951	-	-	9,951
Corporate bonds	-	1,145	-	1,145
Government-sponsored enterprise securities	-	11,279	-	11,279
Limited partnerships				
Hedge fund of funds	-	-	14,151	14,151
	$ 121,875	$ 12,424	$ 14,151	$ 148,450

(Continued)

(In Thousands)

NOTE 9 - PENSION PLANS (Continued)

The fair value of pension plan assets was determined using the following inputs at May 31, 2011

	Level 1	Level 2	Level 3	Fair Value
Cash and temporary cash investments	$ 4,249	$ -	$ -	$ 4,249
Equity securities				
Mutual funds – equity securities	17,835	-	-	17,835
Mutual funds – international	24,287	9,653	-	33,940
Mutual funds – real estate	7,956	-	-	7,956
Mutual funds – commodity futures	5,816	-	-	5,816
Common stock	8,796	-	-	8,796
Common stock - international	1,602	-	-	1,602
Common/collective trusts	-	9,975	-	9,975
Fixed income				
Mutual fund – fixed income securities	28,751	-	-	28,751
Mutual fund – fixed income international	7,797	-	-	7,797
Corporate bonds	-	984	-	984
Government-sponsored enterprise securities	-	11,671	-	11,671
Limited partnerships				
Hedge fund of funds	-	-	11,172	11,172
	$ 107,089	$ 32,283	$ 11,172	$ 150,544

Fair value methodologies for Level investments are consistent with the inputs described in Note 4 Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market, or can be corroborated by observable market data for substantially the full term of the assets Inputs are obtained from various sources, including market participants, dealers, and brokers Level 3, which consists of alternative investments (principally a limited partnership interest in hedge fund of funds and real estate), represents the Plan's ownership interest in the net asset value (NAV) of the respective partnership

ASC Subtopic 820-10 allows for the use of a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value Management opted to use the NAV per share, or its equivalent Valuations provided by the respective investment's management consider variables such as the financial performance of underlying investments, recent sales prices of underlying investment, and other pertinent information In addition, actual market exchanges at period end provide additional observable market inputs of the exit price

(Continued)

(In Thousands)

NOTE 9 - PENSION PLANS (Continued)

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy

	Hedge Fund of Funds	Real Estate
Fair value at June 1, 2010	$ 10,370	$ 7,781
Settlements	-	(8,873)
Actual return on plan assets	802	1,092
Fair value at May 31, 2011	$ 11,172	$ -
Fair value at June 1, 2011	$ 11,172	$ -
Purchases	3,350	-
Actual return on plan assets	(371)	-
Fair value at May 31, 2012	$ 14,151	$ -

The System determines the expected long-term rate of return for plan assets in consultation with its external investment advisor The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets Peer data and historical returns are reviewed by management to challenge for appropriateness

Information about the expected cash flows for the Plan follows for each of the respective System's fiscal years

The System expects to make an employer pension contribution of approximately $15,000 during fiscal year 2013

Expected benefit payments

2013	$ 5,104
2014	5,832
2015	6,603
2016	7,409
2017	8,227
2018-2022	52,026

(Continued)

(In Thousands)

NOTE 9 - PENSION PLANS (Continued)

The net periodic cost included the following components as of May 31

	2012	2011
Service cost	$ 3,679	$ 6,111
Interest cost	10,508	10,379
Expected return on plan assets	(11,045)	(9,126)
Amortization on prior service cost	(373)	(640)
Amortization of net actuarial loss	2,444	3,925
Curtailment gain	(4,546)	-
Net periodic benefit cost of the plan	$ 667	$ 10,649

The Health System has a contributory defined-contribution retirement plan (the Savings Plan) The Savings Plan is administered by the Health System, and covers all employees of the System, excluding BHI, who were 21 years of age and have worked at least 1,000 hours during one year of service The Savings Plan is subject to the provision of the Employee Retirement Income Security Act of 1974 Contributions to the Savings Plan, made individually by each subsidiary, are included in the consolidated statements of operations as employee benefits, and for the years ended May 31, 2012 and 2011, amounted to $8,264 and $6,491, respectively

BHI has a defined-contribution pension plan for its employees The BryanLGH Heart Institute Retirement Savings Plan (the BHI Plan) covers all BHI employees who were over 21 years of age and have worked at least 1,000 hours during one year of service The BHI Plan is subject to certain limits in accordance with Code Section 401(k) Contributions to the BHI Plan are included in the consolidated statements of operations as employee benefits, and amounted to $492 and $386 for the years ended May 31, 2012 and 2011, respectively

NOTE 10 - MEDICAL MALPRACTICE

On July 20, 1996, the East Campus qualified under the Nebraska Hospital Medical Liability Act (the Act), and provisions of its Excess Fund Effective November 1, 1997, the West Campus joined the East Campus's coverage under the Act CAMC, Physician Network, and BHI also retain coverage under the Act To qualify under the Act, the Medical Center, CAMC, and Physician Network are required by statute to commercially insure at minimum limits of $500 per occurrence and $3,000 in aggregate The Excess Fund pays for eligible losses in excess of the required commercial limits specified in the Act up to the tort limitations as defined by the Act The Act limits the per claim liability of a qualifying hospital to between $1,000 and $1,750, depending on the date an incident occurred The Medical Center, CAMC, and Physician Network are commercially insured on a claims-made basis up to $1,000 per covered occurrence and $3,000 in aggregate BHI carries a professional liability policy (including malpractice), which provides $2,000 of coverage for injuries per occurrence and $4,000 aggregate coverage The statute limits covered claims above $1,750 These policies provide coverage on a claims-made basis covering only those claims that have occurred, and are reported to the insurance company while the coverage is in force

(Continued)

(In Thousands)

NOTE 10 - MEDICAL MALPRACTICE (Continued)

Since June 1, 2002, the Medical Center's commercial policy includes a self-insured retention of $100 for each claim with an annual aggregate of $500 on a claims-made basis Amounts funded, based on the estimated liability for both reported and unreported self-insured claims, have been placed in a revocable self-insurance trust fund administered by a trustee The Medical Center and CAMC also carry an excess professional liability insurance policy through a commercial carrier on a claims-made basis In fiscal 1997, the East Campus purchased tail coverage associated with incurred but not reported claims occurring prior to July 20, 1996

The System could have additional exposure on possible incidents that have occurred for which claims will be made in the future, if professional liability insurance is not obtained, coverage is limited and/or not available, the Excess Fund becomes insolvent, or the Act changes

In the event BHI and CAMC should elect not to purchase insurance from the present carrier, or the carrier should elect not to renew the policy, any unreported claims that occurred during the policy year may not be recoverable from the carrier

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Medical Center and Jefferson Community Health Center are the sole members of a Nebraska nonprofit corporation that has constructed an assisted-living facility in Fairbury, Nebraska This nonprofit corporation owns and operates the Cedarwood Assisted Living facility, which was incorporated in March 2001 The Medical Center has entered into a Bond Guarantee Agreement to guarantee the payment of one-half of the debt service on $4,805 worth of bonds issued by Hospital Authority No 1 of Jefferson County, Nebraska As of May 31, 2012, $2,845 remains outstanding

The System has operating leases for occupancy of space and computer, medical, communications, and other equipment Rental expense associated with the operating leases was $2,206 and $1,969 for the years ended May 31, 2012 and 2011, respectively

Future minimum lease payments on noncancelable operating leases in effect on May 31, 2012, for each of the five subsequent years, are as follows

2013	$ 707
2014	497
2015	293
2016	252
2017	147
	$ 1,896

Certain of the System's organizations are involved in litigation arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the System's consolidated financial position

(Continued)

(In Thousands)

NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)

During April 2011, the Medical Center received a letter from the U S Department of Justice (DOJ) indicating that an investigation was being conducted to determine whether the Medical Center improperly submitted claims for the implantation of implantable cardioverter defibrillators ("ICDs") The DOJ's investigation covers the period commencing with Medicare's expansion of coverage for ICDs in 2003 to 2010 The letter from the DOJ further indicates that the claims for certain patients submitted by the Medical Center for ICDs and related services need to be reviewed to determine if Medicare coverage and payment were appropriate During 2010 and 2011, the DOJ sent similar letters and other requests to a large number of unrelated hospitals and hospital operators across the country as part of a nation-wide review of ICD billing under the Medicare program The Medical Center has fully cooperated with the DOJ in its ongoing investigation, which could potentially give rise to claims against the Medical Center under the False Claims Act or other statutes, regulations or laws Additionally, as part of its ongoing compliance efforts and prior to receiving any communication from the DOJ, the Medical Center had reviewed medical records related to ICDs and continues to monitor similar cases for compliance with Medicare coverage rules To date, the DOJ has not asserted any monetary or other claims against the Medical Center, however, this matter is in its early stages and the Medical Center is unable to determine the potential impact, if any, that will result from the final resolution of the investigation

NOTE 12 - GUARANTEES

The System records contract-based intangible assets and related guarantee liabilities for nonemployed physician minimum revenue guarantees entered into on or after January 1, 2006, and amortizes the contract-based intangible assets to physician expense on a straight-line basis over the contract period, which currently is three years For nonemployed physician minimum revenue guarantees issued before January 1, 2006, the System expenses the payments as they are paid to the physicians

At May 31, 2012, the maximum potential amount of future payments under these guarantees was $10,027 At May 31, 2012 and 2011, the System recorded a liability for contract-based physician minimum revenue guarantees of $2,985 and $2,631, respectively, in other current liabilities, and $4,795 and $4,609, respectively, in other liabilities in the consolidated balance sheets As of May 31, 2012 and 2011, the System's corresponding net intangible asset balance was $7,813 and $7,240, respectively, included in other assets in the consolidated balance sheets

NOTE 13 - INCOME TAXES

Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse

The components of the income tax benefit for the year ended May 31 are as follows

	2012	2011
Deferred tax benefit	$ 60	$ (28)

(Continued)

(In Thousands)

NOTE 13 - INCOME TAXES (Continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and income tax purposes Significant components of the System's net deferred income taxes as of May 31 are as follows

	2012	2011
Deferred tax assets - noncurrent		
Net operating loss carryforward	$ 11,552	$ 8,851
Allowance for uncollectible accounts	147	276
Vacation accrual	192	159
Other	32	24
Deferred tax assets - noncurrent	11,923	9,310
Valuation allowance	(10,114)	(7,562)
Deferred tax assets - noncurrent	1,809	1,748
Deferred tax liabilities - noncurrent		
Depreciation adjustment	(81)	(80)
Deferred tax assets - noncurrent, net	$ 1,728	$ 1,668

The System records a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of $10,114 and $7,562 at May 31, 2012 and 2011, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized The net operating loss carryforwards for federal and state income tax purposes expire at various future dates through 2032

NOTE 14 - ENDOWMENTS

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted on April 4, 2007 NUPMIFA sets out guidelines to be considered when managing and investing donor-restricted endowment funds

The System's endowments consist of funds established to invest permanently restricted donations As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments and beneficial interest in trust assets, are classified and reported based on the existence or absence of donor-imposed restrictions

The Board of Trustees of the System has interpreted NUPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by NUPMIFA

(Continued)

(In Thousands)

NOTE 14 - ENDOWMENTS (Continued)

In accordance with NUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

1 The duration and preservation of the fund

2 The purposes of the System and the donor-restricted endowment fund

3 General economic conditions

4 The possible effect of inflation and deflation

5 The expected total return from income and the appreciation of investments

6 Other resources of the System

7 The investment policies of the System

Donor-restricted endowment funds of $5,014 and $4,899 at May 31, 2012 and 2011, respectively, were all permanently restricted Temporarily restricted donor-restricted endowment funds were $1,577 and $1,764 at May 31, 2012 and 2011, respectively Board-designated endowment funds were $976 and $827 at May 31, 2012 and 2011, respectively

The changes in endowment net assets for the years ended May 31, 2012 and 2011, are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2012				
Net assets at beginning of year	$ 827	$ 1,764	$ 4,899	$ 7,490
Investment return				
Investment income	20	158	-	178
Net realized gain	28	225	-	253
Net unrealized loss	(58)	(467)	-	(525)
Total investment return	(10)	(84)	-	(94)
Appropriation of endowment assets for expenditure	(10)	(103)	-	(113)
Contributions and funds designated by the Board	169	-	115	284
Net assets at end of year	$ 976	$ 1,577	$ 5,014	$ 7,567

(Continued)

(In Thousands)

NOTE 14 - ENDOWMENTS (Continued)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2011				
Net assets at beginning of year	$ 1,030	$ 1,131	$ 4,722	$ 6,883
Investment return				
Investment income	17	138	-	155
Net realized gain	35	278	-	313
Net unrealized gain	60	332	-	392
Total investment return	112	748	-	860
Appropriation of endowment assets for expenditure	(15)	(115)	-	(130)
Contributions	1	-	177	178
Funds undesignated by the Board	(301)	-	-	(301)
Net assets at end of year	$ 827	$ 1,764	$ 4,899	$ 7,490

Return Objectives and Risk Parameters

The System has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while complying with all donor-imposed restrictions Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that maximizes total returns over long periods of time, primarily through capital appreciation Endowment assets are invested in a combination of the following equities (40-70%), fixed income (30-60%), and cash reserves (0-20%)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved primarily through the purchase of securities of high quality

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The System preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary Interest, dividend, and net appreciation of the donor-restricted endowment funds are deemed appropriated for expenditure when spent

The spending policy on income earned on permanently restricted funds was established and approved in August 2003 The current policy sets the payout rate at 4% of the market value based on the average of the previous 12 quarters The rate is reviewed each August and, if adjusted, is done so by the Foundation Board of Trustees upon recommendation of the Foundation Finance Committee Earnings in excess of the payout rate are used to grow the fund over time and provide a hedge against inflation Unspent dollars remain available for use in future years This spending policy does not apply if the donor otherwise defines or restricts the spendable income of a specific fund

NOTE 15 - SUBSEQUENT EVENTS

The Health System evaluated events and transactions occurring subsequent to May 31, 2012, through September 10, 2012, the date the financial statements were issued During this period, there were no subsequent events that required recognition or disclosure in the consolidated financial statements

SUPPLEMENTAL SCHEDULES

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING BALANCE SHEET
May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
ASSETS									
Current assets									
Cash and cash equivalents	$ 5,712	$ 731	$ 4,955	$ 20	$ 399	$ 4,096	$ 105,137	$ -	$ 121,050
Investments limited as to use	-	-	-	-	-	163	7,951	(163)	7,951
Patient accounts receivable, net	-	-	-	712	1,653	2,674	53,115	-	58,154
Inventories	-	-	49	-	-	200	9,422	-	9,671
Other current assets	2,742	856	85	83	1,669	258	9,232	(3,078)	11,847
Total current assets	8,454	1,587	5,089	815	3,721	7,391	184,857	(3,241)	208,673
Investments	-	9,601	456	-	-	9,778	183,065	-	202,900
Investment in subsidiaries	455,009	-	-	-	-	-	-	(455,009)	-
Investment in net assets of BryanLGH Foundation	-	-	-	-	-	-	10,465	(10,465)	-
Property and equipment, net	5,177	-	13,618	417	461	12,422	337,576	-	369,671
Deferred financing costs, net	-	-	-	-	-	90	1,263	(90)	1,263
Long-term receivable – CAMC	-	-	-	-	-	-	15,837	(15,837)	-
Insurance recoveries receivable	-	-	-	-	-	-	1,783	-	1,783
Other long-term assets	167	1,574	1,612	-	-	16	18,990	-	22,359
Total assets	$ 468,807	$ 12,762	$ 20,775	$ 1,232	$ 4,182	$ 29,697	$ 753,836	$ (484,642)	$ 806,649

(Continued)

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING BALANCE SHEET
May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
LIABILITIES AND NET ASSETS									
Current liabilities									
Current portion of long-term debt	$ -	$ -	$ -	$ -	$ -	$ 160	$ 6,271	$ (160)	$ 6,271
Accounts payable	1,961	5	127	170	70	770	14,530	(3,239)	14,394
Accrued interest	-	-	-	-	-	2	1,955	(2)	1,955
Accrued salaries and wages	682	-	34	373	1,275	288	5,055	-	7,707
Accrued employee benefits	1,558	-	41	137	756	626	14,482	-	17,600
Estimated third-party payor settlements	-	-	-	-	-	985	1,587	-	2,572
Other current liabilities	-	16	-	13	-	6	11,071	-	11,106
Total current liabilities	4,201	21	202	693	2,101	2,837	54,951	(3,401)	61,605
Long-term debt, less current installments	-	-	-	-	-	12,795	162,364	(12,795)	162,364
Accrued liability for self-insured claims	-	-	-	-	-	-	2,679	-	2,679
Accrued pension benefit obligations	7,600	-	-	-	-	-	76,573	-	84,173
Other liabilities	-	-	468	-	81	2,972	26,209	(2,972)	26,758
Total liabilities	11,801	21	670	693	2,182	18,604	322,776	(19,168)	337,579
Capital stock and additional paid-in capital	-	-	4,204	-	4,131	-	-	(8,335)	-
Retained earnings (deficit)	-	-	15,901	-	(2,131)	-	-	(13,770)	-
Net assets									
Unrestricted	457,006	1,550	-	539	-	10,969	419,846	(432,904)	457,006
Temporarily restricted	-	6,109	-	-	-	124	6,376	(5,627)	6,982
Permanently restricted	-	5,082	-	-	-	-	4,838	(4,838)	5,082
Total net assets	457,006	12,741	-	539	-	11,093	431,060	(443,369)	469,070
Total liabilities and net assets	$ 468,807	$ 12,762	$ 20,775	$ 1,232	$ 4,182	$ 29,697	$ 753,836	$ (484,642)	$ 806,649

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING STATEMENT OF OPERATIONS
Year ended May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Unrestricted revenue									
Net patient service revenue	$ -	$ -	$ -	$ 6,814	$ 14,361	$ 19,459	$ 456,065	$ -	$ 496,699
Other operating revenue	447	407	4,160	952	3,755	359	25,482	(5,008)	30,554
Total unrestricted revenue	447	407	4,160	7,766	18,116	19,818	481,547	(5,008)	527,253
Expenses									
Salaries	12,262	-	1,242	6,608	17,189	7,304	148,411	(140)	192,876
Employee benefits	4,053	-	297	1,055	2,662	1,699	54,351	(46)	64,071
Professional fees	2,255	29	87	152	169	784	25,188	(3,319)	25,345
Supplies	(3)	-	92	349	322	2,211	78,802	-	81,773
Bad debts	-	45	-	379	1,440	832	17,514	-	20,210
Interest	11	-	-	-	-	18	3,375	(18)	3,386
Depreciation and amortization	1,708	-	499	248	100	1,591	34,080	(5)	38,221
Other	5,091	203	1,107	1,411	2,705	3,307	49,580	(1,368)	62,036
Corporate cost allocations	(24,714)	75	922	104	80	611	22,922	-	-
Total expenses	663	352	4,246	10,306	24,667	18,357	434,223	(4,896)	487,918
Operating income (loss)	(216)	55	(86)	(2,540)	(6,551)	1,461	47,324	(112)	39,335
Nonoperating gains (losses)									
Investment income	2	74	3	8	1	107	4,626	-	4,821
Realized gain on investments, net	-	92	-	-	-	-	2,140	-	2,232
Unrealized gain on investments, net	-	(191)	-	-	-	-	(6,337)	-	(6,528)
Reclassification of net unrealized gains on securities transferred to trading categories	-	810	-	-	-	-	9,905	-	10,715
Change in fair market value of interest rate swaps	-	-	-	-	-	-	(8,524)	-	(8,524)
Change in fair market value of interest rate swaps assumed by CAMC	-	-	-	-	-	(1,208)	1,208	-	-
Deferred tax, net	-	-	323	-	-	-	(263)	-	60
Equity in income of subsidiaries	(4,602)	-	-	-	-	-	-	4,602	-
Other, net	40	-	(9)	-	(2)	(2)	649	(106)	570
Total nonoperating gains (losses), net	(4,560)	785	317	8	(1)	(1,103)	3,404	4,496	3,346

(Continued)

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING STATEMENT OF OPERATIONS
Year ended May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Excess (deficiency) of revenue over expenses	$ (4,776)	$ 840	$ 231	$ (2,532)	$ (6,552)	$ 358	$ 50,728	$ 4,384	$ 42,681
Reclassification of net unrealized gains on securities transferred to trading categories	-	(810)	-	-	-	-	(9,905)	-	(10,715)
Pension liability adjustment	(2,868)	-	-	-	-	-	(34,195)	-	(37,063)
Contributions for real property	-	-	-	-	-	85	-	-	85
Additional investments in subsidiaries	(6,659)	-	-	-	6,659	-	-	-	-
Transfers (to) from related entity	34,005	(218)	-	1,850	-	(612)	(35,243)	218	-
Corporate cost allocation transfers	(24,714)	75	922	104	80	611	22,922	-	-
Increase (decrease) in unrestricted net assets	$ (5,012)	$ (113)	$ 1,153	$ (578)	$ 187	$ 442	$ (5,693)	$ 4,602	$ (5,012)

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
Year ended May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Excess (deficiency) of revenue over expenses	$ (4,776)	$ 840	$ 231	$ (2,532)	$ (6,552)	$ 358	$ 50,728	$ 4,384	$ 42,681
Reclassification of net unrealized gains on securities transferred to trading categories	-	(810)	-	-	-	-	(9,905)	-	(10,715)
Pension liability adjustment	(2,868)	-	-	-	-	-	(34,195)	-	(37,063)
Contributions for real property	-	-	-	-	-	85	-	-	85
Additional investments in subsidiaries	(6,659)	-	-	-	6,659	-	-	-	-
Transfers (to) from related entity	34,005	(218)	-	1,850	-	(612)	(35,243)	218	-
Corporate cost allocation transfers	(24,714)	75	922	104	80	611	22,922	-	-
Increase (decrease) in unrestricted net assets	(5,012)	(113)	1,153	(578)	187	442	(5,693)	4,602	(5,012)
Temporarily restricted net assets									
Contributions	-	1,671	-	-	-	124	-	-	1,795
Investment Income	-	411	-	-	-	-	-	-	411
Change in temporarily restricted interest in BryanLGH Foundation	-	-	-	-	-	-	1,345	(1,345)	-
Unrealized losses on investments, net	-	(501)	-	-	-	-	-	-	(501)
Net assets released from restrictions	-	(302)	-	-	-	(50)	-	-	(352)
Other, net	-	40	-	-	-	-	(4)	-	36
Increase (decrease) in temporarily restricted net assets	-	1,319	-	-	-	74	1,341	(1,345)	1,389

(Continued)

BRYANLGH HEALTH SYSTEM AND SUBSIDIAIRES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
Year ended May 31, 2012
(In Thousands)

	BryanLGH Health System	BryanLGH Foundation	BryanLGH Enterprises Inc	Physicians Network	BryanLGH Heart Institute	Crete Area Medical Center	BryanLGH Medical Center	Eliminations	Consolidated
Permanently restricted net assets									
Contributions	$ -	$ 115	$ -	$ -	$ -	$ -	$ -	$ -	$ 115
Change in permanently restricted interest in BryanLGH Foundation	-	-	-	-	-	-	100	(100)	-
Other	-	(13)	-	-	-	-	-	-	(13)
Increase in permanently restricted net assets	-	102	-	-	-	-	100	(100)	102
Increase (decrease) in net assets	(5,012)	1,308	1,153	(578)	187	516	(4,252)	3,157	(3,521)
Net assets at beginning of year	462,018	11,433	18,952	1,117	1,813	10,577	435,312	(468,631)	472,591
Net assets at end of year	$ 457,006	$ 12,741	$ 20,105	$ 539	$ 2,000	$ 11,093	$ 431,060	$ (465,474)	$ 469,070

BRYANLGH MEDICAL CENTER
STATEMENT OF CASH FLOWS
Year ended May 31, 2012 and 2011
(In Thousands)

	2012	2011
Operating activities		
Increase in net assets	$ (4,252)	$ 28,150
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Unrealized gains on investments, net	-	(2,719)
Investment impairment losses, other than temporary	-	373
Pension liability adjustment	34,195	(6,833)
Change in fair market value of interest rate swaps	8,524	352
Change in fair market value of interest rate swaps assumed by CAMC	(1,208)	(49)
Transfer to related entity	35,243	26,332
Deferred tax, net	263	65
Depreciation and amortization	34,080	33,841
Loss on disposal of property and equipment	182	424
Increase in trading investments, net	(1,529)	-
Bad debts	17,514	15,192
Change in interest in net assets of BryanLGH Foundation	(1,445)	(1,774)
(Increase) decrease in		
Patient accounts receivable	(22,984)	(17,020)
Inventories	(1,486)	(13)
Other assets	(2,224)	(1,783)
Increase (decrease) in		
Accounts payable	1,606	1,488
Accrued expenses and certain other liabilities	(2,187)	2,333
Estimated third-party payor by operating activities	(2,860)	2,966
Net cash from operating activities	91,432	81,325
Investing activities		
(Increase) in investments and investments limited as to use, net	-	(17,333)
Loan to affiliate (CAMC)	155	105
Additions to property and equipment	(27,961)	(25,780)
Proceeds from sale of property and equipment	588	345
Increase in investing portion of other assets	(256)	(282)
Net cash used in investing activities	(27,474)	(42,945)
Financing activities		
Principal payments on long-term debt	(6,075)	(5,815)
Transfers to related entity	(35,243)	(12,675)
Other, net	(232)	(405)
Net cash used in financing activities	(41,550)	(18,895)
Net increase in cash and cash equivalents	22,408	19,485
Cash and cash equivalents at beginning of year	82,729	63,244
Cash and cash equivalents at end of year	$ 105,137	$ 82,729

BRYANLGH COLLEGE OF HEALTH SCIENCES
STATEMENT OF REVENUES AND EXPENSES
Year ended May 31, 2012 and 2011
(In Thousands)

	2012	2011
Direct revenue		
Tuition and fees		
Nursing	$ 5,366	$ 4,445
Allied health	641	534
Nurse anesthesia	791	685
Total tuition and fees	6,798	5,664
Other operating income	488	299
Income from BryanLGH Foundation		
Unrestricted financial aid contributions	141	189
Total income from BryanLGH Foundation	141	189
Total direct revenues	7,427	6,152
Indirect revenue		
Medicare reimbursement	2,467	2,249
BryanLGH Medical Center contribution	543	1,724
Total indirect revenues	3,010	3,973
Total revenue	10,437	10,125
Expenses		
Instruction	3,520	3,366
Research	70	82
Academic support	1,077	960
Student services	500	479
Institutional support	529	462
Operation and maintenance		
Equipment depreciation	155	145
Allocated costs	2,649	2,583
Total operation and maintenance	2,804	2,728
Employee benefits	1,796	1,859
Financial aid	141	189
Total expenses	10,437	10,125
Excess of revenue over expenses	$ -	$ -