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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 07-01-2011 and ending 06-30-2012

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

C Name of organization
OAKLAWN PSYCHIATRIC CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
330 LAKEVIEW DR PO BOX 809

City or town, state or country, and ZIP + 4
GOSHEN, IN 465270809

D Employer identification number
35-1070041

E Telephone number
(574) 533-1234

G Gross receipts $ 40,751,473

F Name and address of principal officer
LAURIE N NAFZIGER
PO BOX 809
GOSHEN,IN 465270809

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 OAKLAWN ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1959 | **M** State of legal domicile IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WITH UNCOMMON EXPERTISE IN MENTAL HEALTH AND ADDICTIONS SERVICES, OAKLAWN JOINS WITH INDIVIDUALS, FAMILIES, AND OUR COMMUNITY ON THE JOURNEY TOWARD HEALTH AND WHOLENESS

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	18
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	838
6	Total number of volunteers (estimate if necessary)	**6**	45
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	8,228,721	9,299,034
9	Program service revenue (Part VIII, line 2g)	26,333,288	31,433,807
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,775	17,185
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	19,614	1,447
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	34,606,398	40,751,473
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	22,739,641	24,447,392
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶11,141		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	10,761,013	11,584,856
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	33,500,654	36,032,248
19	Revenue less expenses Subtract line 18 from line 12	1,105,744	4,719,225

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	21,466,360	25,515,344
21	Total liabilities (Part X, line 26)	17,058,864	16,388,623
22	Net assets or fund balances Subtract line 21 from line 20	4,407,496	9,126,721

Part II Signature Block

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

Sign Here

****** | 2013-02-08
Signature of officer | Date

LAURIE N NAFZIGER PRESIDENT & CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date 2013-02-08 | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ OAKLAWN PSYCHIATRIC CENTER INC
330 LAKEVIEW DR
GOSHEN, IN 465289365

EIN ▶

Phone no ▶

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

WITH UNCOMMON EXPERTISE IN MENTAL HEALTH AND ADDICTIONS SERVICES, OAKLAWN JOINS WITH INDIVIDUALS, FAMILIES, AND OUR COMMUNITY ON THE JOURNEY TOWARD HEALTH AND WHOLENESS

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 $ 3,719,773 including grants of $) (Revenue $)

INPATIENT SERVICES - PROVIDED 5,058 INPATIENT DAYS OF PSYCHIATRIC AND SUBSTANCE ABUSE STABILIZATION

4b (Code) (Expenses $ 6,542,807 including grants of $) (Revenue $)

RESIDENTIAL SERVICES - IN ADDITION TO THE BEHAVIORAL HEALTH SERVICES FOR THIS POPULATION, THE ORGANIZATION PROVIDED 17,021 DAYS OF CHILD & ADOLESCENT RESIDENTIAL CARE, 8,996 DAYS OF THERAPEUTIC FOSTER CARE, AND 948 DAYS OF TRANSITIONAL LIVING SUPPORT TO ADOLESCENTS MOVING TOWARD INDEPENDENT LIVING ADDITIONALLY, ADULTS IN TRANSITIONAL AND SEMI-INDEPENDENT LIVING ARRANGEMENTS ARE PROVIDED RESIDENTIAL SUPPORT SERVICES ALONG WITH THEIR NEEDED PSYCHIATRIC AND SUBSTANCE ABUSE SERVICES A TOTAL OF 30,205 DAYS WERE PROVIDED TO THIS SEGMENT OF THE ADULT POPULATION

4c (Code) (Expenses $ 19,645,390 including grants of $) (Revenue $)

OUTPATIENT & OTHER - PROVIDED OVER 93,000 CLIENT SERVICE ENCOUNTERS OF GROUP THERAPY, MEDICATION MANAGEMENT, AND INDIVIDUAL THERAPY, PROVIDED OVER 86,000 CLIENT SERVICE ENCOUNTERS OF CARE COORDINATION, PROVIDED 84,000 CLIENT SERVICE ENCOUNTERS OF SKILLS BUILDING IN PERSONAL CARE AND COMMUNITY LIVING, AND PROVIDED AN ADDITIONAL 31,200 ENCOUNTERS OF OTHER COMMUNITY-BASED SERVICES IN SUMMARY, A TOTAL OF 14,650 CONSUMERS WERE SERVED IN THE FISCAL YEAR

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 29,907,970

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		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**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
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**	38		
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**	838			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		
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**		
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**		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		
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	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

LYNN J MILLER
OAKLAWN
330 LAKEVIEW DR
GOSHEN, IN 46528
(574) 533-1234

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) REBECCA BALL-MILLER TROYER POULTRY CEO BD CHAIR	50	X		X				0	0	0
(2) JOHN KLEHFOTH SENIOR TRUST ADVISOR BOARD MEMBER	50	X						0	0	0
(3) ROD DILLER MMA TRUST CO PRES & CEO BOARD ASST	50	X		X				0	0	0
(4) CAROL EBERSOLE RETIRED HEALTHCARE ADMINISTRATOR BOARD VICE-C	50	X		X				0	0	0
(5) VERNITA TODD HEART CITY HEALTH CTR CEO BD ASST SEC	50	X						0	0	0
(6) BRADLEY ROGERS ELKHART COUNTY SHERIFF BOARD MEMBER	50	X						0	0	0
(7) DENNIS SHARKEY ELKHART COUNTY COUNCIL BOARD MEMBER	50	X						0	0	0
(8) JOHN HUTCHINGS ELKHART COMM SCHOOLS ADMINISTRATOR BOARD MEMBER	50	X						0	0	0
(9) AUDRA MARK HOMEMAKER CPA BOARD MEMBER	50	X						0	0	0
(10) JEFFREY MCBRIDE DDS ORAL SURGEON BOARD MEMBER	50	X						0	0	0
(11) LANCE MILLER ESSENHAUS CFO BD SECRETARY	50	X		X				0	0	0
(12) DAVID OGLE ELKHART COUNTY ECON DEV'L EXECUTIVE BOARD MEMBER	50	X						0	0	0
(13) CONNIE MCCAHILL MEMORIAL HOSPITAL - SOUTH BEND BOARD MEMBER	50	X						0	0	0
(14) FAY SCHWARTZ ATTORNEY BOARD MEMBER	50	X						0	0	0
(15) PHIL WIENS INTERRA CREDIT UNION EXEC BOARD MEMBER	50	X						0	0	0
(16) RANDALL CAMMENGA MD IU GOSHEN HEALTH PHYSICIAN PRACTICE BOARD MEMBER	50	X						0	0	0
(17) KAY BALL UNITED WAY OF ST JOSEPH COUNTY BOARD MEMBER	50	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) ROBERT SHREINER CULLAR & ASSOCIATES CPAS BOARD MEMBER	50	X						0	0	0
(19) LAURIE NAFZIGER PRES/CEO	40 00			X				129,853	0	17,247
(20) LYNN MILLER VP FIN/TREAS	40 00			X				82,833	0	15,896
(21) GREGG NUSSBAUM VICE PRES	40 00			X				81,866	0	13,325
(22) DANIEL KINSEY MD MEDICAL DIR	40 00					X		230,747	0	30,400
(23) JOSH MATHEW MD PSYCHIATRIST	40 00					X		194,333	0	28,817
(24) GARY SELTMAN MD PSYCHIATRIST	40 00					X		185,565	0	28,078
(25) TIMOTHY MCFADDEN MD PSYCHIATRIST	40 00					X		183,498	0	24,918
(26) LARISSA CHISM MD PSYCHIATRIST	40 00					X		151,655	0	16,039

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	1,240,350		174,720

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 ▶ 8

			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
ARAMARK 2300 WARRENVILLE RD DOWNERS GROVE, IL 60515	ENV & FOOD SVCS	750,455
LOCUM TENENS PO BOX 405547 ATLANTA, GA 30384	PHYSICIAN SVCS	699,208
FAMILY CHILDREN CTR 1411 LINCOLNWAY EAST MISHAWAKA, IN 46544	RES TX SVCS	669,478
GOLDEN TECHNOLOGIES 2402 BEECH STREET VALPARAISO, IN 46383	IT EQUIP/SUPPT	649,681
JACKSON & COKER PO BOX 277638 ATLANTA, GA 30384	PHYSICIAN SVCS	557,230

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 ▶ 12

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 319,900				
	e	Government grants (contributions) 1e 8,979,134				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $ 300,000				
	h	**Total.** Add lines 1a-1f . . . . . ▶	9,299,034			
Program Service Revenue		Business Code				
	2a	PT SVC REV-MEDICARE/MEDICAID	22,199,462	22,199,462		
	b	PT SVC REVENUE - OTHER GOV'T	5,867,008	5,867,008		
	c	PT SVC REVENUE -NON-GOV'T	3,367,337	3,367,337		
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	31,433,807			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	17,185			17,185
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . . ▶				
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
Other Revenue		Miscellaneous Revenue / Business Code				
	11a	GAIN ON DISPOSAL OF ASSETS	1,431			1,431
	b	ACCACIA PARTNERSHIP INTEREST	16			16
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶	1,447			
	12	**Total revenue.** See Instructions . . . ▶	40,751,473	31,433,807		18,632

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	294,552	81,866	212,686	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	20,421,013	17,813,763	2,597,810	9,440
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	163,185	140,971	22,140	74
9	Other employee benefits	2,014,339	1,740,132	273,289	918
10	Payroll taxes	1,554,303	1,342,719	210,875	709
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses	3,783,841	2,351,048	1,432,793	
14	Information technology				
15	Royalties . .				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	867,495	867,495		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
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	PURCHASED SERVICES	5,523,140	4,252,699	1,270,441	
b	DEPRECIATION AMORTIZATION	828,337	735,234	93,103	
c	PROVISION FOR DOUBTFUL AC	506,930	506,930		
d	BOND REMRKTG & BANK FEES	75,113	75,113		
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	36,032,248	29,907,970	6,113,137	11,141
26	**Joint costs.** Check here ▶ ☑ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		80,169	1	28,168
	2	Savings and temporary cash investments		8,630,191	2	8,780,383
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		5,995,483	4	6,922,742
	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			8	
	9	Prepaid expenses and deferred charges		650,540	9	623,498
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 26,922,443			
	b	Less accumulated depreciation	10b 18,300,062	5,783,064	10c	8,622,381
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		326,913	15	538,172
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		21,466,360	16	25,515,344
Liabilities	17	Accounts payable and accrued expenses		3,177,480	17	3,198,857
	18	Grants payable			18	
	19	Deferred revenue		302,564	19	292,308
	20	Tax-exempt bond liabilities		12,045,000	20	11,650,000
	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		1,533,820	25	1,247,458
	26	**Total liabilities.** Add lines 17 through 25		17,058,864	26	16,388,623
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		4,407,496	27	9,126,721
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		4,407,496	33	9,126,721
	34	Total liabilities and net assets/fund balances		21,466,360	34	25,515,344

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	40,751,473
2	Total expenses (must equal Part IX, column (A), line 25)	2	36,032,248
3	Revenue less expenses Subtract line 2 from line 1	3	4,719,225
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	4,407,496
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
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	9,126,721

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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Medicare reimbursement for inpatient psychiatric services is based primarily on a combination of cost and prospective payment rates subject to certain limitations as defined by each program. The determination of cost requires interpretation of the applicable laws and regulations and the application of relatively complex cost accounting techniques. Such determinations are subject to audit and adjustment by the respective programs. Services rendered to program beneficiaries are included in patient service revenue at normal rates, and provisions for contractual allowances are recorded to reduce such revenue to estimated reimbursable amounts. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined. For the years ended June 30, 2012 and 2011, the Center derived 71% and 62%, respectively, of its net patient service revenues from the Medicare and Medicaid programs.

Charity Care: The Center has a policy to provide charity care for patients who meet certain criteria and do not have the financial ability to pay established rates. As the Center does not expect payment, charges are not included in net patient service revenue. The Center maintains records to identify and monitor the level of charity care provided. Of the Center's approximately $36,000,000 and $33,000,000 of total operating expenses for the years ended June 30, 2012 and 2011, respectively, an approximated $4,222,000 and $3,891,000 arose from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated based on the Center's total operating expenses (less bad debt expense) divided by gross patient service revenue.

Meaningful Use Revenue: The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). These provisions were designed to increase the use of electronic health records ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payments program beginning in 2011 for eligible healthcare providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology; but providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional incentive payments. Medicaid EHR incentive payments are fully funded by the federal government and administered by the states; however, the states are not required to offer EHR incentive payments to providers.

Using the grant accounting method of revenue recognition, the Center recognized $467,500 of revenue for HITECH incentives from Medicaid during the year ended June 30, 2012. The Center has demonstrated meaningful use of certified EHR technology or has completed attestations to their adoption or implementation of certified EHR technology.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Unrestricted Net Assets: The consolidated statements of operations and changes in net assets presents the Center's performance indicator as the change in unrestricted net assets, which includes operating income and total non-operating income and expense.

Reclassifications: Certain reclassifications have been made to present last year's consolidated financial statements on a basis comparable to the current year's consolidated financial statements. These reclassifications had no effect on total net assets or the change in net assets.

Fair Value of Financial Instruments: As of June 30, 2012 and 2011, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, accounts payable, and assets limited as to use approximate fair value because of the relatively short maturities of these financial instruments. The carrying amount of debt approximates fair value due to length of maturity and the existence of interest rates that approximate prevailing rates.

Income Taxes: OPC and OCMHC are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal and state income taxes pursuant to Section 501(a) of the Code and corresponding state tax provisions.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Due to its tax-exempt status, the Center is not subject to U.S. federal income tax or state income tax. The Center's Form 990 has not been subject to examination by the Internal Revenue Service or the state of Indiana for the last three years. The Center does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Center recognizes interest and/or penalties related to income tax matters in income tax expense. The Center did not have any amounts accrued for interest and penalties at June 30, 2012 or 2011.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2012 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2012. Management has evaluated subsequent events for recognition and disclosure through September 5, 2012, which is the date the consolidated financial statements were available to be issued.

NOTE 2 - OTHER RECEIVABLES

Other receivables consist of the following:

	2012	2011
	$ 298,040	$ 927,409
	240,000	240,000
	791,701	660,000
	632,740	601,659
	1,580,927	700,000
	52,046	11,940
Other	278,756	120,579
	$ 3,874,210	$ 3,261,587

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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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a	Beginning of year balance	2,123,227	1,773,483	1,375,566	1,391,305	
b	Contributions	88,323	14,450	182,179	106,135	
c	Investment earnings or losses	-8,872	373,843	84,670	-173,984	
d	Grants or scholarships	76,563	55,372	41,746	40,078	
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	2,202,678	2,123,227	1,773,483	1,375,566	

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

- a Board designated or quasi-endowment ▶ 21 500 %
- b Permanent endowment ▶ 78 500 %
- c Term endowment ▶

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		813,103		813,103
b Buildings		14,703,031	8,661,765	6,041,266
c Leasehold improvements				
d Equipment		11,406,309	9,638,297	1,768,012
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				8,622,381

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
BOND INTEREST SWAP MARK-TO-MARKET	792,458
LONG-TERM DEBT	455,000
CAPITALIZED LEASE	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,247,458

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	40,751,473
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	36,032,248
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,719,225
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	4,719,225

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	40,751,473
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	40,751,473
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	40,751,473

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

1	Total expenses and losses per audited financial statements			1	36,032,248
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	36,032,248
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	36,032,248

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
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	ENDOWMENT FUNDS FOR OAKLAWN ARE HELD BY OAKLAWN FOUNDATION FOR MENTAL HEALTH, INC ALL ENDOWMENT DISTRIBUTIONS BENEFIT THE PROGRAMS OF OAKLAWN ENDOWMENT DISTRIBUTIONS FURTHER THE MISSION OF OAKLAWN INCLUDING THE GRANTING OF CHARITY & FEE ASSISTANCE TO PATIENTS WHO OTHERWISE ARE UNABLE TO PAY FOR MENTAL HEALTH AND ADDICTIONS TREATMENT SERVICES
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE ORGANIZATION'S CURRENT YEAR AUDITED FINANCIAL STATEMENTS INCLUDED THE FOLLOWING FOOTNOTE REGARDING ANY LIABILITY FOR UNCERTAIN TAX POSITIONS "U S GAAP REQUIRES THAT A TAX POSITION IS RECOGNISED AS A BENEFIT ONLY IF IT IS "MORE LIKELY THAN NOT" THAT THE TAX POSITION WOULD BE SUSTAINED IN A TAX EXAMINATION, WITH A TAX EXAMINATION BEING PRESUMED TO OCCUR THE AMOUNT RECOGNIZED IS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED ON EXAMINATION FOR TAX POSITIONS NOT MEETING THE "MORE LIKELY THAN NOT" TEST, NO TAX BEFEFIT IS RECORDED " THE ORGANIZATION RECOGNIZES INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE THE ORGANIZATION DID NOT HAVE ANY AMOUNTS ACCRUED FOR INTEREST AND PENALTIES AT JUNE 30, 2012

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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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			4,318,120		4,318,120	11 980 %
b Medicaid (from Worksheet 3, column a)			4,751,284	1,147,861	3,603,423	10 000 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			9,069,404	1,147,861	7,921,543	21 980 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total** Other Benefits						
k **Total.** Add lines 7d and 7j			9,069,404	1,147,861	7,921,543	21 980 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	441,631		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
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	3,916,908		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	3,982,840		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-65,932		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	OAKLAWN PSYCHIATRIC CENTER INC 330 LAKEVIEW DRIVE GOSHEN,IN 46528	X								PSYCHIATRIC HOSPITAL

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)

OAKLAWN PSYCHIATRIC CENTER INC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**	Yes	
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 12			
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**	Yes	
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**	Yes	
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**	Yes	
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**	Yes	
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 0%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	Yes	
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☑ Notified patients of the financial assistance policy prior to discharge			
	c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (Describe)
1	OAKLAWN SOUTH BEND CLINIC 415 E MADISON STREET SOUTH BEND,IN 46617	OUTPATIENT CLINIC & CMHC BASED SERVICES
2	OAKLAWN ELKHART CLINIC 2600 OAKLAND AVENUE ELKHART,IN 46517	OUTPATIENT CLINIC & CMHC BASED SERVICES
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
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	COMMUNITY BENEFIT EXPENSE HAS BEEN DETERMINED USING THE COST TO CHARGE RATIO METHODOLOGY AS PER SCHEDULE H WORKSHEET INSTRUCTIONS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	BAD DEBT AMOUNT REPORTED IS BASED ON THE COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	MEDICARE SHORTFALL AMOUNT IS REPORTED BASED ON THE COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	THE TARGET COMMUNITY POPULATION SERVED BY THE ORGANIZATION IS THE NORTH CENTRAL INDIANA REGION PRIMARILY ELKHART AND ST JOSEPH COUNTIES THE ORGANIZATION SEEKS TO BUILD AWARENESS AND PROVIDE EXPERTISE AND SKILLS TO COMMUNITY PARTNERS PATIENTS AND PATIENT FAMILY MEMBERS DURING THE FISCAL YEAR SEVERAL COMMUNITY EVENTS WERE FACILITATED INCLUDING THE FOLLOWING A PASTORAL CASE CONSULTATION SERIES B SEMINAR UNTO THE THIRD GENERATION A CALL TO END CHILD ABUSE IN THREE GENERATIONS C COSPONSORED SEMINAR NARRATIVES OF GRIEF D COSPONSORED SEMINAR HELPING THE SUICIDAL AND SURVIVORS OF SUICIDE LOSS E SEMINAR PREPARING FAITH COMMUNITIES TO PROTECT CHILDREN F MENTAL HEALTH BREAKFAST SERVICES FOR SEXUALLY MALADAPTIVE YOUTH G MENTAL HEALTH BREAKFAST IMPACT OF TRAUMA ABUSE NEGLECT ON CHILDREN H MENTAL HEALTH BREAKFAST PSYCHIATRIC MEDICATIONS FOR CHILDREN YOUTH I CONFERENCE THE COLLABORATIVE PROBLEM SOLVING APPROACH UNDERSTANDING AND HELPING KIDS WITH SOCIAL EMOTIONAL AND BEHAVIORAL CHALLENGES J MENTAL HEALTH BREAKFAST UNDERSTANDING DBT K MENTAL HEALTH BREAKFAST TEENS AND SUBSTANCE ABUSE

Identifier	ReturnReference	Explanation
OAKLAWN PSYCHIATRIC CENTER INC LINE NUMBER 1 PART V LINE 3	PART V LINE 3	A BROAD REPRESENTATION OF COMMUNITY CONSUMERS AND PROVIDERS PARTICIPATED IN COUNTYWIDE COMMUNITY NEEDS ASSESSMENTS IN BOTH ELKHART ST JOSEPH COUNTIES COMMUNITY MEMBERS INDICATE THAT OBESITY SMOKING DIABETES AND ACCESS TO PRIMARY CARE AND MENTAL HEALTH SERVICES ARE THEIR FIVE MAJOR HEALTH CONCERNS PRIMARY HEALTH NEEDS AMONG THOSE INDIVIDUALS WITH A MENTAL ILLNESS OFTEN GO UNTREATED OAKLAWN IS WORKING CLOSELY WITH PHYSICAL HEALTH PROVIDERS INCLUDING FEDERALLY QUALIFIED HEALTH CENTERS IN THE REGION TO FACILITATE AND ENHANCE THE INTEGRATION OF PHYSICAL AND MENTAL HEALTH CARE MEDICATION COSTS FOR THE TREATMENT OF MENTAL ILLNESS IS OFTEN PROHIBITIVELY EXPENSIVE WHICH HAS CAUSED OAKLAWN TO WORK CLOSELY WITH DRUG COMPANIES TO INCREASE THE ASSISTANCE PROVIDED TO PATIENTS ON EXPENSIVE MEDICINES THIS PAST YEAR MORE THAN 490000 OF MEDICATION ASSISTANCE FUNDING WAS FACILITATED BY OAKLAWN BOTH ELKHART AND ST JOSEPH COUNTIES HAVE BEEN DEEMED TO BE HEALTH PROVIDER SHORTAGE AREAS HPSA BY THE CENTERS FOR MEDICARE AND MEDICAID IN RESPONSE TO THE NEED FOR ACCESS TO MENTAL HEALTH SERVICES AND TO HELP DRAW MENTAL HEALTH PROFESSIONALS TO THE AREA OAKLAWN HAS REGISTERED AS A HSPA PROVIDER AND IS ASSISTING QUALIFIED STAFF TO GAIN ACCESS TO TUITION FORGIVENESS FROM THE NATIONAL PROGRAM

Identifier	ReturnReference	Explanation
OAKLAWN PSYCHIATRIC CENTER INC LINE NUMBER 1 PART V LINE 4	PART V LINE 4	IN ELKHART COUNTY IU HEALTH GOSHEN ELKHART GENERAL IN ST JOSEPH COUNTY MEMORIAL HOSPITAL ST JOSEPH MEDICAL CENTER

Identifier	ReturnReference	Explanation
OAKLAWN PSYCHIATRIC CENTER INC LINE NUMBER 1 PART V LINE 5C	PART V LINE 5C	THE COUNTYWIDE ASSESSMENT IS AVAILABLE UPON REQUEST AND IS ALSO POSTED ON EACH OF THE COUNTY ACUTE CARE HOSPITAL WEBSITES

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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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DANIEL KINSEY MD	(i) (ii)	168,057	41,149	21,541	2,429	27,971	261,147	
(2) JOSH MATHEW MD	(i) (ii)	145,569	37,704	11,060	2,081	26,736	223,150	
(3) GARY SELTMAN MD	(i) (ii)	151,696	20,309	13,560	2,225	25,853	213,643	
(4) TIMOTHY MCFADDEN MD	(i) (ii)	148,086	22,707	12,705	2,081	22,837	208,416	
(5) LARISSA CHISM MD	(i) (ii)	146,195		5,460		16,039	167,694	

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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	ADJ RATE DEMAND REV BONDS-SERIES200	35-1657690	287468EL2	08-16-2006	14,385,000	THE PURPOSE OF THE ADJUSTABLE RATE DEMAND REVENUE REFUNDING AND IMPROVEMENT	X		X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds defeased				
3	Total proceeds of issue				
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	384,616			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2007			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b	Name of provider	CHARTER ONE RBS CITIZENS NA DBA CHARTER ONE							
c	Term of hedge	10 0							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	ADJ RATE DEMAND REV BONDSSERIES200 BONDS SERIES 2006 OAKLAWN PSYCHIATRIC CENTER PROJECT ISSUE WAS TO LOWER THE FINANCE COST OF THE 1996 FIXED RATE ISSUE AND TO PROVIDE FOR ADDITIONAL FINANCING OF NEW CONSTRUCTION OF TWO GROUP HOMES AN EDUCATION AND TRAINING CENTER ON THE MAIN CAMPUS AND IMPROVEMENTS AND RENOVATIONS TO THE MAIN CAMPUS TO ACCOMODATE THE CONSOLIDATION OF A NEARBY CLINICAL OFFICE HOUSED IN RENTED SPACE

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential	X	1	300,000	FAIR MARKET VALUE
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

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
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

Identifier	Return Reference	Explanation
EXPLANATION ON VOLUNTEERS AND TYPES OF SERVICES OR BENEFITS	FORM 990, PAGE 1, PART I, LINE 6	IN ADDITION TO AN ALL VOLUNTEER BOARD OF DIRECTORS, THE ORGANIZATION IS SUPPORTED BY MORE THAN 45 ACTIVE VOLUNTEERS WHO SERVE IN A VARIETY OF SUPPORT SERVICES DURING THE FISCAL YEAR OVER 3,300 HOURS OF SERVICE WERE GIVEN BY THESE VOLUNTEERS
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	A DIRECTOR MUST BE A VOTING MEMBER EACH MEMBER IS ENTITLED TO ONE VOTE AND BE IN GOOD STANDING A VOTING MEMBER SHALL BE ONLY THOSE PERSONS SELECTED FOR SUCH MEMBERSHIP BY THE SPONSORING ORGANIZATION, MENNONITE HEALTH SERVICES ALLIANCE, AS PROVIDED IN THE BY-LAWS AND ARTICLES OF INCORPORATION OF OAKLAWN PSYCHIATRIC CENTER, INC
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE FORM 990 AND RELATED SCHEDULES ARE PREPARED INTERNALLY AND REVIEWED BY SENIOR MANAGEMENT, THE CEO AND THE BOARD OF DIRECTORS PRIOR TO FILING
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	BOARD MEMBERS ANNUALLY SIGN THAT THEY WILL ABIDE BY THE POLICY AND DECLARE ANY CONFLICT OF INTEREST THEY MAY HAVE WITH THE ORGANIZATION OR ITS RELATED ORGANIZATIONS, AND ABSTAIN FROM ANY VOTING WHERE A CONFLICT COULD EXISTS
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE BOARD OF DIRECTORS REVIEWS AND APPROVES THE COMPENSATION PACKAGE PROVIDED TO THE PRESIDENT & CEO OF THE ORGANIZATION THE COMPENSATION REVIEW INCLUDES A MARKET ANALYSIS STUDY AND A PERFORMANCE REVIEW
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE ORGANIZATION PARTICIPATES IN SEVERAL MARKET SURVEYS ANNUALLY MANAGEMENT COMPARES COMPENSATION LEVELS OF LIKE POSITIONS AND STRIVES TO ADJUST THE ORGANIZATION'S COMPENSATION PACKAGES FOR LIKE POSITIONS TO FALL WITHIN THE RANGE OF THE MARKET WITH A GOAL TO BE COMPETITIVELY PLACED BETWEEN THE 50TH AND 75TH PERCENTILE OF THE MARKET RANGE
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION IS ACCREDITED BY THE JOINT COMMISSION, MEETING THE REQUIREMENTS FOR THE BEHAVIORAL HEALTH CARE ACCREDITATION PROGRAM THE ORGANIZATION IS ALSO CERTIFIED BY THE STATE OF INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION, DIVISION OF MENTAL HEALTH AND ADDICTION AS AN INDIANA COMMUNITY MENTAL HEALTH CENTER (CMHC) ACCORDINGLY, GOVERNING DOCUMENTS ARE REVIEWED REGULARLY AND PROVIDED TO THESE AND OTHER PUBLIC BODIES

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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

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Name of the organization
OAKLAWN PSYCHIATRIC CENTER INC

Employer identification number
35-1070041

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) OAKLAWN APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 31-1009854	HUD HOUSNG	IN	501C3	7	N/A		No
(2) OAKAND ESTATES APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 38-3646840	HUD HOUSNG	IN	501C3	7	N/A		No
(3) OAKLAWN FDTN FOR MENTAL HEALTH INC PO BOX 809 GOSHEN, IN 46527 35-6060037	MH PROMOTN	IN	501C3	7	N/A		No
(4) RIVERSIDE CORPORATION PO BOX 809 GOSHEN, IN 46527 35-1875879	HUD HOUSNG	IN	501C3	7	N/A		No
(5) MADISON RESIDENTIAL SERVICES INC PO BOX 809 GOSHEN, IN 46527 31-1135587	HUD HOUSNG	IN	501C3	7	N/A		No
(6) SIMADON CORPORATION PO BOX 809 GOSHEN, IN 46527 20-8473080	HUD HOUSNG	IN	501C3	7	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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

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

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 35-1070041
Name: OAKLAWN PSYCHIATRIC CENTER INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
OAKLAWN APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 31-1009854	HUD HOUSNG	IN	501C3	7	N/A		No
OAKAND ESTATES APARTMENTS INC PO BOX 809 GOSHEN, IN 46527 38-3646840	HUD HOUSNG	IN	501C3	7	N/A		No
OAKLAWN FDTN FOR MENTAL HEALTH INC PO BOX 809 GOSHEN, IN 46527 35-6060037	MH PROMOTN	IN	501C3	7	N/A		No
RIVERSIDE CORPORATION PO BOX 809 GOSHEN, IN 46527 35-1875879	HUD HOUSNG	IN	501C3	7	N/A		No
MADISON RESIDENTIAL SERVICES INC PO BOX 809 GOSHEN, IN 46527 31-1135587	HUD HOUSNG	IN	501C3	7	N/A		No
SIMADON CORPORATION PO BOX 809 GOSHEN, IN 46527 20-8473080	HUD HOUSNG	IN	501C3	7	N/A		No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	OAKLAWN FDTN FOR MENTAL HEALTH INC	C	319,900	
(2)	OAKLAWN APARTMENTS INC	P	4,540	
(3)	OAKLAND ESTATES APARTMENTS INC	P	1,880	
(4)	OAKLAWN FDTN FOR MENTAL HEALTH INC	P	46,292	
(5)	OAKLAWN FDTN FOR MENTAL HEALTH INC	N	11,141	
(6)	RIVERSIDE CORPORATION	P	931	
(7)	MADISON RESIDENTIAL SERVICES INC	P	4,711	
(8)	SIMADON CORPORATION	P	3,549	
(9)	OAKLAWN FDTN FOR MENTAL HEALTH INC	C	319,900	
(10)	OAKLAWN APARTMENTS INC	P	4,540	
(11)	OAKLAND ESTATES APARTMENTS INC	P	1,880	
(12)	OAKLAWN FDTN FOR MENTAL HEALTH INC	P	46,292	
(13)	OAKLAWN FDTN FOR MENTAL HEALTH INC	N	11,141	
(14)	RIVERSIDE CORPORATION	P	931	
(15)	MADISON RESIDENTIAL SERVICES INC	P	4,711	
(16)	SIMADON CORPORATION	P	3,549	

OAKLAWN PSYCHIATRIC CENTER, INC.
AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012 and 2011

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
Goshen, Indiana

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012 and 2011

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Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Oaklawn Psychiatric Center, Inc. and Affiliate
Goshen, Indiana

We have audited the accompanying consolidated statements of financial position of Oaklawn Psychiatric Center, Inc. and its Affiliate, Oaklawn Community Mental Health Center, Inc., (collectively the "Center") as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide a reasonable basis for our opinion.

As more fully described in Note 1, the Center has elected not to follow the requirements of U.S. GAAP, which requires an organization with a controlling financial interest in an entity through direct or indirect ownership of a majority voting interest to consolidate that entity. In our opinion, accounting principles generally accepted in the United States of America require that the Center follow the consolidation requirements which would result in the consolidation of all controlled affiliates.

In our opinion, except for the effects of not consolidating all controlled affiliates as discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Oaklawn Psychiatric Center, Inc. and Affiliate as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Crowe Horwath LLP

Crowe Horwath LLP

South Bend, Indiana
September 5, 2012

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,785,355	$ 8,635,195
Patient funds held under agency arrangement	23,196	75,164
Patient accounts receivable, net	3,157,388	2,733,901
Other receivables	3,874,210	3,261,587
Estimated third-party payor settlements	11,600	95,000
Prepaid and other current assets	401,341	404,029
Total current assets	16,253,090	15,204,876
Property, buildings, and equipment, net	8,622,381	5,783,064
Assets limited as to use - held by trustee	525,626	314,383
Deferred debt issuance costs, net	234,704	259,042
	$ 25,635,801	$ 21,561,365
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of long-term debt	$ 415,000	$ 451,617
Current maturities of obligation under interest rate swap agreement	116,819	36,166
Accounts payable	661,412	703,234
Patient funds held under agency arrangement	23,196	75,164
Accrued interest payable	31,305	35,004
Estimated third-party payor settlements	492,900	489,800
Accrued compensation and payroll withholdings	1,920,807	1,607,805
Other current liabilities	189,700	361,481
Accrued litigation settlements	285,239	820,000
Total current liabilities	4,136,378	4,580,271
Long-term debt, less current maturities	11,690,000	12,017,507
Obligation under interest rate swap agreement, less current maturities	390,400	253,530
Deferred lease income	292,308	302,564
Total liabilities	16,509,086	17,153,872
Net assets		
Unrestricted	9,126,715	4,407,493
Total net assets	9,126,715	4,407,493
	$ 25,635,801	$ 21,561,365

See accompanying notes to consolidated financial statements.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years ended June 30, 2012 and 2011

	2012	2011
Changes in unrestricted net assets		
Operating revenue		
Net patient service revenue	$ 27,866,667	$ 23,772,973
Grants and other operating revenue	11,326,772	10,423,868
Contributions	619,900	259,750
Meaningful use revenue	467,500	-
Other revenue	308,130	149,806
	40,588,969	34,606,397
Operating expenses		
Salaries, wages, and benefits	24,447,389	22,739,640
Supplies and other	3,783,843	3,278,905
Purchased services	5,523,144	5,129,435
Provision for bad debts	506,930	369,422
Depreciation and amortization	828,339	817,904
Interest and fees	439,847	397,551
	35,529,492	32,732,857
Operating income	5,059,477	1,873,540
Non operating income and expense		
Gain (loss) on fair value of interest rate swap agreement	(217,523)	52,203
Gain on debt forgiveness	162,507	-
Litigation settlements	(285,239)	(820,000)
	(340,255)	(767,797)
Change in unrestricted net assets	4,719,222	1,105,743
Net assets at beginning of year	4,407,493	3,301,750
Net assets at end of year	$ 9,126,715	$ 4,407,493

See accompanying notes to consolidated financial statements.

OAKLAWN PSYCHIATRIC CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 4,719,222	$ 1,105,743
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	804,001	792,736
Amortization of deferred debt issuance costs	24,338	25,168
Provision for bad debts	506,930	369,422
Unrealized (gain) loss on fair value of interest rate swap agreement	217,523	(52,203)
Gain on debt forgiveness	(162,507)	-
Gain on sale of property, buildings, and equipment	(1,431)	(19,579)
In-kind contributions	-	(35,300)
Donated property	(300,000)	-
Deferred lease income amortization	(10,256)	(10,256)
Changes in operating assets and liabilities		
Patient accounts receivable	(930,417)	(826,710)
Other receivables	(612,623)	(2,026,236)
Prepaid and other current assets	2,688	(210,533)
Accounts payable	(41,822)	369,194
Accrued interest payable	(3,699)	(1,663)
Estimated third-party payor settlements	86,500	81,310
Accrued compensation and payroll withholdings	313,002	429,018
Other current liabilities	(171,781)	179,353
Accrued litigation settlements	(534,761)	820,000
Net cash from operating activities	3,904,907	989,464
Cash flows from investing activities		
Change in assets limited as to use	38,757	(104,799)
Proceeds from sale of property, buildings, and equipment	11,431	19,579
Purchase of property, buildings, and equipment	(3,353,318)	(350,501)
Net cash from investing activities	(3,303,130)	(435,721)
Cash flows from financing activities		
Principal payments on long-term debt	(451,617)	(355,624)
Net cash from financing activities	(451,617)	(355,624)
Net change in cash and cash equivalents	150,160	198,119
Cash and cash equivalents at beginning of year	8,635,195	8,437,076
Cash and cash equivalents at end of year	$ 8,785,355	$ 8,635,195
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 368,433	$ 389,789
Noncash investing and financing activities		
Property acquisitions	-	402,807
Acquisition of debt obligations	250,000	367,507

See accompanying notes to consolidated financial statements.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business: Oaklawn Psychiatric Center, Inc. ("OPC") is an Indiana not-for-profit corporation that owns, operates, and leases mental health care facilities in Elkhart County and St. Joseph County, Indiana. Oaklawn Community Mental Health Center, Inc. ("OCMHC"), also an Indiana not-for-profit corporation, is an affiliated entity because the officers, administrator, and directors of OPC serve in the same capacity for OCMHC. All operations are conducted by OPC; OCMHC is a dormant organization and has no continuing business activities.

The following is a summary of the significant accounting policies adopted by OPC and OCMHC (individually and collectively referred to as the "Center") which have a significant effect on the consolidated financial statements.

Basis of Accounting: The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation: The consolidated financial statements include the accounts of OPC and its affiliate, OCMHC. The consolidated financial statements do not include the accounts of Oaklawn Foundation for Mental Health, Inc. (the "Foundation"), Oaklawn Apartments, Inc. (the "Apartments"), Oakland Estates Apartments, Inc. (the "Estates"), Madison Residential Services, Inc. (the "Uhrig Apartments"), Simadon Corporation (the "River Court Apartments"), and Riverside Corporation (the "Metcalf House") (collectively known as the "affiliated entities"), although these are affiliated organizations of the Center. As discussed in Note 8, although these are affiliated organizations of the Center, U.S. GAAP requires an organization with a controlling financial interest in an entity through direct or indirect ownership of a majority voting interest to consolidate that entity. The Center's decision not to consolidate the affiliated entities is a variance from U.S. GAAP. The Center has not consolidated the affiliated entities because the operations of these entities are separate from and not related to the Center's operations. Additionally, these entities are not part of the obligated group under the Promissory Note, Series 2006 (see Note 5). The Bond Trustees under both obligations require audited financial statements of the obligated group only.

If the affiliated entities were consolidated with the Center, total assets would be increased by $6,136,216 and $6,237,383; long-term debt, including current maturities, would be increased by $4,458,496 and $4,468,947; and net assets would be increased by $1,459,000 and $1,581,545 as of June 30, 2012 and 2011, respectively. Additionally, net revenues from operations would be increased by $784,866 and $1,000,842, and the change in net assets would be increased (decreased) by $(122,545) and $212,233 for the years ended June 30, 2012 and 2011, respectively. Condensed unaudited financial information of the affiliated entities is presented in Note 8.

Financial Statement Presentation: The consolidated financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

> Unrestricted net assets represent the part of the net assets of the Center that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
>
> Temporarily restricted net assets represent the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Center. There were no temporarily restricted net assets at June 30, 2012 and 2011.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Permanently restricted net assets represent the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center. The Center does not have permanently restricted net assets at June 30, 2012 and 2011.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are either interest bearing and federally insured up to $250,000, or non-interest bearing and fully guaranteed by the federal government. Additionally, for purposes of the consolidated statement of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2012 and 2011, substantially all the Center's cash and cash equivalents were with one financial institution. At times amounts on deposit are in excess of federally insured limits, which represents a concentration of credit risk. However, management monitors this risk and believes the likelihood of loss to be remote.

Patient Funds Held Under Agency Arrangement: The Center receives and holds personal funds of patients under an agency arrangement. These personal funds are reported as an asset with a corresponding amount reported as a liability in the consolidated statements of financial position.

Patient Accounts Receivable: Patient accounts receivable represents the unpaid amounts billed to patients and third-party payors. Contractual adjustments, discounts and an allowance for doubtful accounts are recorded to report receivables for mental health care services at net realizable value. The allowance for contractual adjustments was $1,488,000 and $1,174,300 as of June 30, 2012 and 2011, respectively. Past due receivables are determined on contractual terms. The Center does not accrue interest on any of its patient accounts receivables. Patient accounts receivable from the Medicare and Medicaid programs were approximately 71% and 58% of patient accounts receivable at June 30, 2012 and 2011, respectively.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based upon the Center's historical losses, specific patient circumstances and general economic conditions. Management evaluates the patient accounts receivable aging on a monthly basis and records a provision for bad debts based on current circumstances, and charges off receivables against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the Center's collection policy. Management believes the allowance for doubtful accounts of $1,756,000 and $2,351,000 as of June 30, 2012 and 2011, respectively, is adequate to cover potential losses from uncollectible accounts.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Buildings, and Equipment: Property, buildings, and equipment are stated at cost, or, if donated to the Center, at fair value on the date of acquisition. Additions and improvements over $500 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is computed using the straight-line method based on the estimated useful lives of the applicable assets. Amortization of equipment capitalized under capital lease obligations is computed using the straight-line method over the term of the capital lease obligation or the estimated useful life of the asset, whichever is shorter. Interest costs incurred as part of the historical cost of acquiring certain buildings and equipment are capitalized and amortized over the lives of the asset.

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets: On an ongoing basis, the Center reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Center recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2012 and 2011, management believes that no impairment existed.

Assets Whose Use Is Limited: Assets limited as to use primarily include investments held by a trustee which qualify as cash and cash equivalents. These investments are stated at cost. Income on the investments held by the trustee is reported as interest income. See Note 5 for additional analysis of funds held by a trustee.

Debt Issuance Costs: The debt issuance costs relate to the issuance of the Series 2006 Revenue Refunding and Improvement Bonds. The total debt issuance costs incurred were $384,616 and are being amortized by the effective interest method over the life of the related debt issue. The accumulated amortization was $149,912 and $125,574 as of June 30, 2012 and 2011, respectively.

Interest Rate Swap Agreement: The Center has entered into an interest rate swap agreement as part of its interest rate risk management strategy, not for speculation. Although the Center believes the swap agreement would qualify as a hedge, it has elected for simplicity to report the swap agreement as a freestanding derivative. As a result, gains and losses are recognized in the Center's change in net assets. See note 6 for additional disclosure on the interest rate swap agreement.

The derivative is separated into current and non-current assets or liabilities based on its expected cash flows. Cash inflows expected within one year, including derivative assets that the Center intends to settle, are reported as current assets. Cash inflows expected beyond one year are reported as non-current assets. Cash outflows expected within one year, including derivative liabilities in which the counterparty has the contractual right to settle, are reported as current liabilities. Cash outflows expected beyond one year are reported as non-current liabilities.

Net Patient Service Revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue is recorded at the Center's established billing rates at the time services are performed and provides a specific level of patient financial assistance based on a patient's ability to pay. The difference is recorded as contractual allowances to reduce patient service revenue to a net realizable amount.

NOTE 2 - OTHER RECEIVABLES (Continued)

The state of Indiana provides Medicaid disproportionate share payments ("DSH payments") to Indiana hospitals and healthcare providers (individually referred to as a "provider") meeting certain eligibility requirements. The amount of the basic DSH payments, which is based on a formula approved by the Center for Medicare and Medicaid Services, requires certification of eligibility and is subject to a provider's specific limit, defined as the provider's Medicaid shortfall plus the costs of caring for uninsured patients less any payment received.

The Center is eligible for basic DSH payments because of its status as a free-standing inpatient psychiatric facility, and the $240,000 receivable at June 30, 2012 ($240,000 at June 30, 2011) represents management's estimate of the basic DSH receivable as of the consolidated balance sheet date. DSH revenue are included in grants and other operating income.

NOTE 3 - PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment and the related accumulated depreciation is summarized as follows:

	2012	2011
Land and improvements	$ 2,082,885	$ 1,816,807
Buildings and improvements	13,423,924	10,677,429
Furniture and equipment	10,929,676	10,368,825
Vehicles	476,633	437,327
Construction in progress	9,325	-
	26,922,443	23,300,388
Less accumulated depreciation and amortization	18,300,062	17,517,324
	$ 8,622,381	$ 5,783,064

Depreciation expense for the years ended June 30, 2012 and 2011, was $804,001 and $792,736, respectively.

The Center has entered into several lease agreements for office equipment which are accounted for as capital leases. The cost of the capitalized leased equipment totaled $331,392 for the years ended June 30, 2012 and June 30, 2011. As of June 30, 2012 and 2011, the accumulated amortization totaled $331,392 and $274,775, respectively. Amortization related to these leased assets totaled $56,617 for the years ended June 30, 2012 and 2011, and is included in depreciation and amortization expense within the consolidated statements of operations and changes in net assets.

The Center also has a lease agreement with Rest Haven, Inc. ("Rest Haven"), a not-for-profit organization. Rest Haven was formed to provide a separate treatment facility for individuals of the Amish faith. Rest Haven solicited $250,000 of donations from Amish individuals, churches, and districts that were contributed to the Foundation which in turn contributed the solicited funds to the Center. In addition, Rest Haven coordinated the construction of the Rest Haven facility by obtaining donated services, machine hire, planning, and labor having an agreed-upon value of $150,000. The Center used the contributed funds to purchase materials for the construction of the Rest Haven facility. Under the terms of the lease agreement, which includes options to renew for an additional thirty-four years, at five year intervals, Rest Haven is currently leasing this facility from the Center for a five-year term expiring December 31, 2016.

NOTE 3 - PROPERTY, BUILDINGS, AND EQUIPMENT (Continued)

In consideration of the $250,000 of cash contributions and the $150,000 of non-cash contributions, no specific amount of rent is required under the lease agreement. The lease agreement provides that in the event Rest Haven chooses not to renew the lease, the Center would be obligated to pay Rest Haven the unamortized balance, as defined, of the $250,000. If the Center chooses to terminate the lease, the Center would be obligated to pay Rest Haven for the unamortized balance, as defined, of the $400,000. The Center is accounting for the $400,000 as deferred lease income to be amortized over the thirty-nine year period (initial lease term and all renewal periods). Deferred lease income at June 30, 2012 and 2011, aggregated $292,308 and $302,564, respectively.

NOTE 4 - SHORT-TERM BORROWINGS

The Center had obtained a $1.5 million bank line of credit from Charter One Bank, N.A., a division of RBS Citizens, N.A. ("RBS"). Borrowings under this line of credit were subject to a borrowing base of eligible receivables. Interest on outstanding borrowings was payable monthly at the RBS' prime rate plus 1.5%. The line of credit expired on November 30, 2010, and was not subsequently renewed.

NOTE 5 - LONG-TERM DEBT

Long-term debt consists of the following:

	2012	2011
Hospital Authority of Elkhart County, Indiana, Series 2009, based on a variable interest rate (2.03% and 1.83% at June 30, 2012 and 2011, respectively), principal payments are due each August in increasing annual installments with the final maturity on August 1, 2031.	$ 11,650,000	$ 12,045,000
HUD Supportive Housing Program Loan	100,000	100,000
HOME Neighborhood Participation Program Loan	105,000	105,000
IHCDA Construction Loan	250,000	-
Federal Home Loan Bank Affordable Program of Indiana Loan	-	162,507
Capital lease obligations	-	56,617
	12,105,000	12,469,124
Less current maturities	415,000	451,617
	$ 11,690,000	$ 12,017,507

NOTE 5 - LONG-TERM DEBT (Continued)

On July 31, 2009, OPC executed a first amendment to the Trust Indenture and Loan Agreement and a new tax certificate and agreement in connection with the Series 2006 Bond Issue. In lieu of seeking an extension to the existing direct pay letter of credit issued by Charter One, this amendment provided for Charter One to purchase the bonds for its own investment portfolio. The amendments also provided for a new interest rate mode, the "Bank Purchase Mode", while the bonds are held by Charter One. At the end of each Bank Purchase Period, which was originally defined as three (3) years from the date of closing and every five (5) years thereafter, there will be a mandatory tender following which the bonds may be remarketed in any other mode permissible under the bond indenture or in Bank Purchase Mode. During December 2011, Charter One opted to retain the bonds in its own investment portfolio by waiving the first mandatory tender date of August 1, 2012 and revising the first purchase date to August 1, 2016. The Series 2006 covenants include the maintenance of a required minimum days cash on hand and minimum cash balance, a required minimum operating margin and maintenance of a specified debt service coverage ratio. As of June 30, 2012 and 2011, the Center was in compliance with all of the financial covenants.

During September 2010, the Center was named the community mental health center (CMHC) for St. Joseph County, Indiana by the Indiana Family and Social Services Agency, Division of Mental Health and Addictions (DMHA). During this process Madison Center, Inc. (former St. Joseph CMHC) transferred certain assets and liabilities to the Center. Included, but not limited to, were two properties that had loans and/or grants associated with the properties. The HUD Supportive Housing Program Loan and the HOME Neighborhood Participation Program Loan both are related to the same piece of property. The Center assumed liability of the loans when Madison Center, Inc. transferred ownership in April 2011. Both the HUD Supportive Housing Program Loan and the HOME Neighborhood Participation Program Loan are to mature June 30, 2026. These loans bear no interest and repayment is not required as long as the housing projects remains available for the purpose stated in the grant and/or loan documents. If a default occurs under the terms of these loans, at the option of the holder of these loans, the entire principal and accrued interest would at once become due and payable without notice. As of the date of these financial statements, management believes they have met the criteria and no interest or principal payments are anticipated.

During June 2012, the Center obtained a loan from the Indiana Housing and Community Development Authority in the amount of $250,000. The loan bears interest at 2% per annum. The loan is a construction loan with total amounts up to $250,000 to be drawn for renovations on an apartment complex. No later than June 26, 2013, the loan is to be converted from a construction loan to a mortgage loan upon the Center meeting certain criteria as defined by the term specified in the loan document. If converted, the loan would be due in June 2032. If the Center fails to meet the criteria for conversion, the loan would be due July 1, 2013. As of the date of these financial statements, management believes they will meet the criteria for conversion. As of June 30, 2012, management has drawn $35,640 on the loan. The remaining portion of the funds yet to be drawn are held by a trustee in the amount of $214,360.

The Federal Home Loan Bank Affordable Program of Indiana is related to another piece of property transferred from Madison Center, Inc. during April 2011. This loan bore no interest and repayment was not required. The Federal Home Loan Bank Affordable Program of Indiana Loan was fully forgiven as of September 1, 2011, and a gain on debt forgiveness was recognized in the consolidated statements of operations and changes in net assets.

Trustee held funds under the 2006 Series bond issue and the Indiana Housing and Community Development Authority are reflected in the consolidated statements of financial position as Assets Limited as to Use.

NOTE 5 - LONG-TERM DEBT (Continued)

Trustee-held funds at June 30 consisted of the following:

	2012	2011
Series 2006 Sinking Fund	$ 311,266	$ 314,383
Indiana Housing and Community Development Authority Fund	214,360	-
	$ 525,626	$ 314,383

Aggregate contractual annual maturities of long-term debt for each of the next five fiscal years are as follows:

Year Ending June 30	
2013	$ 415,000
2014	680,000
2015	450,000
2016	465,000
2017	485,000

NOTE 6 - BOND INTEREST RATE SWAP AGREEMENTS

The Center had entered into an interest rate swap agreement pursuant to the terms of the 2006 Bond Issue. This interest rate swap agreement was scheduled to expire on August 1, 2025, and permitted the Center to exchange $9.3 million of its floating rate debt for a fixed rate of 3.84%. However, due to the deterioration of the financial markets, the institution with which the Center had entered into the interest swap agreement sought relief under the bankruptcy laws of the United States of America. This situation caused the Center to exercise its right to terminate the interest rate swap agreement, effective as of October 23, 2008. Various aspects of the termination were challenged and the matter was resolved through a court ordered Derivatives Alternative Dispute Resolution Process in fiscal year 2012, with a reserve for future potential liabilities on June 30, 2012 of $285,000.

In November 2008, a new interest rate swap agreement was entered into with RBS. This agreement is effective for a period of ten years and has permitted the Center to exchange $7 million of its floating rate debt for a fixed rate of 2.53%. Accordingly, the change in the net liability is recorded as an increase or decrease of unrestricted net assets in the current period.

Interest Rate Swap Not Designated as a Hedge:

Summary information about the interest rate swap not designated as a hedge, is as follows:

	2012	2011
Notional amounts	$ 5,800,000	$ 6,200,000
Weighted average pay rates (fixed)	2.53%	2.53%
Weighted average receive rates (1 month LIBOR x 66.667%)	0.16%	0.12%
Weighted average maturity	6.5	7.5

NOTE 6 - BOND INTEREST RATE SWAP AGREEMENTS (Continued)

Derivative Fair Value: The following table presents the net amounts recorded in the consolidated statements of operations and changes in net assets relating to the interest rate swap:

	Amounts Recognized	
	2012	2011
Unrealized gain (loss) on interest rate swap agreement	$ (217,523)	$ 52,203
Interest expense - senior bonds payable	138,512	147,116

The following table reflects the fair value and location in the consolidated statements of financial position of the interest rate swap:

	2012	2011
Current liabilities		
Interest rate swap agreement, current portion	$ 116,819	36,166
Long-term liabilities		
Interest rate swap agreement	390,400	253,530

Though management has no intention to do so, the interest rate swap agreement can be terminated early.

NOTE 7 - RETIREMENT PLAN

The Center maintains a tax sheltered annuity plan, pursuant to Internal Revenue Code Section 403(b) for all eligible employees. The amount of the employer contributions to the plan represents a discretionary matching of employee contributions up to a maximum of 3% of participating employee salaries and wages. The employer stopped making the discretionary matching contributions effective January 31, 2010. However, the employer reinstated the 403(b) match in the year ending June 30, 2012. Expense under this plan aggregated $211,286 and $0 for the years ended June 30, 2012 and 2011, respectively. Because the Center's plan is considered a church plan, it is not subject to the audit requirements prescribed for other 403(b) plans by the U.S. Department of Labor.

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED)

As previously mentioned, the affiliated entities are considered related parties (affiliates) of OPC because certain of the officers and the directors of OPC serve in the same capacity for the affiliated entities.

The Foundation, a not-for-profit organization, solicits and receives contributions in support of programs operated by the Center and contributes such funds to the Center on a periodic basis.

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

A condensed summary of the unaudited operating results and financial position of the Foundation is as follows:

	2012	2011
Revenues	$ 292,541	$ 521,534
Operating expenses	360,336	223,095
Change in net assets	$ (67,795)	$ 298,439
Cash	$ 442,616	$ 520,003
Investments	2,175,678	2,096,227
Pledges receivable, net	127,535	160,087
Total assets	$ 2,745,829	$ 2,776,317
Payable to OPC	$ 44,907	$ 7,600
Net assets	2,700,922	2,768,717
Total liabilities and net assets	$ 2,745,829	$ 2,776,317

The Apartments provide housing for chronically mentally disabled persons. The project was funded through a 1981 mortgage with the U.S. Department of Housing and Urban Development ("HUD"), which also subsidizes the residents' rental payments. In 1988, the project was expanded to include additional units, and the expansion was funded through a 1988 mortgage with HUD. Currently the Apartments operate under Section 223(f) of the National Housing Act.

A condensed summary of the unaudited operating results and financial position of the Apartments is as follows:

	2012	2011
Net revenues from operations	$ 217,476	$ 215,615
Operating expenses	200,525	219,079
Change in net deficit	$ 16,951	$ (3,464)
Current assets	$ 10,410	$ 142
Property, buildings, and equipment, net	326,127	399,985
Other assets	187,921	119,748
Total assets	$ 524,458	$ 519,875
Long-term debt, including current maturities	$ 917,196	$ 927,647
Other current liabilities	27,169	29,086
Net deficit	(419,907)	(436,858)
Total liabilities and net deficit	$ 524,458	$ 519,875

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

The Apartments mortgage note is with the Federal Housing Administration ("FHA") under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The original amount of the mortgage was $964,900 and the loan agreement provides, among other items, the following: a term of 35 years maturing on April 1, 2042; an interest rate of 6.14% per annum; monthly principal and interest payments of $5,593; monthly deposits to a reserve fund for replacing assets of the apartments; monthly deposits to a debt service savings escrow; and establishment of a repair escrow with an initial deposit of $77,439. The liability of Oaklawn Apartments, Inc. is limited to the underlying value of the property and equipment collateral in addition to other amounts on deposit.

OPC has advanced funds to the Apartments to assist with payment of certain operating expenses. At June 30, 2012 and 2011, outstanding advances from OPC aggregated $0 and $800, respectively.

The Estates was organized to construct, own, and operate a 12-unit apartment community in Elkhart, Indiana, pursuant to Section 811 of the National Affordable Housing Act, as amended. The Estates has executed a regulatory agreement with HUD which governs the operation of the Estates with the Federal Housing Administration Section of HUD. The Estates has also entered into a Project Rental Assistance Contract with HUD. The contract expires on October 26, 2012.

The Estates has entered into a Capital Advance Program Mortgage Note (the "Note") for a capital advance in the amount of $1,045,800. The Note bears no interest and repayment is not required as long as the housing project remains available for very low-income persons with disabilities in accordance with Section 811 of the National Affordable Housing Act of 1990 and the Project Rental Assistance Contract and is operated in accordance with the Regulatory Agreement and HUD Regulations. The Note is secured by the mortgage upon the land, building, and equipment and other amounts held by the Estates.

The debt evidenced by this Note may not be prepaid prior to the maturity of December 1, 2044, without the prior written approval of HUD. Provided (1) the housing project has remained available for occupancy by eligible families for no less than 40 years; and (2) the Note has not otherwise become due and payable by reason of defaults under the Note, mortgage, or Regulatory Agreement through that date, the Note shall be deemed to be paid and discharged. If a default occurs under the terms of this Note, mortgage, the Regulatory Agreement, or the regulations, at the option of the holder of this Note, the entire principal and accrued interest should at once become due and payable without notice. The liability of the Estates under the mortgage loan is limited to the underlying value of the property and equipment collateral in addition to other amounts on deposit.

A condensed summary of the unaudited operating results and financial position of the Estates is as follows:

	2012	2011
Revenues	$ 55,975	$ 57,502
Operating expenses	84,137	81,495
Change in net deficit	$ (28,162)	$ (23,993)

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Cash	$ 1,695	$ 5,012
Property, buildings, and equipment, net	625,761	643,454
Restricted deposits and funded reserves	292,151	293,888
Other assets	1,615	1,917
Total assets	$ 921,222	$ 944,271
Current liabilities	$ 10,363	$ 4,745
Long-term debt, including current maturities	1,045,800	1,045,800
Other liabilities	1,352	1,857
Net deficit	(136,293)	(108,131)
Total liabilities and net deficit	$ 921,222	$ 944,271

Madison Residential Services, Inc. (an Indiana Not-For-Profit Corporation) was organized to construct, own, and operate a 21 unit apartment community for persons disabled as a result of a chronic illness in South Bend, Indiana, known as Uhrig Apartments, pursuant to Section 811 of the National Affordable Housing Act, as amended.

A condensed summary of the unaudited operating results and financial position of the Uhrig Apartments is as follows:

	2012	2011
Revenues	$ 103,535	$ 99,215
Operating expenses	113,668	117,255
Change in net deficit	$ (10,133)	$ (18,040)
Cash	$ 6,692	$ 54
Property, buildings, and equipment, net	479,873	486,459
Restricted deposits and funded reserves	24,796	31,176
Other assets	-	3,557
Total assets	$ 511,361	$ 521,246
Current liabilities	$ 5,896	$ 6,109
Long-term debt, including current maturities	864,200	864,200
Payable to OPC	1,711	1,180
Other liabilities	45,074	45,144
Net deficit	(405,520)	(395,387)
Total liabilities and net deficit	$ 511,361	$ 521,246

OPC has advanced funds to Uhrig Apartments to assist with payment of certain operating expenses. At June 30, 2012 and 2011, outstanding advances from OPC aggregated $1,711 and $1,180, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Simadon Corporation (an Indiana Not-For-Profit Corporation) was organized to construct, own and operate a 15 unit apartment community for persons disabled as a results of a chronic illness in South Bend, Indiana, known as River Court Apartments, pursuant to Section 811 of the National Affordable Housing Act, as amended.

A condensed summary of the unaudited operating results and financial position of River Court Apartments is as follows:

	2012	2011
Revenues	$ 79,224	$ 71,720
Contributions	7,128	-
Operating expenses	116,570	108,391
Change in net deficit	$ (30,218)	$ (36,671)
Current assets	$ 790	$ 1,532
Property, buildings, and equipment, net	1,205,659	1,238,227
Other assets	33,643	40,305
Total assets	$ 1,240,092	$ 1,280,064
Long-term debt, including current maturities	$ 1,356,900	$ 1,356,900
Payable to OPC	3,549	1,180
Other current liabilities	8,580	13,607
Other liabilities	9,720	16,816
Net deficit	(138,657)	(108,439)
Total liabilities and net deficit	$ 1,240,092	$ 1,280,064

OPC has advanced funds to River Court Apartments to assist with payment of certain operating expenses. At June 30, 2012 and 2011, outstanding advances from OPC aggregated $3,549 and $1,180, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS (UNAUDITED) (Continued)

Riverside Corporation, Inc. (an Indiana Not-For-Profit Corporation) was organized to construct, own, and operate an 8 unit group home for persons disabled as a result of a chronic illness in South Bend, Indiana, known as the Metcalf House, pursuant to Section 811 of the National Affordable Housing Act, as amended.

A condensed summary of the unaudited operating results and financial position of the Metcalf House is as follows:

	2012	2011
Revenues	$ 36,115	$ 35,256
Operating expenses	39,303	39,294
Change in net deficit	$ (3,188)	$ (4,038)
Cash	$ 6,120	$ 2,013
Property, buildings, and equipment, net	159,193	166,870
Restricted deposits and funded reserves	27,942	25,527
Other assets	-	1,200
Total assets	$ 193,255	$ 195,610
Current liabilities	$ 60,400	$ 201
Long-term debt, including current maturities	274,400	274,400
Payable to OPC	-	1,180
Other liabilities	-	58,186
Net deficit	(141,545)	(138,357)
Total liabilities and net deficit	$ 193,255	$ 195,610

OPC has advanced funds to the Metcalf House to assist with payment of certain operating expenses. At June 30, 2012 and 2011 outstanding advances from OPC aggregated $0 and $1,180, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases: The Center has entered into various operating leases for office space locations with lease terms expiring at various dates through the year 2061. Rent expense under these leases for the years ended June 30, 2012 and 2011 was approximately $347,268 and $435,174, respectively.

Future minimum lease commitments are as follows:

2013	$ 130,026
2014	130,026
2015	130,026
2016	130,026
2017	77,849
Thereafter	213,600
	$ 811,553

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

Self Insurance Plan: OPC is a member of a pooled self insurance plan. Pursuant to the plan agreement, each member is required to make monthly contributions to the plan's administrator that are available to satisfy the insurance claims of each members' participating employees. The plan calls for all claims to be paid out of the pool, but once any individual's aggregated claims exceed $250,000, the plan's stop-loss amount, for June 30, 2012 and 2011, all remaining claims for that individual are covered under the plan's insurance. Each member is directly responsible for claims up to a maximum dollar amount. The level set for such exposure impacts the contributions paid by the members. As of June 30, 2012, OPC has elected to be directly responsible for claims up to $117,000 per individual ($116,000 per individual at June 30, 2011). Any claims in excess of $117,000, but less than $250,000, are paid out of the members' pooled funds ($116,000 at June 30, 2011).

Litigation: The Center is involved in litigation and routine regulatory surveys arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Center's future financial position or results from operations.

Third-Party Payor Audit: Management believes the existing accrual for the estimated third party payor audits are adequate to provide for the ultimate resolution of any exposure related to potential audits of the years subject to audit as of the year ended June 30, 2012.

Grants: As of the year ended June 30, 2012, the Center has agreements relating to one property for which grant monies have been received. There are certain restrictions on this property, and if those restrictions are not met, the Center will be obligated to repay all or part of the original grant amounts.

NOTE 10 - FUNCTIONAL EXPENSES

The Center provides general inpatient and outpatient mental health care services to its surrounding community. Expenses on a functional basis related to providing these services are as follows:

	2012	2011
Health care services	$ 29,405,209	$ 26,933,337
General and administrative	6,113,142	5,781,659
Fundraising	11,141	17,861
	$ 35,529,492	$ 32,732,857

NOTE 11 - FINANCIAL INSTRUMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Center's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

NOTE 11 - FINANCIAL INSTRUMENTS (Continued)

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Center has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges. The Center has no financial instruments utilizing level 1 inputs.

Level 2 Inputs: Significant other observable inputs other than Level 1 prices such as quoted price for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Center has no financial instruments utilizing level 3 inputs.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of the interest rate swap agreement is determined based on the relative values of the fixed and floating rate portions of the interest rate contracts. The valuation model utilized involves current interest rates, projected yield curves, and volatility factors to determine the fair value of the instruments as of the date of measurement. As such, significant fair value inputs can generally be verified and do not involve significant management judgments (Level 2 inputs).

The Center's assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2012			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Interest rate swap agreement	$ -	$ 507,219	$ -	$ 507,219
Total liabilities	$ -	$ 507,219	$ -	$ 507,219

	Fair Value Measurements at June 30, 2011			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Interest rate swap agreement	$ -	$ 289,696	$ -	$ 289,696
Total liabilities	$ -	$ 289,696	$ -	$ 289,696

Additional Data

Software ID:
Software Version:
EIN: 35-1070041
Name: OAKLAWN PSYCHIATRIC CENTER INC

Form 990, Special Condition Description:

Special Condition Description