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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
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
901 MACARTHUR BOULEVARD

City or town, state or country, and ZIP + 4
MUNSTER, IN 46321

D Employer identification number
35-1107009

E Telephone number
(219)836-1600

G Gross receipts $ 465,556,962

F Name and address of principal officer
MARY ANN SHACKLETT
10010 DONALD S POWERS DRIVE
MUNSTER,IN 46321

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 comhs org

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

Part I Summary

1 Briefly describe the organization's mission or most significant activities
COMMUNITY HOSPITAL IS COMMITTED TO PROVIDE THE HIGHEST QUALITY CARE IN THE MOST COST-EFFICIENT MANNER, RESPECTING THE DIGNITY OF THE INDIVIDUAL, PROVIDING FOR THE (CONTINUED ON Part III, LINE 1)

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**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,490
6	Total number of volunteers (estimate if necessary)	**6**	170
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,352,589
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)	524,273	1,528,783
9	Program service revenue (Part VIII, line 2g)	425,281,675	450,681,002
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	167,777	1,068,207
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,057,015	11,616,552
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	433,030,740	464,894,544
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	80,000	80,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	207,968,439	212,743,702
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	203,707,827	218,925,948
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	411,756,266	431,749,650
19	Revenue less expenses Subtract line 18 from line 12	21,274,474	33,144,894

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	246,359,812	253,047,288
21	Total liabilities (Part X, line 26)	123,312,453	166,649,435
22	Net assets or fund balances Subtract line 21 from line 20	123,047,359	86,397,853

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2013-05-14

MARY ANN SHACKLETT SR VP & SYSTEM CFO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4
ERNST & YOUNG US LLP
111 MONUMENT CIRCLE SUITE 2600
INDIANAPOLIS, IN 46204

EIN ▶

Phone no ▶ (317) 681-7000

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

THE NEEDS OF ALL PEOPLE, INCLUDING THE POOR AND DISADVANTAGED

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 $ 56,189,665 including grants of $) (Revenue $ 31,265,405)

Nursing Patient Days 120,528

4b (Code) (Expenses $ 54,777,047 including grants of $) (Revenue $ 64,795,730)

Surgery Operations 16,520

4c (Code) (Expenses $ 41,162,665 including grants of $) (Revenue $ 67,056,544)

Outpatient Visits 266,268

See Additional Data Table

4d Other program services (Describe in Schedule O)

(Expenses $ 253,017,227 including grants of $ 80,000) (Revenue $ 294,953,584)

4e **Total program service expenses** ▶ $ 405,146,604

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
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**	215		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	3,490			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	22		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

MARY ANN SHACKLETT
10010 DONALD S POWERS DRIVE
Munster, IN 463212959
(219) 934-8250

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) THOMAS BRUBAKER MD DIRECTOR	1 0	X						14,361	0	0
(2) STEVE CHOVANEC DIRECTOR	1 0	X						0	0	0
(3) ERIC COMPTON DDS DIRECTOR	1 0	X						0	0	0
(4) FRANKIE FESKO DIRECTOR	1 0	X						18,000	79,967	0
(5) WILLIAM HASSE III DIRECTOR	1 0	X						0	31,100	0
(6) DON HENRY MD DIRECTOR	1 0	X						0	0	0
(7) R LITCHFIELD DO DIRECTOR	1 0	X						0	3,488	0
(8) S N MAKAM MD DIRECTOR	1 0	X						1,320	36,980	0
(9) DONNA PANICH DIRECTOR	1 0	X						0	0	0
(10) GAYLE PARR DIRECTOR	1 0	X						0	0	0
(11) DONALD S POWERS DIRECTOR	1 0	X						0	1,217,604	48,265
(12) HON JAMES RICHARDS DIRECTOR	1 0	X						24,000	47,542	0
(13) NITIN SARDESAI MD DIRECTOR	1 0	X						0	0	0
(14) WILLIAM SCHENCK DIRECTOR	1 0	X						0	40,042	0
(15) M NABIL SHABEEB MD FACS DIRECTOR	1 0	X						0	28,000	0
(16) DONALD TORRENGA DIRECTOR	1 0	X						0	49,854	0
(17) JAY ZANDSTRA DIRECTOR	1 0	X						0	26,500	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) DAVID WICKLAND PRESIDENT	1 0	X		X				24,000	47,542	0
(19) JOSEPH MORROW VICE PRESIDENT	1 0	X		X				0	16,300	0
(20) RICHARD MCLAUGHRY SECRETARY	1 0	X		X				0	68,542	0
(21) DAVID BOCHNOWSKI TREASURER	1 0	X		X				0	28,200	0
(22) DONALD P FESKO ADMINISTRATOR	41 0	X		X				0	502,726	40,256
(23) MARY ANN SHACKLETT SR VP & SYSTEM CFO	1 0			X				0	546,591	56,960
(24) LUIS MOLINA VP OF FINANCE/CFO	40 0			X				489,018	0	60,156
(25) RONDA MCKAY VP & CNO	40 0			X				244,532	0	9,790
(26) MARC LEVIN MD PHYSICIAN	40 0					X		1,159,623	0	39,699
(27) WAYEL KAAKAJI MD PHYSICIAN	40 0					X		1,100,540	0	7,770
(28) MOHAMMAD SHUKAIRY MD PHYSICIAN	40 0					X		728,472	0	20,129
(29) DOUGLAS DEDELOW DO PHYSICIAN	40 0					X		584,601	10,614	34,457
(30) RICHARD BERKOWITZ MD MEDICAL DIRECTOR	40 0					X		541,986	0	62,543
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								4,930,453	2,781,592	380,025

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 ▶ 199

			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**	Yes	

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
Rehabcare Group Inc PO Box 502096 ST LOUIS, MO 63150	Rehab Care Services	4,415,220
Siemens Medical Solutions 51 Valley Stream Parkway MALVERN, PA 19355	Medical Svcs/Repairs	1,270,453
Franciscan ST Margaret Health 5454 Hohman Avenue HAMMOND, IN 46320	Laundry Services	1,228,818
Komyatte Casbon PC 9650 Gordon Drive HIGHLAND, IN 46322	Collections	1,205,013
TRC Indiana LLC PO BOX 403008 ATLANTA, GA 303843008	Dialysis Services	1,075,517

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 ▶ 44

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	472,329			
	e	Government grants (contributions)	1e	891,604			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	164,850			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,528,783			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	900099	450,681,002	450,032,400	648,602	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		450,681,002			
	3	Investment income (including dividends, interest and other similar amounts)		391,576			391,576
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	211,840				
	b	Less rental expenses	144,168				
	c	Rental income or (loss)	67,672				
	d	Net rental income or (loss)		67,672			67,672
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		1,194,881			
	b	Less cost or other basis and sales expenses		518,250			
	c	Gain or (loss)		676,631			
	d	Net gain or (loss)		676,631			676,631
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less cost of goods sold b					
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA SALES	722210	1,925,115			1,925,115
	b	FITNESS/SPA POINT REVENUE	900099	4,188,421	3,729,590	458,831	
	c	PHARMACY SALES	446110	4,719,584	3,474,428	1,245,156	
	d	All other revenue		715,760	186,243		529,517
	e	**Total.** Add lines 11a–11d		11,548,880			
	12	**Total revenue.** See Instructions		464,894,544	457,422,661	2,352,589	3,590,511

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	80,000	80,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,056,522	14,634	1,041,888	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	207,364	207,364		
7	Other salaries and wages	166,348,691	156,328,049	10,020,642	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	15,111,901	14,353,136	758,765	
9	Other employee benefits	18,513,688	17,688,698	824,990	
10	Payroll taxes	11,505,536	10,927,846	577,690	
11	Fees for services (non-employees)				
a	Management	2,456,575	2,231,661	224,914	
b	Legal	591,335		591,335	
c	Accounting	24,000		24,000	
d	Lobbying	5,549		5,549	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	20,756,937	16,828,417	3,928,520	
12	Advertising and promotion	712,582	542,244	170,338	
13	Office expenses	8,500,151	7,427,170	1,072,981	
14	Information technology	364,653	335,948	28,705	
15	Royalties . .	0			
16	Occupancy	4,679,806	4,563,337	116,469	
17	Travel	194,307	171,150	23,157	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	153,991	148,705	5,286	
20	Interest	745,799	745,799		
21	Payments to affiliates	2,316,756	1,972,840	343,916	
22	Depreciation, depletion, and amortization	19,207,527	18,319,542	887,985	
23	Insurance	3,293,478	3,176,045	117,433	
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	MEDICAL SUUPLIES	79,800,541	79,800,541		
b	CORP SUPP SRVCS ALLOCATION	43,121,620	40,956,495	2,165,125	
c	MEDICAID ASSESSMENT FEE	20,587,824	20,587,824		
d	LEASE & RENTALS	4,089,542	4,070,649	18,893	
e					
f	All other expenses	7,322,975	3,668,510	3,654,465	
25	**Total functional expenses.** Add lines 1 through 24f	431,749,650	405,146,604	26,603,046	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		19,602,283	2	13,076,610
	3	Pledges and grants receivable, net		1,845	3	0
	4	Accounts receivable, net		54,443,125	4	62,562,812
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		8,454,200	8	8,253,829
	9	Prepaid expenses and deferred charges		2,439,208	9	2,323,256
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 420,697,278			
	b	Less accumulated depreciation	10b 265,663,521	161,419,151	10c	155,033,757
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		0	15	11,797,024
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		246,359,812	16	253,047,288
Liabilities	17	Accounts payable and accrued expenses		42,403,656	17	42,618,032
	18	Grants payable		0	18	0
	19	Deferred revenue		91,824	19	72,826
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		80,816,973	25	123,958,577
	26	**Total liabilities.** Add lines 17 through 25		123,312,453	26	166,649,435
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		122,421,865	27	85,890,135
	28	Temporarily restricted net assets		523,148	28	405,372
	29	Permanently restricted net assets		102,346	29	102,346
		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		123,047,359	33	86,397,853
	34	Total liabilities and net assets/fund balances		246,359,812	34	253,047,288

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	464,894,544
2	Total expenses (must equal Part IX, column (A), line 25)	2	431,749,650
3	Revenue less expenses Subtract line 2 from line 1	3	33,144,894
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	123,047,359
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-69,794,400
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	86,397,853

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
MUNSTER MEDICAL RESEARCH FOUNDATION INC	35-1107009

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

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

2 Political expenditures ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

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

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		PT II-B LINE 1I THE INDIANA HOSPITAL ASSOCIATION ESTIMATED THAT 5 44% OF ITS DUES ARE ATTRIBUTABLE TO LOBBYING

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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
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

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	96,330	86,723	96,624	107,819	
b	Contributions					
c	Investment earnings or losses	-1,163	9,757	-9,751	-11,045	
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses	-150	150	150	150	
g	End of year balance	95,317	96,330	86,723	96,624	

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,809,397		2,809,397
b Buildings		288,221,965	173,218,712	115,003,253
c Leasehold improvements		1,070,558	844,596	225,962
d Equipment		118,842,728	85,347,138	33,495,590
e Other		9,752,630	6,253,075	3,499,555
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				155,033,757

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	0
PENSION LIABILITY	99,045,891
EST 3RD PARTY SETTLEMENTS	14,074,505
DUE TO AFFILIATES	6,446,692
CAPITAL LEASES	4,034,324
ASSET RETIREMENT OBLIGATION	357,165
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	123,958,577

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		PT V LINE 4 ENDOWMENT FUNDS ARE TO BE USED TO SUPPORT THE NEEDS OF MMRF, INC PT X THE ADOPTION OF ASC 740 DID NOT MATERIALLY IMPACT THE FINANCIAL STATEMENTS

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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
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)		6,200	6,457,071	67,737	6,389,334	1 480 %
b Medicaid (from Worksheet 3, column a)		30,456	55,269,942	33,693,140	21,576,802	5 000 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs		36,656	61,727,013	33,760,877	27,966,136	6 480 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	107	14,115	599,770	13,164	586,606	0 140 %
f Health professions education (from Worksheet 5)	34	657	520,016		520,016	0 120 %
g Subsidized health services (from Worksheet 6)		892	1,831,184	1,301,951	529,233	0 120 %
h Research (from Worksheet 7)		11,186	1,077,809	252,871	824,938	0 190 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	46		196,257	1,047	195,210	0 050 %
j **Total** Other Benefits	187	26,850	4,225,036	1,569,033	2,656,003	0 620 %
k **Total.** Add lines 7d and 7j	187	63,506	65,952,049	35,329,910	30,622,139	7 100 %

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			87,573	38,275	49,298	0 010 %
4	Environmental improvements						
5	Leadership development and training for community members			10,101		10,101	
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			97,674	38,275	59,399	0 010 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	6,359,033		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	63,590		
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	173,369,527		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	209,642,006		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-36,272,479		
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	MUNSTER MEDICAL RESEARCH FOUNDATION INC 901 MACARTHUR BOULEVARD MUNSTER,IN 46321	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

MUNSTER MEDICAL RESEARCH FOUNDATION 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		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **19**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
PART I, LINE 6A		N/A

Identifier	ReturnReference	Explanation
PART I, LINE 7G		COMPLETED THE IRS WORKSHEETS AND USED COST ACCOUNTING FOR THE METHODOLOGY WE DID NOT INCLUDE ANY PHYSICIAN PRACTICE INFORMATION WHEN CALCULATING SUBSIDIZED SERVICES

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN F		BAD DEBT OF $19,799,032 IS EXCLUDED FROM THE CALCULATION

Identifier	ReturnReference	Explanation
PART I, LINE 7A		THE METHODOLOGY USED TOOK THE FINANCIAL STATEMENT COST TO CHARGE RATIO AND MULTIPLIED IT BY THE RELATED CHARGES THIS NUMBER WAS THEN REDUCED BY THE ACTUAL PAYMENT RECEIVED

Identifier	ReturnReference	Explanation
PART II		COMMUNITY HOSPITAL PROVIDES SUPPORT FOR BIOTERRORISM READINESS THESE MEASURES HELP ENSURE THE SAFETY OF THE PATIENTS AND THE COMMUNITY IN THE EVENT OF A BIOTERRORISM EVENT ALSO INCLUDED HERE ARE COSTS TO PROVIDE INTERPRETERS FOR PATIENTS WHO ARE DEAF

Identifier	ReturnReference	Explanation
PART III, LINE 4		COMMUNITY HOSPITAL EVALUATES THE COLLECTIBILITY OF ITS ACCOUNTS RECEIVABLE BASED ON THE LENGTH OF TIME THE RECEIVABLE IS OUTSTANDING AND THE ANTICIPATED FUTURE UNCOLLECTIBLE AMOUNTS BASED ON HISTORICAL EXPERIENCE ACCOUNTS RECEIVABLE ARE CHARGED TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WHEN THEY ARE DEEMED UNCOLLECTIBLE COMMUNITY HOSPITAL DOES NOT REQUIRE COLLATERAL THE FINANCIAL STATEMENT COST-TO-CHARGE RATIO WAS USED TO CALCULATE THE ESTIMATED COST OF BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS THAT ARE REPORTED ON LINE 2 DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE RECORDED AS AN ADJUSTMENT TO REVENUE, NOT BAD DEBT EXPENSE AS A TAX-EXEMPT HOSPITAL, WE MUST PROVIDE NECESSARY SERVICES REGARDLESS OF THE PATIENT'S ABILITY TO PAY FOR THE SERVICE PROVIDED WE ESTIMATED A PERCENTAGE OF BAD DEBTS BASED UPON THE PORTION OF UNINSURED INDIVIDUALS THAT WOULD BE ELIGIBLE FOR THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY THIS AMOUNT ENTERED ON PART III, LINE 3 SHOULD BE COUNTED AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
PART III, LINE 8		THE TOTAL REVENUE RECEIVED FROM MEDICARE WAS CALCULATED BY USING THE COST TO CHARGE RATIO WE PROVIDE NECESSARY SERVICES REGARDLESS OF THE PATIENT'S ABILITY TO PAY FOR THE SERVICE PROVIDED OR THE REIMBURSEMENT RECEIVED FROM MEDICARE, QUALIFYING THE $36,272,479 OF MEDICARE SHORTFALL AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
PART III, LINE 9B		COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS PATIENTS ARE SCREENED FOR ELIGIBILITY FOR FINANCIAL ASSISTANCE BEFORE COLLECTION PROCEDURES BEGIN IF AT ANY POINT IN THE COLLECTION PROCESS, DOCUMENTATION IS RECEIVED THAT INDICATES THE PATIENT IS POTENTIALLY ELIGIBLE FOR FINANCIAL ASSISTANCE BUT HAS NOT APPLIED FOR IT, THE ACCOUNT IS REFERRED BACK FOR A FINANCIAL ASSISTANCE REVIEW

Identifier	ReturnReference	Explanation
PART V, LINE 1J		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 3		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 4		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 5C		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 6I		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 7		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 11H		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 13G		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 15E		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 16E		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 17E		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 18D		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 19D		Our maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care is based on a sliding scale Up to 200% of federal poverty guidelines (FPG) is 100% free care 201% -250% is charged based on Medicare rates 251%-300% is charged based on average of lowest managed care rates 301%-400% is charged based on average managed care rates

Identifier	ReturnReference	Explanation
PART V, LINE 20		N/A

Identifier	ReturnReference	Explanation
PART V, LINE 21		N/A

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		COMMUNITY HOSPITAL USES A THIRD-PARTY CONSULTING FIRM TO ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITY COMMUNITY HOSPITAL SERVES ONE OF THE LARGEST POPULATIONS IN NW INDIANA AND IS THE OLDEST POPULATION IN THE AREA WITH AN EXPECTED LOSS OF POPULATION IN THE NEXT FIVE YEARS COMMUNITY HAS DOMINANT MARKET POSITION IN ALL PRODUCT LINES AND CONTINUES TO SEE GROWTH IN AREAS SUCH AS ORTHOPEDICS, ONCOLOGY AND GENERAL SURGERY

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		PATIENTS WHO ARE ADMITTED WITHOUT INSURANCE ARE REFERRED TO THE HOSPITAL'S FINANCIAL COUNSELORS THE FINANCIAL COUNSELORS PERFORM AN INTERVIEW WITH THE PATIENT TO EXPLAIN TO THEM THE PROCESS NECESSARY TO RECEIVE FINANCIAL ASSISTANCE THIS PROCESS INCLUDES APPLYING FOR MEDICAID OR OTHER GOVERNMENT AID THE APPLICANT THEN MUST FILL OUT A FINANCIAL INFORMATION WORKSHEET AND SUBMIT VARIOUS INFORMATION TO DETERMINE IF THEY QUALIFY FOR FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE POLICY THE FINANCIAL ASSISTANCE POLICY IS POSTED AT EACH INPATIENT WAITING DESK

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		THE COMMUNTIY SERVED INCLUDES NORTHWEST INDIANA AND ADJACENT COMMUNITIES IN ILLINOIS OUR MARKET SHARE FOR THE CORE AREA IS 72 2% THE POPULATION IS OLDER THAN MOST MARKETS BUT HAS A HIGHER MEDIAN HOUSEHOLD INCOME COMMUNITY'S POPULATION CONSISTS OF AN UNINSURED POPULATION OF 9 9% AND MEDICAID OF 11 3%

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		SEE COMMUNITY BENEFITS STATEMENT IN SCHEDULE O

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		COMMUNITY HOSPITAL IS PART OF AN AFFILIATED SYSTEM EACH HOSPITAL IN THE SYSTEM PROVIDES MEDICAL SERVICES TO THEIR COMMUNITIES AND ADJOINING COMMUNITIES EACH ENTITY'S PURPOSE IS TO PROVIDE HEALTH CARE TO THOSE WHO NEED IT, INCLUDING THE UNINSURED OR UNDERINSURED

Identifier	ReturnReference	Explanation
PART III, LINE 7		Cost Report (12,666,442) Physician practices (5,436,908) Medicare Managed Care (1,775,209) Fee-based Outpatient charges (5,940,264) Disallowed Medicare expenses (10,453,656) Total (Shortfall) (36,272,479)

Identifier	ReturnReference	Explanation
Part III, Line 2		Bad Debt of 19,799,032 was multiplied by the cost to charge ratio, resulting in 6,359,033 in Bad Debt at cost

Additional Data

Software ID:
Software Version:
EIN: 35-1107009
Name: MUNSTER MEDICAL RESEARCH FOUNDATION INC

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **19** Name and address	Type of Facility (Describe)
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER
COMMUNITY SURGERY CENTER 801 MACARTHUR BLVD MUNSTER,IN 46321	OP SURGERY CENTER

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) THEATER AT THE CENTER905 RIDGE ROAD MUNSTER,IN 46321	35-1939427	501(C)(3)	80,000		CASH		FINANCIAL ASSISTANCE

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

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

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

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

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION		PT I LINE 2 GRANT IS PROVIDED TO RELATED TAX-EXEMPT ORGANIZATION TO FINANCIALLY ASSIST IN IT'S EXEMPT PURPOSE

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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
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		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) DONALD S POWERS	(i)	0	0	0	0	0	0	0
	(ii)	937,646	273,214	6,744	34,787	13,478	1,265,869	0
(2) HON JAMES RICHARDS	(i)	24,000	0	0	0	0	24,000	0
	(ii)	47,542	0	0	0	0	47,542	0
(3) DONALD P FESKO	(i)	0	0	0	0	0	0	0
	(ii)	429,074	47,868	25,784	13,653	26,603	542,982	0
(4) MARY ANN SHACKLETT	(i)	0	0	0	0	0	0	0
	(ii)	369,682	148,077	28,832	34,787	22,173	603,551	0
(5) LUIS MOLINA	(i)	331,876	146,250	10,892	41,828	18,328	549,174	0
	(ii)	0	0	0	0	0	0	0
(6) RONDA MCKAY	(i)	191,508	51,239	1,785	7,161	2,629	254,322	0
	(ii)	0	0	0	0	0	0	0
(7) MARC LEVIN MD	(i)	1,136,265	0	23,358	18,350	21,349	1,199,322	0
	(ii)	0	0	0	0	0	0	0
(8) WAYEL KAAKAJI MD	(i)	1,100,000	0	540	7,350	420	1,108,310	0
	(ii)	0	0	0	0	0	0	0
(9) MOHAMMAD SHUKAIRY MD	(i)	727,986	0	486	8,124	12,005	748,601	0
	(ii)	0	0	0	0	0	0	0
(10) DOUGLAS DEDELOW DO	(i)	378,309	193,678	12,614	10,339	24,118	619,058	0
	(ii)	10,614	0	0	0	0	10,614	0
(11) RICHARD BERKOWITZ MD	(i)	540,744	0	1,242	34,787	27,756	604,529	0
	(ii)		0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PT 1 LINE 1A	THE ORGANIZATION PAYS HEALTH/SOCIAL CLUB DUES ON BEHALF OF THE INDIVIDUAL WHICH IS THEN TAXED AS A FRINGE BENEFIT TO THE INDIVIDUAL

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 35-1107009
Name: MUNSTER MEDICAL RESEARCH FOUNDATION INC

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
COMMUNITY CARDIOLOGY CENTER	SN MAKAM PRTNR MORE THAN	5,876,342	INDEPENDENT CONTRACTOR		No
COMM CARD CTNR CON'T	5% OWNED		INDEPENDENT CONTRACTOR		
SARN II	DR SHABEEB PART-OWNER	176,932	RENTAL OF OFFICE SPACE		No
CARDIOLOGY ASSOC OF NW IN	SN MAKAM OFFICER	131,845	INDEPENDENT CONTRACTOR		No
HASSE CONSTRUCTION	OWNED BY WILLIAM HASSE	43,430	INDEPENDENT CONTRACTOR		No
KAY TORRENGA	FAM MEM OF DONALD TORRENG	68,230	EMPLOYMENT		No
GARY MCKAY	FAM MEM OF RONDA MCKAY	64,921	EMPLOYMENT		No
STEVEN PAUL CHOVANEC	FAM MEM STEVEN G CHOVANEC	47,452	EMPLOYMENT		No
SYLVIA HENRY	FAM MEM OF DR DON HENRY	26,762	EMPLOYMENT		No

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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
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

Identifier	Return Reference	Explanation
FAMILY OR BUSINESS RELATIONSHIPS	PT VI-A, LINE 2	FRANKIE FESKO, FAMILY MEMBER OF DONALD S POWERS AND DONALD P FESKO PAULA NELLANS, FAMILY MEMBER OF DAVID NELLANS

Identifier	Return Reference	Explanation
DESCRIPTION OF THE CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS	PT VI-A, LINE 7A	COMMUNITY FOUNDATION OF NORTHWEST INDIANA, INC IS THE PARENT COMPANY OF MUNSTER MEDICAL RESEARCH FOUNDATION, INC AND HAS CONTROL TO ELECT MEMBERS OF THEIR GOVERNING BODY

Identifier	Return Reference	Explanation
DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS	PT VI-A, LINE 7B	COMMUNITY FOUNDATION OF NORTHWEST INDIANA, INC IS THE PARENT COMPANY OF MUNSTER MEDICAL RESEARCH FOUNDATION, INC AND HAS RIGHTS TO APPROVE DECISIONS MADE BY MMRF

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	PT VI-A, LINE 11A	THE 990 IS SUBMITTED TO THE SENIOR VP AND CFO FOR REVIEW ONCE THIS REVIEW IS COMPLETE THE RETURNS ARE THEN PRESENTED TO SENIOR LEADERSHIP TO REVIEW THE 990 IS ALSO REVIEWED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM BEFORE IT IS POSTED TO A SECURE WEBSITE TO ALLOW THE BOARD OF DIRECTORS TO REVIEW PRIOR TO FILING

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	PT VI-B, LINE 12C	AN OFFICER, DIRECTOR OR KEY EMPLOYEE THAT HAS A POTENTIAL CONFLICT OF INTEREST IS REQUIRED TO DISCLOSE THIS, AND THE BOARD OF DIRECTORS, ONE OF THEIR COMMITTEES, OR A DESIGNATED PERSON (SUCH AS THE CHIEF COMPLIANCE OFFICER) WILL REVIEW THE POTENTIAL CONFLICT OF INTEREST TO DETERMINE IF IT EXISTS IF IT DOES EXIST, THE INVOLVED DIRECTOR, OFFICER OR KEY EMPLOYEE IS ASKED TO LEAVE THE MEETING WITH NO VOTE ON THE TOPIC THE MEETING MINUTES WILL REFLECT THAT THE INVOLVED PERSON MADE THE DISCLOSURE, LEFT THE MEETING AND HAD NO VOTE AS PART OF THE ORGANIZATION'S ANNUAL MONITORING & ENFORCEMENT PROCEDURE RELATING TO ITS CONFLICT OF INTEREST POLICY, ALL CONFLICT OF INTEREST QUESTIONNAIRES ARE REVIEWED AND THOSE OFFICERS, DIRECTORS OR KEY EMPLOYEES WHO DO NOT RETURN OR FULLY COMPLETE THE QUESTIONNAIRE ARE CONTACTED TO RECONCILE THE OMISSION

Identifier	Return Reference	Explanation
OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN	PT VI-B, LINE 15	CH FOLLOWS THE PARENT (CFNI) POLICY THE SALARY AND BENEFIT COMMITTEE OF THE CFNI BOARD REQUESTS A REVIEW OF THE COMPENSATION AND BENEFITS TO ASSESS THE REASONABLENESS COMPARED TO MARKET DATA ASSEMBLED BY AN INDEPENDENT THIRD PARTY COMPENSATION CONSULTING FIRM THEIR PROCESS FOR COLLECTING AND ASSEMBLING MARKET DATA ARE CONSISTENT WITH THE REBUTTABLE PRESUMPTION CHECKLIST AND FAIR MARKET VALUE USED BY THE IRS IN CONDUCTING EXECUTIVE COMPENSATION REVIEWS AS WELL AS CONTEMPORARY COMPENSATION PRACTICES ALL MARKET DATA ARE ASSEMBLED FROM REPUTABLE, COMMERCIALLY-AVAILABLE SURVEYS

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	PT VI-C, LINE 19	MUNSTER MEDICAL RESEARCH FOUNDATION, INC DOES NOT MAKE ITS GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH BOND COVENANTS, MMRF THROUGH CFNI MAKES IT FINANCIAL STATEMENTS AND DISCLOSURES AVAILABLE TO THE PUBLIC THROUGH THE EMMA DATABASE

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	PART III, LINE 4A	THE DESIGNATED POPULATION THAT THE COMMUNITY HOSPITAL IS FOCUSING ON INCLUDES THOSE INDIVI DUALS WHOSE LIFE-STYLE BEHAVIORS PUT THEM AT RISK FOR DISEASE AND ILLNESS OUR PRIMARY FOC US CONTINUES THIS YEAR ON TWO DISEASES THAT HAVE BEEN IDENTIFIED AS HEALTH DISCREPANCIES I N LAKE COUNTY, INDIANA - CANCER AND HEART DISEASE THE INCIDENCE OF THESE DISEASES IN OUR REGION SURPASSED STATE AND NATIONAL AVERAGES, AND THEREFORE DEMANDED OUR PRIMARY FOCUS TH E COMMUNITY HOSPITAL HAS INVESTED GREATLY IN RECENT YEARS IN THESE TREATMENT PROGRAMS AND IN OFFERING PATIENTS ACCESS TO TREATMENTS NOT AVAILABLE ELSEWHERE IN THE COUNTY THE FOCUS OF OUR COMMUNITY BENEFIT IS TO USE RESOURCES TO REACH BEYOND THE TREATMENT OF THESE DISEA SES TO HELP EDUCATE, SUPPORT AND EMPOWER INDIVIDUALS TO LOWER THEIR RISKS I 2011-2012 AN NUAL PROGRESS REPORT A THE COMMUNITY HOSPITAL FITNESS POINTE THE GOAL OF FITNESS POINTE I S TO PROVIDE OPPORTUNITIES FOR PERSONS OF NORTHWEST INDIANA TO IMPROVE AND MAINTAIN THEIR HEALTHY LIFE-STYLE HABITS, LOWERING THEIR RISKS FOR HEART DISEASE, STROKES, AND DIABETES THE FACILITY WAS DEVELOPED TO ADDRESS FINDINGS OF OUR 1995 HEALTH ASSESSMENT THAT IDENTIFI ED OPPORTUNITIES TO IMPROVE THE HEALTH STATUS OF OUR COMMUNITY THE COMMUNITY HOSPITAL OPE NED FITNESS POINTE ON NOVEMBER 1, 1998 THE 73,191 SQ FT FACILITY HOUSES THE HOSPITAL'S OUTPATIENT PHYSICAL THERAPY , OUTPATIENT DIETARY COUNSELING,OUTPATIENT DIABETIC EDUCATION, CARDIAC REHABILITATION PHASE III AND REHAB PLUS, AND THE FITNESS POINTE DEPARTMENTS FITN ESS POINTE PROGRAMS ADDRESS HEALTH EDUCATION/WELLNESS, AND FITNESS-RELATED CONTENT AREAS THE COMMUNITY EDUCATION OFFERINGS AND THE CONTRIBUTIONS OF THE HOSPITAL EMPLOYEES AND MEDI CAL STAFF ARE VITAL PIECES IN ADDRESSING THE HEALTH DISPARITIES IN LAKE COUNTY, SUPPORTING A VARIETY OF DISEASE PREVENTION GOALS MANY OF THE COMMUNITY EDUCATION CLASSES ORIGINALLY DEVELOPED AT FITNESS POINTE ARE NOW ALSO OFFERED AT THE COMMUNITY HOSPITAL OUTPATIENT CEN TRE IN ST JOHN, FURTHER EXPANDING THE SCOPE OF SERVICES HEALTH EDUCATION/WELLNESS SERVIC ES THE COMMUNITY HEALTH ASSESSMENT INDICATED LAKE COUNTY RESIDENTS HAVE INCREASED RISK FOR HEART DISEASE AND CANCER COMPARED TO STATE AND NATIONAL STATISTICS A VARIETY OF HEALTH E DUCATION AND WELLNESS PROGRAMS ARE OFFERED TO THE COMMUNITY AT LITTLE OR NO CHARGE TO IMPR OVE KNOWLEDGE AND AWARENESS OF LIFE-STYLE RELATED RISKS FOR THESE DISEASES FITNESS POINTE PROVIDES A SUPPORTIVE ENVIRONMENT FOR AREA RESIDENTS TO MAINTAIN HEALTHY HABITS RESEARCH INDICATES CERTAIN INDIVIDUALS ARE AT GREATER RISK FOR LIFE-STYLE RELATED DISEASES SUCH AS HEART DISEASE AND DIABETES BASED ON PHYSICAL MEASURES FITNESS POINTE SCREENINGS FOR THES E RISKS DURING MANDATORY FITNESS PROFILES ARE PERFORMED ON ALL NEW PROGRAM PARTICIPANTS I N A STUDY IN CONJUNCTION WITH VALPARAISO UNIVERSITY AND THE HEART CENTER AT COMMUNITY, FIT NESS POINTE IDENTIFIED 1,321 INDIVIDUALS AT A SIGNIFICANTLY INCREASED RISK FOR DIABETES AN D HEART DISEASE OF THESE INDIVIDUALS, 700 OF THEM AT THE HIGHEST RISK LEVELS FOR HEART DI SEASE AND DIABETES WERE INVITED TO UNDERGO ADDITIONAL SCREENING FOR BLOOD CHOLESTEROL, BOD Y MASS INDEX AND BLOOD PRESSURE SOME OTHERS AT MODERATE TO HIGH RISK WERE TARGETED, THROU GH ADDITIONAL SCREENING AND LIFE-STYLE MODIFICATION, FOR INTERVENTION TO REDUCE THEIR RISK OF DISEASE WITH 25% OF WHITE CHILDREN AND 33% OF AFRICAN AMERICAN AND HISPANIC CHILDREN BEING OVERWEIGHT ACCORDING TO 2001 STATISTICS, FITNESS POINTE HAS DEVELOPED PROGRAMS TO HE LP ADDRESS THIS ISSUE TEENS GET FIT IS AN EXERCISE AND NUTRITION INFORMATION PROGRAM THAT TARGETS 12-15 YEAR OLDS, PROVIDING A SETTING TO HELP MODIFY POOR HEALTH HABITS "FIT TRIP " IS A PROGRAM THAT BRINGS 1ST-3RD GRADE STUDENTS TO FITNESS POINTE FOR A 90 MINUTE INTROD UCTION AND EXPERIENCE WITH DIFFERENT TYPES OF EXERCISE COMBINED WITH BASIC NUTRITION TIPS "TAKE 5 FOR LIFE" IS A PROGRAM DEVELOPED FOR 5TH GRADERS TO TEACH GOOD HEALTH, NUTRITION AND FITNESS HABITS WITHIN THE SCHOOL SETTING, AS WELL AS TO ENCOURAGE ACTIVITY BASED ON T HE HEALTH NEEDS AND INTERESTS OF THOSE PROGRAM ATTENDEES, PROGRAMS WERE DEVELOPED IN THE A REAS OF WOMEN'S HEALTH, NUTRITION AND HEALTHY COOKING, RELAXATION, WEIGHT MANAGEMENT, SEN IOR HEALTH, BACK AND OTHER ORTHOPEDIC HEALTH ISSUES, DIABETES MANAGEMENT, CANCER AWARENESS AND PREVENTION, HEART DISEASE RISK FACTOR AWARENESS AND SCREENING, MENTAL HEALTH, AND SMO KING CESSATION A SPECIALIZED FITNESS AND NUTRITION PROGRAM CALLED TEENS GET FIT GEARED TO WARD NUTRITIONALLY CHALLENGED OR OVERWEIGHT 12-15 YEAR-OLDS HAS BEEN DEVELOPED, AS HAS A W ELLNESS RESOURCE CENTER THAT INCLUDES INTERNET ACCESS, BOOKS, MAGAZINES AND OTHER INFORMAT IVE RESOURCES THROUGH THE COLLABORATIVE EFFORTS OF THE COMMUNITY HOSPITAL'S WELLNESS SERV ICES, PUBLIC RELATIONS, DIETARY SERVICES THERAPY, REHABILITATION, EDUCATION DEPARTMENT, NU RSING SERVICES AND OTHERS, A QUARTERLY COMMUNITY EDUCATION CALENDAR CALLED "TAKE CARE" IS CREATED THE CALENDAR IS DISTRIBUTED TO MORE THAN

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	PART III, LINE 4A	75,000 HOUSEHOLDS IN THE HOSPITAL'S SERVICE AREA, AND TO COMMUNITY CENTERS, PHYSICIAN OFF ICERS, LIBRARIES AND OTHER PUBLIC LOCATIONS IT FEATURES EDUCATIONAL AND SUPPORT PROGRAMS DESIGNED TO IMPROVE THE PHYSICAL, MENTAL, SAFETY, NUTRITIONAL AND SOCIAL WELL-BEING OF THE COMMUNITY WELLNESS EDUCATION PROGRAM AREAS 1 HEART DISEASE-RELATED PROGRAMMING INCLUDES ONGOING DAILY BLOOD PRESSURE SCREENING BY THE EXERCISE STAFF, BLOOD PRESSURE SCREENING OF FERED DURING PERIODIC EVENTS, A COMPREHENSIVE SERIES ABOUT CHOLESTEROL THAT INCLUDES A SCR EENING AND EDUCATION ON CHOLESTEROL MANAGEMENT, SMOKING CESSATION CLASS, A STROKE AWARENES S LECTURE, A PRESENTATION ON NEW ADVANCED GENETIC TESTING FOR HEART DISEASE, PERIPHERAL AR TERIAL DISEASE SCREENINGS, AND A CLASS THAT HELPS INDIVIDUALS MAINTAIN THEIR HEALTH WHILE ON HEART MEDICATIONS HEART DISEASE-RELATED SUPPORT GROUPS INCLUDE A HEART FAILURE SUPPORT GROUP, A GROUP FOR WOMEN WITH HEART DISEASE, AND MENDED HEARTS - A NATIONAL ORGANIZATION THAT WHEREBY SEASONED HEART DISEASE PATIENTS VISIT NEWLY DIAGNOSED PATIENTS IN THE HOSPITA L AFTER SURGERY OR A PROCEDURE. OTHER COMMUNITY PROGRAMS RELATED TO THE HEART INCLUDED HOW TO RAISE A HEART-SMART CHILD, PROPER NUTRITION FOR LOWERING CHOLESTEROL, INFANT-CHILD CPR , DIABETES AS IT RELATES TO THE HEART, AND A SERIES OF PROGRAMS AND WOMEN AND HEART DISEAS E 2 CANCER AWARENESS AND PREVENTION PROGRAMS INCLUDE A DAY OF CANCER AWARENESS WITH SKI N CANCER SCREENINGS, AND A VAST PUBLIC AWARENESS CAMPAIGN ABOUT THE LATEST ADVANCES IN PRO STATE CANCER DETECTION AND TREATMENT, INCLUDING THE VALUE OF EARLY DETECTION AND FREE SCRE ENING SESSIONS THE COMMUNITY HOSPITAL CANCER RESEARCH FOUNDATION LAUNCHED THE CANCER RESO URCE CENTRE, WHICH HOSTS A VARIETY OF FREE PROGRAMS, CLASSES AND SUPPORT GROUPS ABOUT LIVI NG WITH CANCER A SPECIAL SEGMENT OF CLASSES WAS BORN WITH THE OPENING OF THE CANCER RESOU RCE CENTRE - A SUPPORT PROGRAM OF THE COMMUNITY HOSPITAL CANCER RESEARCH FOUNDATION HERE, THOSE FACING CANCER ATTEND FREE CLASSES SUCH AS YOGA, BREATHING THROUGH PAIN, LEARNING AB OUT COMPLEMENTARY THERAPIES, AND A VARIETY OF SUPPORT GROUPS

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)	PART III, LINE 4A	3 DIABETES EDUCATION EFFORTS HAVE EXPANDED TO INCLUDE DIABETES MANAGEMENT CLASSES IN CONJ UNCTION WITH EXERCISE. THIS IS IN ADDITION TO A BASIC DIABETES EDUCATION CLASS AND A DIABE TES MANAGEMENT CLASS CERTIFIED BY THE AMERICAN DIABETES ASSOCIATION 4 SENIOR TOPICS OFFE RED AT FITNESS POINTE INCLUDE FALL PREVENTION, UNDERSTANDING MANAGED CARE, UNDERSTANDING A DVANCED DIRECTIVES, UNDERSTANDING HOSPICE AND MEDICARE BENEFITS, HELP WITH DIZZINESS, MAKI NG SENSE OF MEDICAL TECHNOLOGY, MEDICATION SAFETY, URINARY INCONTINENCE PRESENTATION, A GR ANDPARENT CLASS, AND A PROGRAM ON OSTEOPOROSIS 5 ORTHOPEDIC PROGRAMS INCLUDE ARTHRITIS, TENDONITIS AND BURSITIS RECOGNITION AND MANAGEMENT, PREVENTION OF NECK AND LOW BACK PAIN, ATHLETIC FOOT AND ANKLE PROBLEMS, THE CARE AND TREATMENT OF KNEE, HIP, FOOT AND SHOULDER P ROBLEMS, CERVICAL AND LUMBAR DISK PROBLEMS, A FALL PREVENTION AND BALANCE SCREENING PROGRA M, AND SPORTS INJURY PREVENTION 6 NUTRITION PROGRAMS INCLUDE INDIVIDUAL NUTRITIONAL COUN SELING WITH A REGISTERED DIETITIAN, GROUP WEIGHT MANAGEMENT PROGRAMS, LUNCH & LEARN COOKIN G DEMONSTRATIONS, A CLASS ABOUT EMOTIONAL EATING, AND A CLASS ABOUT FAD DIETS AND PROPER N UTRITION 7 MENTAL HEALTH RELATED PROGRAMS INCLUDE RELAXATION, STRESS MANAGEMENT, BREATHI NG EXERCISES, PROGRAMS ON COMPLEMENTARY THERAPIES, RECOGNIZING AND UNDERSTANDING DEPRESSIO N, AND LIFE MAPPING 8 WOMEN'S WELLNESS PROGRAMS INCLUDE PRE-AND POST-NATAL EXERCISE, A S ERIES ABOUT NUTRITION, SCREENING AND TREATMENT RELATED TO OSTEOPOROSIS, A COMPLETE HEALTH RETREAT FOR WOMEN, FIBROMY ALGIA, GENETIC LINKS AND TESTING FOR CANCER, HORMONE REPLACEMENT THERAPY, STRENGTH TRAINING FOR WOMEN, AND HEADACHES IN WOMEN 9 FAMILY HEALTH PROGRAMS I NCLUDE A PRENATAL CLASS, SIBLING CLASS, TAKING CARE OF BABY, KEEPING BABY SAFE AND HEALTHY , INFANT GROWTH AND DEVELOPMENT, FAMILY AND FRIENDS CPR, BREAST FEEDING CLASSES AND LACTAT ION CONSULTATIONS, LAMAZE, TEEN CHILDBIRTH EDUCATION, GRANDPARENT EDUCATION, FILMS ABOUT C ESAREAN SECTIONS, POISON PREVENTION AND TREATMENT, ASK THE PEDIATRICIAN AND HOW TO RAISE A HEART-SMART CHILD, AND A PARENT SUPPORT GROUP PARTICIPATION IN HEALTH EDUCATION/WELLNESS PROGRAMS RANGES FROM AN AVERAGE OF 300-350 ATTENDEES A MONTH APPROXIMATELY 20-30% OF THE SE ATTENDEES ARE MEMBERS OF THE FITNESS POINTE FACILITY WHILE 70-80% ARE NON-MEMBERS FROM THE GENERAL COMMUNITY FITNESS PROGRAM AREAS THE AMERICAN HEART ASSOCIATION RECOGNIZES THE LACK OF REGULAR PHY SICAL EXERCISE AS A MAJOR RISK FACTOR FOR HEART DISEASE. REGULAR EXERC ISE IS ASSOCIATED WITH BETTER HEART HEALTH, MENTAL WELL-BEING, WEIGHT MANAGEMENT, CANCER P REVENTION, DIABETES CONTROL, LOW BACK PAIN PREVENTION/RELIEF AND OTHER LIFESTYLE-RELATED D ISEASES FITNESS POINTE'S GENERAL FITNESS MEMBERSHIP PROGRAM OFFERS A VARIETY OF EXERCISE PROGRAM OPTIONS DESIGNED TO MEET THE INDIVIDUAL NEEDS INDIVIDUALS FROM THE COMMUNITY WHO TAKE ADVANTAGE OF THE GENERAL FACILITY MEMBERSHIP PROGRAM INCLUDE TRANSFERS FROM CARDIAC R EHABILITATION AND PHY SICAL THERAPY, AND THOSE REFERRED BY THEIR PERSONAL PHY SICIAN IN ADD ITION, MANY ARE CORPORATE CUSTOMERS INTERESTED IN ENCOURAGING HEALTHIER EMPLOY EES, OR INDI VIDUALS LOOKING FOR AN OPPORTUNITY TO IMPROVE THEIR HEALTH ON THEIR OWN OR WITH A FRIEND O R FAMILY MEMBER PRIOR TO USE OF THE FACILITY, INDIVIDUALS ARE SCREENED BY AN EXERCISE SPE CIALIST TO DETERMINE MEDICAL OR PHY SICAL LIMITATIONS AND PRECAUTIONS MEASUREMENTS COLLECT ED ON PARTICIPANTS INCLUDE ENDURANCE, BODY COMPOSITION, RESTING BLOOD PRESSURE, FLEXIBILIT Y AND A HISTORY OF MEDICAL INFORMATION AND LIFESTYLE HABITS AN INDIVIDUALIZED PROGRAM OF CARDIOVASCULAR CONDITIONING, MUSCULAR TRAINING AND FLEXIBILITY EXERCISES IS DEVELOPED BASE D ON THE INDIVIDUAL INTERESTS AND NEEDS GROUP EXERCISE CLASSES ARE CONDUCTED ON A WEEKLY BASIS AT FITNESS POINTE. CLASSES INCLUDE TRADITIONAL LOW IMPACT, REGULAR AND STEP AEROBICS , WATER AEROBICS, YOGA, REIKI, PILATES, ROWING, CYCLING, RELAXATION/STRETCHING, ETC ALL C LASSES ARE AVAILABLE TO MEMBERS CLASSES ALSO ARE OFFERED ON HOW TO EXERCISE AT HOME, INCL UDING FITNESS AT HOME, PILATES AT HOME, AWESOME ABS, AND YOGA AT HOME. MANY CLASSES ARE AL SO OPEN TO NON-MEMBERS FROM THE COMMUNITY THESE INCLUDE A) AWESOME ABS B) FITNESS AT HOM E C) FITNESS INSTRUCTOR TRAINING D) TEENS GET FIT E) WOMEN'S FITNESS EXPRESS F) INTRODUCTI ON TO BASIC SELF DEFENSE AND SELF DEFENSE II G) PILATES AT HOME H) YOGA & DAILY LIFE IN A COOPERATIVE PROGRAM WITH THE TOWN OF MUNSTER PARKS AND RECREATION DEPARTMENT, GROUP EXERCI SE CLASSES WERE OFFERED JOINTLY THE MUNSTER POLICE DEPARTMENT OFFERS BASIC AND ADVANCED S ELF DEFENSE CLASSES FOR FREE SEVERAL TIMES A YEAR COMMUNITY HEALTH/FITNESS EVENTS FITNESS POINTE CELEBRATED NATIONAL GREAT AMERICAN SMOKE-OUT WITH FREE PROGRAMMING & INCENTIVES FO R PEOPLE TO STOP SMOKING FITNESS POINTE CONTINUES ITS PARTNERSHIPS WITH AREA UNIVERSITIES , OFFERING STAFF AND FACILITIES TO EDUCATE FOR COLLEGE CREDIT NUTRITION AND FITNESS STUDEN TS OF PURDUE UNIVERSITY CALUMET AND INDIANA UNIVER

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)	PART III, LINE 4A	SITY, AS WELL AS CLINICAL ROTATIONS FOR POST GRADUATE PHYSICAL THERAPISTS, BACCALAUREATE AND GRADUATE NURSES AND EXERCISE SCIENCE/PHYSIOLOGY STUDENTS FROM OTHER STATE UNIVERSITIES

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		FITNESS POINTE PROVIDES A NUTRITION DAY EVENT WHICH INCLUDES HEALTHY NUTRITION DISPLAYS, L ECTURES AND DEMONSTRATIONS TO ENCOURADE BETTER NUTRITION HABITS FOR THE PUBLIC CARDIAC RE HABILITATION OUR OWN ASSESSMENT FOUND THAT DESPITE SIGNIFICANT BENEFITS OF CARDIAC REHABIL ITATION, ONLY ABOUT 45 PERCENT OF OUR INPATIENT HEART SURGERY POPULATION IS REFERRED TO CA RDIAC REHABILITATION, PHASE 2 IN RESPONSE TO THE FACT THAT THOSE WHO CONTINUE CARDIAC REH AB THROUGH PHASE 3 ARE LIKELY TO MAINTAIN THEIR LIFESTYLE, FITNESS POINTE NOW OFFERS REHAB PLUS IN PLACE OF PHASE IV CARDIAC REHAB SINCE FITNESS POINTE HAS OPENED, MORE THAN 575 C ARDIAC REHABILITATION GRADUATES AND AN AVERAGE OF 10 PHYSICAL THERAPY GRADUATES PER MONTH HAVE TRANSITIONED TO GENERAL MEMBERS A DISCOUNT RATE IS OFFERED TO ENCOURAGE AND SUPPORT THEIR CONTINUED REHAB IN A GENERAL FITNESS SETTING FITNESS POINTE PROGRAM STATISTICS FITN ESS POINTE PROGRAMS AND SERVICES ARE OFFERED TO THE PUBLIC THE AVERAGE AGE OF PROGRAM ATT ENDEES IS 49 YEARS OF AGE, WHILE 52% OF PARTICIPANTS WERE 50+ YEARS OF AGE SINCE FITNESS POINTE IS INTERESTED IN MEETING NEEDS NOT ALREADY BEING MET IN THE COMMUNITY, IT IS IMPORT ANT TO NOTE THAT MORE THAN 70% OF PARTICIPANTS REPORT THEY HAVE NEVER PREVIOUSLY BEEN A ME MBER OF A FITNESS FACILITY FITNESS POINTE SERVICES RECORD MORE THAN 35,000 VISITS PER MON TH APPROXIMATELY 2,000 INDIVIDUALS HAVE TRANSFERRED TO THE FACILITY MEMBERSHIP PROGRAM FR OM CARDIAC REHAB AND PHYSICAL THERAPY TO CONTINUE THEIR REHABILITATIVE MAINTENANCE SHORT TERM GOALS To OFFER SERVICES THAT MEET THE INTERESTS AND HEALTH NEEDS OF THE COMMUNITY PR OVIDE ONGOING STAFF DEVELOPMENT AND TRAINING TO PROVIDE THE HIGHEST QUALITY CUSTOMER SERVI CE PROVIDE THE BEST SERVICES AT THE LOWEST POSSIBLE PRICE CONTINUE DATABASE DOCUMENTATION TO DETERMINE SHORT AND LONG TERM EFFECTS OF PROGRAMS CONTINUE INTEGRATION OF FITNESS POI NTE SERVICES WITH OTHER HOSPITAL SERVICES TO BECOME A SIGNIFICANT PART OF THE COMMUNITY HO SPITAL CONTINUUM OF CARE IDENTIFY APPROPRIATE PARTNERSHIPS TO STRENGTHEN THE QUALITY AND SCOPE OF SERVICES OFFERED IDENTIFY RESEARCH OPPORTUNITIES IN THE AREAS OF HEALTH PROMOTIO N AND DISEASE PREVENTION B PREVENTION/WELLNESS AT COMMUNITY COMMUNITY'S PREVENTION/WELLN ESS PROGRAM FOCUSES ON PROMOTING AWARENESS OF CARDIOVASCULAR DISEASE, REDUCING THE INCIDEN CE OF HEART DISEASE AND IMPROVING THE QUALITY OF LIFE THROUGH AN INTEGRATED CARDIOVASCULAR HEALTH SERVICES DELIVERY SYSTEM CARDIAC AND VASCULAR SCREENINGS DURING THE 2011-2012 FIS CAL YEAR, COMMUNITY CONTINUED TO OFFER VARIOUS LEVELS OF CARDIAC AND VASCULAR SCREENINGS A T A SUBSTANTIAL DISCOUNT ALL LEVELS OF SCREENING PUT AN EMPHASIS ON DIRECTING THE SCREENI NG PARTICIPANTS TO A VARIETY OF WELLNESS PROGRAMS OFFERED THROUGH THE HOSPITAL AND FITNESS POINTE FITNESS POINTE CONTINUES TO SUPPORT THE WELLNESS PROGRAMS CREATED TO BETTER SERVE THE HEALTH NEEDS OF OUR COMMUNITY AND SUPPORT THE IMPORTANCE OF RISK FACTOR MODIFICATION THROUGH LIFE-STYLE AND BEHAVIOR CHANGES THE CORONARY HEALTH APPRAISAL IS OFFERED THROUGHO UT THE COMMUNITY HEALTHCARE SYSTEM THIS SCREENING NOT ONLY MEASURES CHOLESTEROL LEVELS, G LUCOSE, AND BLOOD PRESSURE, BUT ALSO EVALUATES INDIVIDUALS WHO MEET THE CRITERIA FOR METAB OLIC SYNDROME A TOTAL OF 109 PEOPLE WERE SCREENED BETWEEN COMMUNITY HOSPITAL AND COMMUNIT Y HOSPITAL OUTPATIENT CENTER-ST JOHN NINETEEN PERCENT OF PARTICIPANTS WERE FOUND TO MEET THE CRITERIA FOR METABOLIC SYNDROME DURING THE 2011-2012 FISCAL YEAR, COMMUNITY HOSPITAL CONTINUED TO OFFER THE FAST CT HEART SCAN THIS PROCEDURE HELPS TO DETECT HEART DISEASE I N ITS EARLIEST STAGES DURING THE YEAR, 51 INDIVIDUALS PARTICIPATED IN THE SCREENING COMM UNITY HEALTHCARE SYSTEM ADDED THE CT HEART SCAN AT ST MARY MEDICAL CENTER ONCE A MONTH, THE CARDIAC REHABILITATION STAFF CONDUCTS A SCREENING FOR PERIPHERAL VASCULAR DISEASE, OR PAD INDIVIDUALS AT RISK FOR PAD ARE SMOKERS, DIABETICS AND CARDIAC PATIENTS THE SCREENIN G TARGETS INDIVIDUALS WHO WOULD NEED FURTHER TESTING AND POSSIBLY INTERVENTION TO TREAT TH E DISEASE FOLLOWING THE PUBLIC SCREENING, PARTICIPANTS ARE EDUCATED ON THE DISEASE AND HO W TO PREVENT OR MANAGE IT THE SCREENING COSTS $8 FOR CARDIAC REHAB PATIENTS AND FITNESS P OINTE MEMBERS, AND $10 FOR NON-MEMBERS AND THE GENERAL PUBLIC FOLLOW-UP EDUCATION LECTURE S ARE CONDUCTED PERIODICALLY AT NO CHARGE THIS PAST FISCAL YEAR, 98 INDIVIDUALS WERE SCRE ENED IN ADDITION, EACH SEPTEMBER, COMMUNITY HOSPITAL PARTICIPATES IN THE NATIONAL LEGS FO R LIFE PERIPHERAL ARTERIAL DISEASE SCREENING CAMPAIGN THIS FREE PAD SCREENING OFFERED TO THE PUBLIC IS ONE MORE WAY WE REACH OUT TO THE COMMUNITY AND PROVIDE A NEEDED SERVICE TO O UR POPULATION THE SCREENING DRAWS ABOUT 150 PARTICIPANTS FROM AROUND THE AREA CARDIAC RE HAB PHASE 3 OFFERS A MONTHLY BLOOD PRESSURE SCREENING AT FITNESS POINTE THE CARDIAC REHAB STAFF IS OFTEN ASKED TO TAKE BLOOD PRESSURES OR PARTICIPATE IN OTHER WAYS WHEN OTHER HOSP ITAL DEPARTMENTS SPONSOR HEALTH FAIRS AS AN ADDED

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		SERVICE, FREE OF CHARGE, THE CARDIAC REHAB STAFF OFFERS ITS FORMER MEMBERS THE OPPORTUNIT Y TO GET A BLOOD PRESSURE, OXIMETER READING, OR HEART RHYTHM QUICK LOOK WHILE THEY ARE EXE RCISING AT FITNESS POINTE. TWO DIABETES SCREENINGS WERE CONDUCTED DURING THE YEAR FORTY-S IX INDIVIDUALS HAD THEIR BLOOD SUGAR TESTED A FEW INDIVIDUALS MET THE CRITERIA FOR DIABET ES, WHILE SEVERAL MORE WERE FOUND TO BE PRE-DIABETIC BASIC INFORMATION REGARDING PRE-DIAB ETES WAS GIVEN AND PARTICIPANTS THAT MET THE CRITERIA FOR DIABETES WERE INSTRUCTED TO FOLL OW-UP WITH THEIR PHYSICI AN FOR FURTHER TESTING WE CONTINUE TO TRACK INDIVIDUALS IN OUR D ATABASE WHO GO THROUGH OUR SCREENING PROGRAMS TO DETERMINE TO WHAT DEGREE THIS EARLY INTER VENTION WILL HELP LOWER THE RISK FOR DEVELOPING HEART DISEASE. IN ADDITION TO THE DATABASE , OUR RISK FACTOR ANALYSIS SOFTWARE PROGRAM ALLOWS US TO HAVE THE MOST UP-TO-DATE DATA AVA ILABLE. THIS SOFTWARE ENABLES US TO PREPARE REPORTS THAT EDUCATE INDIVIDUALS ABOUT HOW THE IR HEALTH STATUS PLACES THEM AT RISK FOR DEVELOPING HEART DISEASE, AND PROVIDES RECOMMENDA TIONS AND SUPPORT IN MAKING HEALTHY LIFE-STYLES CHOICES THAT CAN LOWER THEIR RISK THEREFO RE, WE CAN ASSIST THEM IN PARTICIPATING IN ONE OF OUR WELLNESS EDUCATION PROGRAMS BEST SUI TED TO THEIR INDIVIDUAL NEEDS OUR DATABASE INCLUDES PATIENTS FROM OUR VARIOUS CARDIOVASCU LAR OUTPATIENT CLINICS SUCH AS THE HEART FAILURE TREATMENT CLINIC, LIPID CLINIC AND CARDIA C REHABILITATION THIS ALLOWS US TO TRACK OUR CARDIOVASCULAR PATIENTS AND BETTER MANAGE TH EIR OUTCOMES AND TREATMENT OPTIONS THROUGH THIS DATABASE, WE HAVE BEEN ABLE TO PERFORM IN TERNAL RESEARCH ACTIVITIES THAT MEASURE THE OUTCOMES OF PATIENTS WITH HEART DISEASE AND HE ART FAILURE SO WE CAN BETTER MANAGE THESE CONDITIONS AND PREVENT RECURRENT EVENTS TO CONT INUE TO BETTER SERVE OUR PATIENT POPULATION, OUR CARDIOVASCULAR RESEARCH DEPARTMENT FOCUSE S ON REDUCING CARDIOVASCULAR MORBIDITY AND MORTALITY IN OUR COMMUNITIES BY PARTICIPATING I N CLINICAL RESEARCH INITIATIVES DESIGNED TO PROMOTE EARLY DETECTION, DIAGNOSIS AND TREATME NT OF CARDIOVASCULAR AND PERIPHERAL VASCULAR DISEASE. FINALLY, PREVENTION/WELLNESS SERVICE S DONATES GIFT CERTIFICATES FOR BOTH THE HEART SCAN AND CORONARY HEALTH APPRAISAL THE CER TIFICATES ARE MADE AVAILABLE TO CHARITABLE ORGANIZATIONS AND CERTAIN COMMUNITY HOSPITAL SP ONSORED EVENTS FOR THE FIRST TIME, CORONARY HEALTH APPRAISAL PARTICIPANTS WERE SELETED TO PARTICIPATE AS SUBJECTS IN A RESEARCH STUDY THE STUDY WAS CONDUCTED BY A NURSE WHO IS PU RSUING HER DOCTORATE IN NURSING HER AREA OF STUDY RELEATED TO HOW PEOPLE PERCEIVE THEIR R ISK OF HEART DISEASE. OVER 100 SUBJECTS WERE RECRUITED

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		C CANCER PROGRAM COMMUNITY HOSPITAL CANCER PROGRAM IS APPROVED BY THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER IN THEIR "COMMUNITY HOSPITAL COMPREHENSIVE CANCER PROGRAM" CATEGORY APPROVAL OF OUR CANCER PROGRAM QUALIFIES COMMUNITY HOSPITAL TO PARTNER WITH THE COMMISSION ON CANCER IN THE AMERICAN CANCER SOCIETY'S NATIONAL CANCER INFORMATION AND REFE RRAL PROJECT, SHARING INFORMATION ON RESOURCES AND CANCER EXPERIENCE FOR THE AMERICAN CANC ER SOCIETY'S NATIONAL CALL CENTER AND WEB SITE, KEY SOURCES OF CANCER INFORMATION AND GUID ANCE FOR THE PUBLIC THIS INDICATES THAT COMMUNITY HOSPITAL MEETS THE STANDARDS OF THE COM MISSION ON CANCER IN ORGANIZATION AND MANAGEMENT OF OUR PROGRAM ENSURING MULTIDISCIPLINARY , INTEGRATED AND COMPREHENSIVE ONCOLOGY SERVICES IN ADDITION, COMMUNITY HOSPITAL MEETS TH EIR PERFORMANCE MEASURES FOR HIGH-QUALITY CANCER CARE AN APPROVED PROGRAM ENSURES OUR PAT IENTS RECEIVE QUALITY CARE CLOSE TO HOME AND ACCESS TO A MULTI-SPECIALTY TEAM APPROACH TO COORDINATE THE BEST TREATMENT OPTIONS THE PROGRAM ALSO PROVIDES THE COMMUNITY WITH ACCESS TO CANCER-RELATED INFORMATION, EDUCATION AND SUPPORT, AND OFFERS LIFELONG PATIENT FOLLOW- UP, ONGOING MONITORING AND IMPROVEMENT OF CARE AND INFORMATION ABOUT ONGOING CANCER CLINIC AL TRIALS AND NEW TREATMENT OPTIONS A REGISTRY COLLECTS DATA ON TYPE AND STAGE OF CANCERS AND TREATMENT RESULTS CANCER PROGRAM LEADERSHIP USES CANCER REGISTRATION DATA INCLUDING LIFELONG FOLLOW UP TO EVALUATE CLINICAL OUTCOMES COMPARED TO THOSE IN OTHER PROGRAMS THEY ALSO USE THE DATA TO TRACK PATTERNS OF ACCESS, CARE AND REFERRAL, ALLOCATE AND PRIORITIZE RESOURCES, AND TARGET SERVICES AND PROGRAMS TO ADDRESS THE HEALTH CARE NEEDS OF OUR SERVI CE AREA AMERICAN COLLEGE OF SURGEONS ACCREDITED CANCER PROGRAM PROVIDING A WIDE RANGE OF SERVICES TO OUR PATIENTS WITH CANCER IS THE MULTIDISCIPLINARY CANCER COMMITTEE THIS COMMI TTEE COMPOSED OF PATHOLOGISTS, SURGEONS, ONCOLOGISTS, RADIATION ONCOLOGISTS, CLINICAL AND NURSING STAFF, AND CANCER REGISTRY PERSONNEL, HOSTS WEEKLY TUMOR CONFERENCES TO REVIEW CLI NICAL FINDINGS, PAST HISTORY AND RADIOLOGIC AND PATHOLOGIC TREATMENT OPTIONS CANCER EDUCA TION CANCER EDUCATION PROGRAMS HELD OVER THE PAST YEAR INCLUDE THOSE DIRECTED AT COLON CAN CER PREVENTION, BREAST SELF-EXAMINATION, THE IMPORTANCE OF PAP SMEARS, SMOKING CESSATION, AND THE IMPORTANCE OF EARLY DETECTION OF PROSTATE CANCER IN ADDITION, SEVERAL NEW COMMUNI TY EDUCATION PROGRAMS WERE INTRODUCED TO RAISE PUBLIC AWARENESS OF ISSUES AFFECTING THE PR EVENTION AND EARLY DETECTION OF CANCER SOME OF THESE NEW PROGRAMS ALSO HELPED MEMBERS OF THE COMMUNITY BETTER MANAGE SIDE EFFECTS FROM CANCER TREATMENTS, WHILE OTHER EFFORTS WERE DIRECTED AT HELPING PATIENTS MAKE COMPLEX TREATMENT DECISIONS THE COMMUNITY HOSPITAL CANC ER RESEARCH FOUNDATION OPENED THE CANCER RESOURCE CENTRE IN MUNSTER - A NON-MEDICAL RESOUR CE HAVEN FOR THOSE SEEKING INFORMATION ABOUT CANCER THE CENTRE HOLDS FREE COMMUNITY PROGR AMS AND SUPPORT/NETWORKING GROUPS, AND HAS AN EXTENSIVE LIBRARY WITH TWO COMPUTER TERMINAL S FOR INTERNET ACCESS THE CENTRE OPENED IN JUNE OF 2003, AND ALL SERVICES AND PROGRAMS AR E FREE CLINICAL TRIALS/RESEARCH IN LOOKING TO EXPAND ON RESEARCH INITIATIVES AND TO BROAD EN PATIENT ACCESS TO CLINICAL TRIALS, THE HOSPITAL HAS FORMED THE COMMUNITY HOSPITAL CANCE R RESEARCH FOUNDATION, A SEPARATE NOT-FOR-PROFIT CORPORATION TO RAISE OUTSIDE SUPPORT THE PURPOSE OF THIS FOUNDATION IS TO REDUCE CANCER MORBIDITY AND MORTALITY IN THE COMMUNITY B Y SUPPORTING AND ADVANCING CANCER DETECTION, DIAGNOSIS, TREATMENT AND EDUCATION/PREVENTION AND BY PROMOTING THE ACQUISITION OF KNOWLEDGE THROUGH CLINICAL RESEARCH CLINICAL TRIALS OFFERED INCLUDED THOSE FOR ALL STAGES OF BREAST AND COLON CANCER, LY MPHOMA, LEUKEMIA, MULT IPLE MY ELOMA AND PANCREATIC CANCER IN THE EFFORT TO IMPROVE PATIENT AND PHY SICIAN ACCESS TO CANCER RESEARCH TRIALS, THE HOSPITAL MAINTAINS ASSOCIATION IN A GOVERNMENT PROGRAM TO I MPROVE PATIENT AND PHY SICIAN ACCESS TO CANCER RESEARCH TRIALS SPONSORED BY THE NATIONAL C ANCER INSTITUTE (NCI), THE PROGRAM IS KNOWN AS THE CANCER TRIALS SUPPORT UNIT IT IS SUPPO RTING THE DEVELOPMENT OF A NATIONAL NETWORK OF PATIENTS AND PHY SICIANS TO PARTICIPATE IN N CI-SPONSORED PHASE III CANCER TREATMENT TRIALS NCI HAS TAKEN STEPS THROUGH THIS PROGRAM T O BRING TOGETHER RESEARCH COOPERATIVES FROM AROUND THE U S AND CANADA THE EFFORT RECOGNI ZES THAT MORE PATIENTS AND PHY SICIANS COULD BECOME INVOLVED IN CANCER RESEARCH TRIALS WITH ADDED SUPPORT TY PICALLY NCI RESEARCH COOPERATIVES OPEN TRIALS ONLY TO INDIVIDUAL MEMBERS , WHICH ARE OFTEN ACADEMIC INSTITUTIONS THAT CAN ACQUIRE LARGE NUMBERS OF PATIENTS AND HAV E THE FINANCIAL BACKING TO FACILITATE THE WORK THROUGH THE CLINICAL TRIALS SUPPORT UNIT, COMMUNITY HOSPITAL GAINS ACCESS TO CLINICAL RESEARCH TRIALS FROM EIGHT DIFFERENT RESEARCH COOPERATIVES THE PILOT PROGRAM ALSO IS PROVIDING FINANCIAL ASSISTANCE AND IS WORKING TO R EDUCE REGULATORY AND ADMINISTRATIVE BURDENS, AND T

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONT)		O STREAMLINE AND STANDARDIZE DATA COLLECTION AND REPORTING BREAST CANCER AN ON-GOING COMM UNITY-BASED EDUCATION INITIATIVE CONTINUES TO IDENTIFY WOMEN WHO ARE AT HIGH RISK FOR DEVE LOPING BREAST CANCER A COMPUTERIZED MODEL DEVELOPED BY THE NATIONAL CANCER INSTITUTE WAS USED AS A BASIS FOR IDENTIFYING WOMEN AND EDUCATING THE PUBLIC ON FACTORS THAT MOST DIRECT LY INCREASE THE RISK OF DEVELOPING BREAST CANCER IN OCTOBER 1999, COMMUNITY HOSPITAL BEGA N CONDUCTING A FREE BREAST CANCER RISK ASSESSMENT ON ALL MAMMOGRAPHY PATIENTS OVER THE AGE OF 35 TO IDENTIFY PATIENTS WHO MAY BE AT HIGH RISK FOR BREAST CANCER A BREAST CANCER RIS K ASSESSMENT REPORT WAS DEVELOPED BY THE HOSPITAL TO COMMUNICATE TEST RESULTS TO PATIENTS, EDUCATING THEM ABOUT THE RISK FACTORS FOR BREAST CANCER AND VARIOUS TREATMENT OPTIONS THE Y MAY DISCUSS WITH THEIR PHY SICIAN THE HOSPITAL ALSO OFFERS FREE CONSULTATION SERVICES OF OUR NURSE PRACTITIONER/BREAST HEALTH NAVIGATOR AT THE WOMEN'S DIAGNOSTIC CENTER IN CONJUN CTION WITH THESE TEST RESULTS MORE THAN 15,500 WOMEN COMPLETED THE BREAST CANCER RISK ASS ESSMENT THROUGH THE FISCAL YEAR ENDING JUNE 30, 2012 ABOUT 3% OF THE WOMEN WHO COMPLETED THE BREAST RISK ASSESSMENT AT COMMUNITY HOSPITAL WERE IDENTIFIED TO HAVE A LIFETIME RISK A SSESSMENT OF GREATER THAN 20% THE INTENT OF THESE EFFORTS IS TO BETTER INFORM WOMEN OF TH E RISK FACTORS THAT INCREASE THEIR CHANCES OF DEVELOPING BREAST CANCER AND TO PROVIDE EDUC ATION ABOUT ADDITIONAL TREATMENT OPTIONS IF THEY ARE AT ELEVATED RISK THE AMERICAN CANCER SOCIETY RECOMMENDS ANNUAL BREAST MRI IN ADDITION TO Y EARLY MAMMOGRAPHY FOR WOMEN WHO HAVE A LIFETIME RISK ASSESSMENT FOR BREAST CANCER OF 20% OR GREATER, AND THIS RECOMMENDATION I S COMMUNICATED IN EACH HIGH RISK PATIENT'S REPORT IN ADDITION TO A BREAST MRI, PATIENTS W ITH AN ELEVATED LIFETIME RISK FOR BREAST CANCER MAY ALSO BENEFIT FROM CONSULTATION WITH A MEDICAL GENETICIST PROSTATE CANCER A FREE PROSTATE CANCER SCREENING FOR THE PUBLIC WAS HE LD IN SEPTEMBER OF 2011 WITH 95 PARTICIPANTS TAKING ADVANTAGE OF THE DIGITAL RECTAL EXAM A ND PSA THE SCREENING WAS MADE POSSIBLE THROUGH A JOINT EFFORT ON BEHALF OF THE HOSPITAL A ND THE PHY SICIANS WHO DONATED THEIR TIME OF THOSE TAKING PART IN THE SCREENING 2% HAD ABN ORMAL DIGITAL RECTAL EXAMS, 11% HAD ABNORMAL PSA RESULTS THESE RESULTS ARE FORWARDED FOR E VALUATION AND TREATMENT CANCER SCREEENING IN APRIL 2012, 36 PARTICIPANTS WERE SCREENED F OR ORAL ,HEAD AND NECK CANCER SIXTEEN (44%) WERE REFERRED FOR FURTHER EVALUATION

Identifier	Return Reference	Explanation
PART VII, SECTION A		CFNI SCH SMMC CH CVI TATC CVPA CCRF Total Frankie Fesko 7 1 1 1 1 1 12 William Hasse, III 1 1 2 R Litchfield, DO 1 1 2 S N Makam, MD 3 1 4 Donald S Powers 41 1 1 43 Hon James Richards 20 1 21 William Schenck 1 1 1 1 4 M Nabil Shabeeb, MD, 1 1 1 3 Donald Torrenga 1 1 1 3 Jay Zandstra 1 1 2 David Wickland 15 1 16 Joseph Morrow 1 1 2 Richard McLaughry 1 1 1 3 David Bochnowski 1 1 2 Donald P Fesko 41 1 42 Mary Ann Shacklett 41 1 1 1 1 1 1 1 48 Frankie Fesko - Related organization hours and compensation is for attending monthly BOD and committee meetings William Hasse, III - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings R Litchfield, DO - Related organization hours and compensation is for EPIC Consulting for CFNI S N Makam, MD - Related organization hours and compensation is for Medical Directorships Donald S Powers - Related organization compensation is for hours worked as the system President & CEO Hon James Richards - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings Hours also include biweekly senior team meetings William Schenck - Related organization hours are for attending SMMC, CFNI and CVI monthly BOD and committee meetings, compensation is for CFNI M Nabil Shabeeb, MD, FACS - Related organization hours are for attending CFNI and CCRF monthly BOD and committee meetings, compensation is from CFNI Donald Torrenga - Related organization compensation is for attending CFNI monthly BOD and committee meetings, hours are for CFNI and CVI Jay Zandstra - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings David Wickland - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings Hours also include biweekly senior team meetings Joseph Morrow - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings Richard McLaughry - Related organization compensation is for attending CFNI monthly BOD and committee meetings and serving as President of the BOD at CVI, hours are for both David Bochnowski - Related organization hours and compensation is for attending CFNI monthly BOD and committee meetings Donald P Fesko - Related organization hours are for attending CCRF BOD and committee meeting Mary Ann Shacklett - Compensation is for hours worked as the system CFO Related organization hours are for attending BOD and committee meetings

Identifier	Return Reference	Explanation
PART XI, LINE 5		OTHER CHANGES IN NET ASSETS INCLUDE THE FOLLOWING MINIMUM PENSION LIABILITY (29,181,297) TRANSFERS TO CFNI, INC (40,360,971) CHANGES IN TEMP RESTRICTED FUNDS (790,000) NET ASSETS RELEASED FROM RESTRICTION (46,000) INDIRECT PUBLIC SUPPORT FROM COMMUNITY CANCER RESEARCH FOUNDATION, INC 584,845 ROUNDING (347) TOTAL CHANGES IN NET ASSETS (69,794,400)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MUNSTER MEDICAL RESEARCH FOUNDATION INC

Employer identification number
35-1107009

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) COMMUNITY FOUNDATION OF NW INDIANA INC 10010 DONALD POWERS DRIVE MUNSTER, IN 46321 31-1128781	SUPPORTNG ORG	IN	501(C)(3)	11(c)	NA		No
(2) ST CATHERINE HOSPITAL INC 4321 FIR STREET EAST CHICAGO, IN 46312 35-1738708	HOSPITAL	IN	501(C)(3)	3	CFNI	Yes	
(3) ST MARY MEDICAL CENTER 1500 S LAKE PARK AVE HOBART, IN 46342 35-2007327	HOSPITAL	IN	501(C)(3)	3	CFNI	Yes	
(4) COMMUNITY CANCER RESEARCH FOUNDATION 901 MACARTHUR BLVD MUNSTER, IN 46321 35-2146374	CANCER FUNDRA	IN	501(C)(3)	7	MMRF	Yes	
(5) COMMUNITY VILLAGE INC 10000 COLUMBIA AVE MUNSTER, IN 46321 35-1956395	RETRMT HOME	IN	501(C)(3)	9	CFNI	Yes	
(6) CVPA HOLDING COMPANY 905 RIDGE RD MUNSTER, IN 46321 35-1938136	TITLE HOLDING	IN	501(C)(2)	N/A	CFNI	Yes	
(7) THEATRE AT THE CENTER 905 RIDGE RD MUNSTER, IN 46321 35-1939427	PLAYS & ARTS	IN	501(C)(3)	9	CFNI	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) COMMUNITY RESOURCES INC 907 RIDGE ROAD MUNSTER, IN 46321 35-1727711	MGMT SERVICES	IN	NA	C CORP			

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

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

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

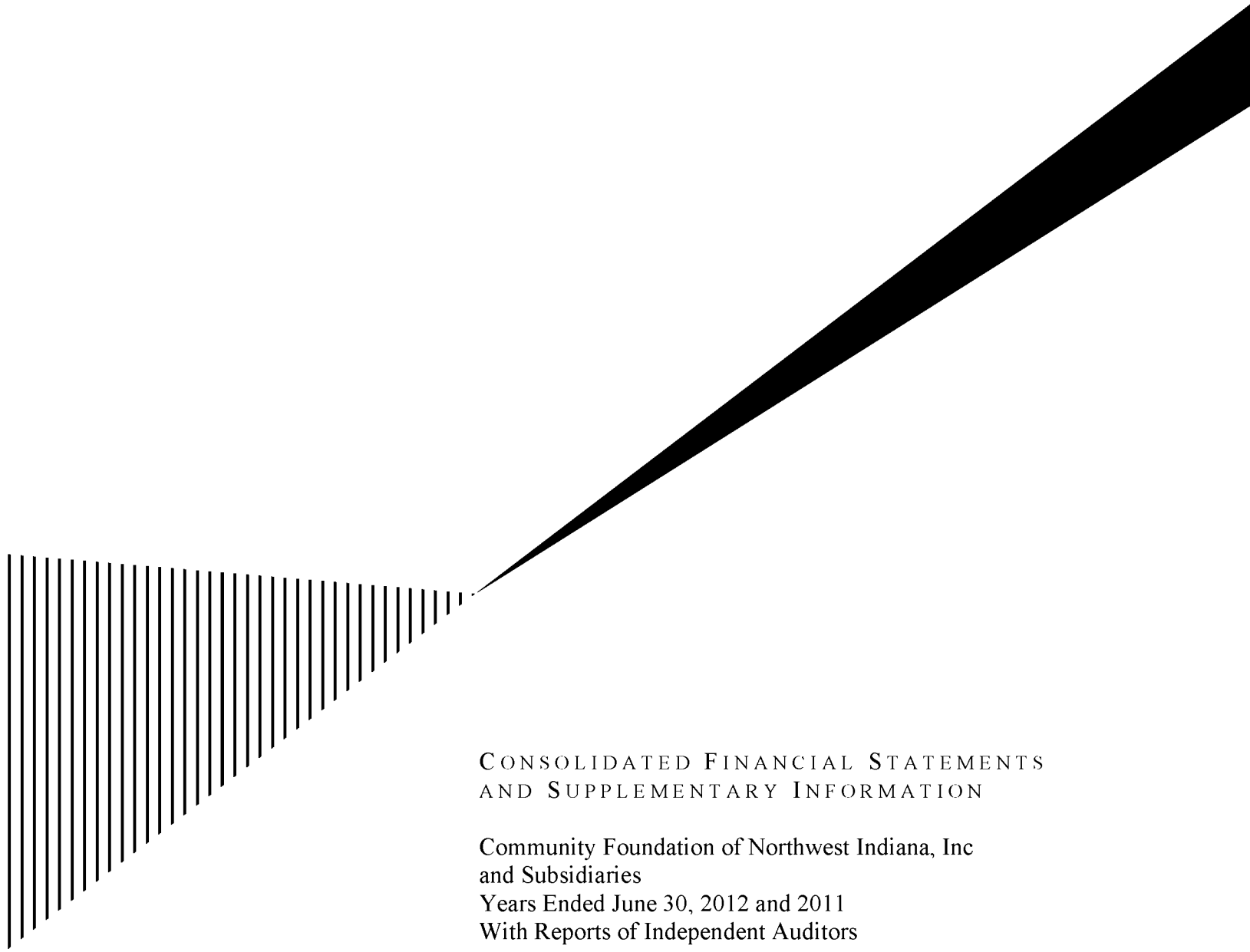
Software ID:
Software Version:
EIN: 35-1107009
Name: MUNSTER MEDICAL RESEARCH FOUNDATION INC

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	
COMMUNITY FOUNDATION OF NW INDIANA INC 10010 DONALD POWERS DRIVE MUNSTER, IN 46321 31-1128781	SUPPORTNG ORG	IN	501(C)(3)	11(c)	NA		No
ST CATHERINE HOSPITAL INC 4321 FIR STREET EAST CHICAGO, IN 46312 35-1738708	HOSPITAL	IN	501(C)(3)	3	CFNI	Yes	
ST MARY MEDICAL CENTER 1500 S LAKE PARK AVE HOBART, IN 46342 35-2007327	HOSPITAL	IN	501(C)(3)	3	CFNI	Yes	
COMMUNITY CANCER RESEARCH FOUNDATION 901 MACARTHUR BLVD MUNSTER, IN 46321 35-2146374	CANCER FUNDRA	IN	501(C)(3)	7	MMRF	Yes	
COMMUNITY VILLAGE INC 10000 COLUMBIA AVE MUNSTER, IN 46321 35-1956395	RETRMT HOME	IN	501(C)(3)	9	CFNI	Yes	
CVPA HOLDING COMPANY 905 RIDGE RD MUNSTER, IN 46321 35-1938136	TITLE HOLDING	IN	501(C)(2)	N/A	CFNI	Yes	
THEATRE AT THE CENTER 905 RIDGE RD MUNSTER, IN 46321 35-1939427	PLAYS & ARTS	IN	501(C)(3)	9	CFNI	Yes	

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)	THEATRE AT THE CENTER	B	80,000	FMV
(2)	ST CATHERINE HOSPITAL INC	N	2,089,978	FMV
(3)	ST MARY MEDICAL CENTER	N	813,207	FMV
(4)	ST CATHERINE HOSPITAL INC	O	2,541,255	FMV
(5)	ST MARY MEDICAL CENTER	O	7,405,722	FMV
(6)	COMMUNITY CANCER RESEARCH FOUNDATION INC	O	58,062	FMV
(7)	ST CATHERINE HOSPITAL INC	P	5,960,158	FMV
(8)	ST MARY MEDICAL CENTER	P	1,682,718	FMV
(9)	COMMUNITY CANCER RESEARCH FOUNDATION INC	P	251,083	FMV
(10)	COMMUNITY CANCER RESEARCH FOUNDATION INC	Q	248,758	FMV



CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Community Foundation of Northwest Indiana, Inc
and Subsidiaries
Years Ended June 30, 2012 and 2011
With Reports of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2012 and 2011

Contents

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Report of Independent Auditors

The Board of Directors
Community Foundation of Northwest Indiana, Inc

We have audited the accompanying consolidated balance sheets of Community Foundation of Northwest Indiana, Inc and Subsidiaries (CFNI) 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 financial statements are the responsibility of CFNI's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement We were not engaged to perform an audit of CFNI's internal control over financial reporting Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFNI's internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CFNI at June 30, 2012 and 2011, and the consolidated results of their operations and changes in net assets, and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

As discussed in Note 2 to the consolidated financial statements, in fiscal 2012, CFNI adopted authoritative guidance issued by the Financial Accounting Standards Board related to presentation and disclosures of patient service revenue, provision for bad debts, and the allowance for doubtful accounts

Ernst & Young LLP

September 19, 2012

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands)

	June 30	
	2012	**2011**
Assets		
Current assets		
Cash and cash equivalents	**$ 30,124**	$ 40,895
Patient accounts receivable, net of allowance for uncollectible accounts of $19,372 in 2012 and $15,697 in 2011	**111,952**	96,933
Amount due from third-party payors	**19,617**	702
Inventories	**18,501**	17,555
Prepaid expenses and other current assets	**13,994**	12,532
Total current assets	**194,188**	168,617
Assets limited as to use		
Internally designated investments	**321,534**	268,288
Externally designated investments	**20,605**	29,817
Land, buildings and improvements, and equipment, net of accumulated depreciation and amortization	**388,823**	402,414
Other assets	**22,293**	19,934
Total assets	**$ 947,443**	$ 889,070
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 23,307**	$ 27,892
Accrued salaries, wages, and benefits	**43,309**	46,557
Accrued expenses and other	**25,676**	24,692
Amount due to third-party payors	**22,553**	4,461
Current portion of long-term debt, notes payable, and capital leases	**11,456**	11,816
Current developer reimbursement	**552**	–
Total current liabilities	**126,853**	115,418
Noncurrent liabilities		
Long-term debt, notes payable, and capital leases, less current portion	**312,004**	323,238
Noncurrent developer reimbursement	**3,095**	–
Interest rate swap	**1,043**	716
Deferred revenue from advance fees	**14,820**	14,978
Pension liability	**99,046**	67,739
Other long-term liabilities	**8,487**	1,081
Total noncurrent liabilities	**438,495**	407,752
Total liabilities	**565,348**	523,170
Net assets		
Unrestricted	**380,614**	364,366
Temporarily restricted	**1,379**	1,432
Permanently restricted	**102**	102
Total net assets	**382,095**	365,900
Total liabilities and net assets	**$ 947,443**	$ 889,070

See accompanying notes

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended June 30	
	2012	**2011**
Revenue		
Net patient and resident service revenue before provision for bad debts	**$ 847,251**	$ 755,184
Provision for bad debts	**(42,428)**	(33,422)
Net patient and resident service revenue	**804,823**	721,762
Capitation program revenue	**29,389**	31,156
Other revenue	**27,643**	20,246
Total operating revenue	**861,855**	773,164
Expense		
Salaries and wages	**326,275**	312,262
Employee benefits	**83,689**	82,956
Medical fees	**5,075**	5,089
Medical and other supplies	**154,689**	157,504
Outside services	**81,949**	74,203
Interest expense	**15,139**	15,936
Depreciation and amortization	**50,500**	45,829
Medicaid assessment fee	**36,751**	–
Other expense	**70,516**	67,736
Total operating expense	**824,583**	761,515
Net operating income	**37,272**	11,649
Nonoperating		
Investment income and other	**9,499**	12,197
(Loss) gain on early extinguishment of debt	**(3,288)**	1,649
Net change in unrealized gains/losses on investments	**2,528**	8,024
Net loss on interest rate swaps	**(747)**	(230)
Total nonoperating	**7,992**	21,640
Revenue in excess of expense	**45,264**	33,289

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended June 30	
	2012	**2011**
Unrestricted net assets		
Revenue in excess of expense	**$ 45,264**	$ 33,289
Pension-related changes other than net periodic pension cost	**(29,182)**	21,192
Net assets released from restriction used for capital purposes	**169**	157
Other	**(3)**	(732)
Increase in unrestricted net assets	**16,248**	53,906
Temporarily restricted net assets		
Restricted contributions	**1,655**	1,267
Net assets released from restriction used for operating and capital purposes	**(1,708)**	(1,050)
(Decrease) increase in temporarily restricted net assets	**(53)**	217
Increase in net assets	**16,195**	54,123
Net assets at beginning of year	**365,900**	311,777
Net assets at end of year	**$ 382,095**	$ 365,900

See accompanying notes.

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended June 30	
	2012	**2011**
Operating activities		
Change in net assets	**$ 16,195**	$ 54,123
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	**42,428**	33,422
Depreciation and amortization	**50,500**	45,829
Pension-related changes other than net periodic pension cost	**29,182**	(21,192)
Change in fair value of interest rate swaps	**327**	(457)
Loss on early termination of leases	**–**	1,830
Loss (gain) on early extinguishment of debt	**3,288**	(1,649)
Unrealized gain on investments	**(2,528)**	(8,024)
Restricted contributions and gains on investments	**(1,655)**	(1,267)
Amortization of admission fees	**(796)**	(749)
Advance fees and deposits refunded, net	**638**	288
Changes in operating assets and liabilities		
Patient accounts receivable	**(57,447)**	(43,737)
Estimated settlements due (from) to third-party payors	**(823)**	12,918
Inventories, prepaid expenses, and other assets	**(4,767)**	(498)
Assets limited as to use	**(41,506)**	(5,478)
Accounts payable, accrued expenses, accrued salaries, and other current liabilities	**(5,727)**	9,103
Other long-term liabilities	**9,531**	43
Net cash provided by operating activities	**36,840**	74,505
Investing activities		
Purchases of land, buildings and improvements, and equipment	**(33,262)**	(66,655)
Net cash used in investing activities	**(33,262)**	(66,655)
Financing activities		
Repayment of long-term debt	**(75,978)**	(4,962)
Debt reduction due to purchase of 2007 revenue bonds	**–**	(12,700)
Borrowings on notes payable and capital lease obligations	**64,627**	16,427
Repayment of notes payable and capital lease obligations	**(4,653)**	(6,295)
Proceeds from restricted contributions and gains on investments	**1,655**	1,267
Net cash used in financing activities	**(14,349)**	(6,263)
Net (decrease) increase in cash and cash equivalents	**(10,771)**	1,587
Cash and cash equivalents at beginning of year	**40,895**	39,308
Cash and cash equivalents at end of year	**$ 30,124**	$ 40,895

See accompanying notes

1. Organization

Community Foundation of Northwest Indiana, Inc and Subsidiaries (CFNI) serves as the sole corporate member of Munster Medical Research Foundation, Inc (d/b/a Community Hospital), St Catherine Hospital, Inc (SCH), St Mary Medical Center, Inc (SMMC), Community Cancer Research Foundation, Inc (CCRF), Community Village, Inc (CVI), Theatre at the Center, Inc (TATC), and CVPA Holding Corporation (CVPA) With the addition of Community Resources, Inc (CRI), these entities are collectively referred to as CFNI The Community Foundation of Northwest Indiana, Inc , Community Hospital, St Mary Medical Center, Inc , and St Catherine Hospital, Inc comprise the members of Community Foundation of Northwest Indiana Obligated Group (the Obligated Group) The Foundation and TATC, collectively, own 100% of the outstanding shares of capital stock issued by Community Resources, Inc , a for-profit taxable entity Community Hospital, St Catherine Hospital, Inc , and St Mary Medical Center, Inc (collectively, the hospitals) provide inpatient, outpatient, and emergency care services to residents within their geographic regions of northwest Indiana

CFNI and its wholly owned subsidiaries, except CRI and CVPA, are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code) and are, therefore, not subject to tax on income related to tax-exempt purposes under Section 501(a) of the Code CVPA is tax-exempt under Section 501(c)(2) of the Code

The accompanying consolidated financial statements include the accounts and transactions of CFNI All significant intercompany accounts and transactions between the CFNI members are eliminated in consolidation The majority of the Foundation's expenses are associated with the administration and delivery of health care services to individuals residing in communities throughout northwest Indiana

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the corresponding balance sheet dates and the reported amounts of revenue and expense for the reported periods Because such estimates are based upon information available at the time the estimates are made, subsequent changes in associated conditions and circumstances could cause actual results to differ from those estimates

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents include highly liquid, short-term investments in securities, not limited as to use, with a maturity of three months or less from the purchase date

Patient Accounts Receivable

Patient accounts receivable (including resident accounts receivable from CVI) balances are stated at net realizable value based upon historical and expected collection patterns that consider the corresponding payor type, the length of time the receivable is outstanding, and other material factors impacting future collectability Patient accounts receivable balances are charged to the allowance for doubtful accounts as amounts are deemed uncollectible CFNI does not require collateral from patients in connection with provided health care services

Inventories

Inventories primarily consist of medical and other operating supplies and are stated at the lower of cost, based on the first-in, first-out method, or market

Assets Limited as to Use

Assets limited as to use consist primarily of investments internally designated by the Board of Directors for future capital replacement and expansion purposes, which the Board of Directors, at its sole discretion, may subsequently use for other purposes Investments limited as to use also include investments externally designated in connection with the terms of applicable debt agreements

Investments

CFNI's investments are designated as a trading portfolio This classification requires CFNI to recognize unrealized gains and losses on its investments within revenue in excess of expense in the consolidated statements of operations and changes in net assets Realized gains and losses on the sales of securities are included in investment income and other in the consolidated statements of operations and changes in net assets

2. Summary of Significant Accounting Policies (continued)

Investments in equity securities with readily determinable market values and all investments in debt securities are recorded at fair value based on quoted market prices Investment income from these investments is included in revenue in excess of expenses unless income or loss is restricted by donor or law

Land, Buildings and Improvements, and Equipment

Land, buildings and related improvements, and equipment are stated at cost Depreciation and amortization expense is computed on the straight-line method based upon the estimated useful life of the corresponding asset The useful lives for land improvements range from 5 to 30 years Useful lives for buildings and related improvements range from 15 to 40 years or the term of the related lease, whichever is shorter The useful lives for equipment range from 3 to 20 years or the term of the equipment lease, whichever is shorter

Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage Amounts capitalized are amortized over the useful life of the developed asset following substantial project completion and implementation During the years ended June 30, 2012 and 2011, costs were incurred to develop internal-use computer software related to a significant system-wide information technology and process standardization project, which became fully operational by October 1, 2011 Total costs capitalized for this software development during this project were $19,429, of which $10,180 was capitalized in 2012 and $9,249 in 2011 Amortization expense related to the software project amounted to $4,141 and $770 for the years ended June 30, 2012 and 2011, respectively Costs associated with this project were capitalized in accordance with Accounting Standards Codification (ASC) 350-40, *Internal-Use Software* This software is being acquired, internally developed, and modified to meet the entity's internal needs The project is anticipated to result in a transition to a common software product throughout the hospitals for various medical record, finance, and information technology processes In addition, certain costs of this project were and will continue to be expensed as incurred

Other Assets

Other assets consist of deferred issuance costs, land held for future use, insurance recoveries, and goodwill Deferred costs principally consist of charges incurred in connection with the issuance of long-term debt

2. Summary of Significant Accounting Policies (continued)

Deferred Issuance Costs

Deferred issuance costs are amortized over the term to maturity of the associated financing using the straight-line method, which approximates the effective interest method Deferred costs at June 30, 2012 and 2011 amount to $4,883 and $5,889, respectively, and are reported net of accumulated amortization of $3,446 and $1,079 at June 30, 2012 and 2011, respectively

Goodwill

CFNI records goodwill arising from a business combination as the excess of purchase price and related costs over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed Beginning in 2011, CFNI annually reviews, as of the first day of the fourth fiscal quarter, the carrying value of goodwill for impairment In addition, a goodwill impairment assessment is performed if an event occurs or circumstances change that would make it more likely than not that the fair value of a reporting unit is below its carrying amount Management has determined that each hospital is a reporting unit at which fair value is measured The balance of goodwill at June 30, 2012 and 2011 was $2,403 No additional goodwill was recorded in 2012 or 2011 and no impairments were taken

Asset Impairment

CFNI periodically considers whether indicators of possible impairment are present and performs annual analyses to determine whether or not an impairment charge is warranted Impairment write-downs are recognized in operating income at the time the impairment is identified Management has determined that there was no impairment of long-lived assets in either 2012 or 2011

Developer Reimbursement Liability

Developer reimbursement liability balance is the liability created from an operating lease sale-leaseback transaction that does not meet the criteria for sale-leaseback accounting

2. Summary of Significant Accounting Policies (continued)

Employee Medical Claims Payable

CFNI provides its employees with medical benefits and self-insures for any claims incurred through its health plans Medical claims payable represent the estimated liability for employee expenses associated with claims that were reported, but not paid, and claims that were incurred, but not reported, at the balance sheet dates Gross medical claims payable balances were $5,164 at June 30, 2012 and $3,969 at June 30, 2011, and are included in accrued expenses and other in the accompanying consolidated balance sheets Each health plan contains a maximum benefit payable for any individual within a lifetime The maximum benefit applies separately to each covered family member and terminates coverage when exhausted The Obligated Group is self-insured for employee health claims with a stop-loss limit of $500 per employee per occurrence CVI is self-insured for employee health claims with a stop-loss limit of $75 per employee per occurrence No stop-loss receivable was recorded at June 30, 2012 and 2011

Interest Rate Swap

CVI has an interest rate-related derivative instrument, or interest rate swap agreement, to manage its exposure to fluctuations in interest rates associated with its variable rate long-term debt Management has determined that the interest rate swap agreement does not qualify for hedge accounting treatment, and, as such, the change in fair value of the instrument is recognized as a nonoperational gain or loss on the interest rate swap in the consolidated statements of operations and changes in net assets The interest rate swap is recorded on the consolidated balance sheets at fair value

Deferred Revenue from Advance Fees

CVI offers a return of capital plan This plan provides for a refund of advance residency fees of 90% for double occupancy and 95% for single occupancy upon termination of the residency contract or death and reoccupancy of the vacated or a similar unit before amounts are required to be refunded CVI also offers reduced refundability of advance fee plans with alternative refund amounts of 70%, 50%, and 30% These plans offer a reduced refund of advance fee option with a lower monthly service fee CVI received $2,158 and $2,721 of deposits during 2012 and 2011, respectively CVI refunded residency fees of $1,520 and $2,432 during 2012 and 2011, respectively

2. Summary of Significant Accounting Policies (continued)

The refundable amount of the residency fees paid in advance by residents of CVI under residency contracts is recorded as deferred revenue and is accreted to income using the straight-line method over the estimated life of the facility The balance of refundable residency fees at June 30, 2012 and 2011, is $18,135 and $17,889, respectively The related accretion at June 30, 2012 and 2011, is $4,784 and $4,364, respectively The nonrefundable portion of the residency fees paid in advance is recorded as deferred revenue and is accreted to income over the estimated life of the resident based on an actuarial valuation The balance of nonrefundable residency fees at June 30, 2012 and 2011, is $2,921 and $2,725, respectively The related accretion at June 30, 2012 and 2011, is $1,452 and $1,272, respectively

Obligation to Provide Future Services

CVI annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from admission fees If the present value of the net cost of future services and use of facilities to be provided to current residents exceeds the deferred revenue from admission fees, a liability (obligation to provide future services) is recorded with a corresponding charge to operations At June 30, 2012 and 2011, utilizing an annual discount rate of 3 6%, CVI determined that there was no such excess that required accrual

Restricted Net Assets and Contributions

Temporarily and permanently restricted net asset classifications are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operation of CFNI

Unconditional promises of others to contribute cash or other assets to CFNI are reported at fair value at the date the promises are made, to the extent estimated to be collectible Contributions received with donor restrictions that limit the use of the contributed assets are reported as increases in temporarily or permanently restricted net assets When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for which the contributed assets were restricted is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restriction used for operating purposes Net assets released from restriction that are used for the purchase of fixed assets or for capital purposes when the corresponding

2. Summary of Significant Accounting Policies (continued)

capital project is placed into service, in accordance with donor restrictions, are reported in the consolidated statements of operations and changes in net assets as net assets released from restriction used for capital purposes Net assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other revenue when the restriction has been met

Resources restricted by donors or grantors for specific operating purposes are reported as other revenue to the extent they are expended within the same period Earnings on restricted resources, if also restricted by the donor, are reported as additions to temporarily restricted net assets until such amounts are expended as specified by the donor

Related-Party Transactions

CFNI purchases insurance, other professional and management services, and rents certain facilities and equipment, in the ordinary course of business, from companies owned by certain members of its Board of Directors and other related parties Expenses incurred related to these arrangements amounted to $23,711 in 2012 and $20,686 in 2011 The amounts due to such parties at June 30, 2012 totaled $616 and are included in accounts payable There were no amounts due from (to) such parties at June 30, 2011

Net Patient and Resident Revenue

The hospitals and CVI have agreements with third-party payors that provide for payment in connection with services provided at amounts different from their established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem amounts Net patient and resident revenue from patients, third-party payors, and others is reported at the estimated net realizable amounts for services rendered, including retroactive adjustments under reimbursement arrangements with third-party payors, which are subject to audit by administering agencies These arrangements are estimated and adjusted when final settlements are determined

2. Summary of Significant Accounting Policies (continued)

Capitation Revenue

St Catherine Hospital, Inc provides services under a globally capitated managed Medicaid program Capitation program revenue represents amounts received from an Indiana Medicaid health maintenance organization (HMO) St Catherine Hospital, Inc provides certain medical care services to members of the HMO For these patients, this hospital recognizes prepaid capitation revenue each month during the period in which it is obligated to provide medical care services, which is typically one year Under the terms of these capitation agreements, St Catherine Hospital, Inc is obligated to provide specified medically necessary services to covered HMO members without regard to the underlying standard charges or actual costs of such services, up to $175 per member Costs incurred in excess of this amount are reimbursed through reinsurance contracts at the rate of 80% of charges Under this capitation arrangement, this hospital assumes financial responsibility for the appropriate and effective utilization of hospital and other health care resources

Capitated program revenue reported under the program totaled $29,389 and $31,156 for the years ended June 30, 2012 and 2011, respectively At June 30, 2012 and 2011, this hospital recorded receivables under these arrangements amounting to $1,253 and $1,356, respectively, and the amounts are included in prepaid expenses and other current assets Expenses incurred related to these arrangements amounted to $30,960 in 2012 and $30,452 in 2011 and are included in other expense Liabilities estimated for associated incurred, but not reported, claims are actuarially determined based upon claims experience At June 30, 2012 and 2011, the recorded liabilities payable to third parties were $3,537 and $3,402, respectively, and are included in accrued expenses and other expense The capitation program operates with stop-loss insurance coverage The stop-loss limit is $175 for the Hoosier Health Wise plan and $100 for the Healthy Indiana plan per member per calendar year As of June 30, 2012 and 2011, the stop-loss receivables recorded were $259 and $337, respectively, and are included in prepaid expenses and other current assets

2. Summary of Significant Accounting Policies (continued)

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in calendar year 2011 for eligible hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology CFNI utilized a grant accounting model to recognize revenues for Medicaid EHR incentive payments received during the year ended June 30, 2012 Under this accounting policy, EHR incentive payments were recognized as revenues when there was attestation that the EHR system was in place Accordingly, CFNI recognized and received $2,520 Medicaid EHR revenues during its fiscal year ended June 30, 2012 Medicare EHR revenue will be recognized ratably over the relevant cost report period, with the first Medicare EHR meaningful-use attestation period for CFNI commencing on July 1, 2012

CFNI's attestation of compliance with the meaningful-use criteria is subject to audit by the federal government or its designee Additionally, Medicare EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated

Revenue in Excess of Expenses

The consolidated statements of operations and changes in net assets include revenue in excess of expenses Changes in unrestricted net assets, which are excluded from revenue in excess of expenses, include pension-related changes other than net periodic pension cost, net assets released from restriction used for capital purposes, and other

Professional Liability

CFNI's medical malpractice coverage considers limitations in claims and damages prescribed by the Indiana Medical Malpractice Act, as amended (Act) The Act limits the amount of individual claims to $1,250, of which $1,000 would be paid by the State of Indiana Patient Compensation Fund (the Fund) and $250 by CFNI The Act also requires that health care providers meet certain requirements, including funding of the Fund and maintaining certain insurance levels CFNI has met these requirements and is a qualified provider under the Act, retaining risk of $250 per occurrence and up to $7,500 in aggregate annually

2. Summary of Significant Accounting Policies (continued)

CFNI maintains malpractice insurance coverage provided under a claims-made policy with coverage up to $250 per occurrence for primary professional liability for qualified self-insured hospitals with a $7,500 aggregate limit, and up to $250 per occurrence for primary professional liability for CFNI physicians and a $750 aggregate limit in accordance with the Act Should the claims-made policy be terminated, the hospitals have the option to purchase insurance for claims having occurred during the term, but reported subsequently The professional liability included in other long-term liabilities and recorded at June 30, 2012 is $7,396 The insurance recoverable receivable included in other assets at June 30, 2012 is $5,855

Charity Care and Community Benefit

The hospitals provide health care services and other financial support to the communities they serve and focus on those individuals whose lifestyle behaviors put them at risk for disease and illness The hospitals provide services intended to benefit the poor, including persons who are uninsured or underinsured Costs for providing services under the hospitals' policy were approximately $21,030 and $16,495 in 2012 and 2011, respectively These costs were calculated using the financial statement cost-to-charge ratio Health care services to patients under government programs, such as Medicare and Medicaid, are also considered part of the benefit the hospitals provide to their community, since a significant portion of these services are reimbursed below cost These additional services are not included above

The hospitals also provide education for the community, including heart, cancer, maternal, child care, and health and wellness classes Most classes are provided free of charge in order to educate and enhance the quality of life for these individuals Community Hospital also promotes physical education through its health and fitness facility, Fitness Pointe This facility houses Community Hospital's outpatient physical therapy, occupational therapy, dietary counseling, cardiac rehabilitation, and other patient-related programs These additional services are not included in the costs for providing services noted above

Reclassifications

Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation The reclassifications had no effect on revenue in excess of expenses or on net assets previously reported

2. Summary of Significant Accounting Policies (continued)

Adoption of Accounting and Reporting Standards

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements* ASU 2010-06 amends ASC 820, *Fair Value Measurements and Disclosures*, to require a number of additional disclosures regarding fair value measurements These disclosures include the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers, the reasons for any transfer in or out of Level 3, and information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances, and settlements on a gross basis, as well as clarification on previous reporting requirements This new guidance is effective for the first reporting period, including interim periods, beginning after December 15, 2009, for all disclosures except the requirement to separately disclose purchases, sales, issuances, and settlements of recurring Level 3 measurements, which is effective for CFNI in fiscal year 2012 CFNI adopted this guidance with the exception of the additional Level 3 disclosures in the first quarter of fiscal year 2011 The additional Level 3 disclosures were adopted beginning July 1, 2011 This guidance had no impact on the consolidated financial statements of CFNI

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosures of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)* The amendments in this update require certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, those health care entities are required to provide enhanced disclosures about their policies for recognizing revenue and assessing bad debts The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The amendments in ASU 2011-07 are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011, with early adoption permitted The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented CFNI early adopted this guidance on July 1, 2011 The changes in presentation and additional disclosures as required by ASU 2011-07 are reflected in CFNI's consolidated statements of operations and changes in net assets and in the Bad Debt disclosure in Note 2

2. Summary of Significant Accounting Policies (continued)

In August 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosures* This guidance clarifies and defines the calculation of charity care disclosed by not-for-profit entities This guidance is effective for fiscal years beginning after December 15, 2010 and should be applied retrospectively to all periods presented This guidance was adopted by CFNI on July 1, 2011 and had no impact on the consolidated financial statements Refer to the Charity Care and Community Benefit disclosure in Note 2

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* This guidance requires that health care entities present anticipated insurance recoveries separately on the balance sheet from estimated liabilities for medical malpractice claims or similar contingent liabilities This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010 CFNI adopted the new guidance in its first quarter of fiscal year 2012 The adoption of the standard increased other assets by $5,855 and other long-term liabilities by $7,396 in the accompanying consolidated balance sheets and had no impact on the consolidated statement of operations and change in net assets

In December 2010, the FASB issued ASU 2010-29, *Disclosure of Supplementary Pro-Forma Information for Business Combinations* ASU 2010-29 clarifies the disclosure requirement for pro-forma revenue and earnings for comparative current and prior reporting periods Pro-forma information should be disclosed as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior fiscal year only ASU 2010-29 also expands the disclosures to include a description of the nature and amount of material, nonrecurring pro-forma adjustments directly attributable to the business combination(s) This guidance is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010, with early adoption permitted This guidance was adopted by CFNI on July 1, 2011 and had no impact on the consolidated financial statements

2. Summary of Significant Accounting Policies (continued)

Accounting and Reporting Standards Pending Adoption

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements.* ASU 2011-04 provides direction on how fair value accounting should be applied for companies currently subject to fair value measurement This new guidance became effective for CFNI on July 1, 2012 CFNI is evaluating the effect this guidance will have on its consolidated financial statements

In July 2012, the FASB issued ASU 2012-01, *Health Care Entities (Topic 954): Continuing Care Retirement Communities – Refundable Advance Fees.* This new guidance, which for CFNI became effective on July 1, 2012, affects continuing care retirement communities with resident contracts that provide for a payment of a refundable advance fee when a subsequent resident occupies a unit CFNI is evaluating the effect this guidance may have on its consolidated financial statements

Bad Debt

Patient service revenue, net of contractual allowances and discounts, is reduced by the provision for bad debts, and net accounts receivable are reduced by an allowance for uncollectible accounts The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration the trends in health care coverage, economic trends, and other collection indicators Management regularly assesses the adequacy of the allowances based upon historical write-off experience by major payor category and aging bucket The results of the review are then utilized to make modifications, as necessary, to the provision for bad debts to provide for an appropriate allowance for uncollectible accounts A significant portion of the hospitals' uninsured patients will be unable or unwilling to pay for services provided, and a significant portion of the hospitals' insured patients will be unable or unwilling to pay for co-payments and deductibles Thus, the hospitals' record a significant provision for bad debts related to uninsured patients in the period the services are provided After all reasonable collection efforts have been exhausted in accordance with CFNI's policy, accounts receivable are written off and charged against the allowance for uncollectible accounts

2. Summary of Significant Accounting Policies (continued)

The allowance for uncollectible accounts recognized at June 30 is as follows (in thousands)

	2012	2011
Third-Party	**$ 4,638**	$ 3,778
Self-Pay	**14,734**	11,919
	$ 19,372	$ 15,697

The hospitals' allowances for uncollectible accounts for self-pay as a percent of self-pay accounts receivable for June 30, 2012 and 2011 were 38 6% and 34 2%, respectively The allowances for uncollectible accounts for third-party payors as a percent of third-party accounts receivable for June 30, 2012 and 2011 were 3 3% and 2 8%, respectively

3. Contractual Arrangements With Third-Party Payors

The hospitals and CVI provide care to certain patients and residents under Medicare and Medicaid reimbursement arrangements Services provided under those arrangements are paid at predetermined rates and/or reimbursable costs, as defined Reported costs and/or services provided under certain of the arrangements are subject to audit by the administering agencies Changes in Medicare and Medicaid programs and reduction in funding levels could have an adverse effect on the future amounts recognized as net patient and resident service revenue

A provision has been made in the consolidated financial statements for estimated contractual adjustments, representing the difference between the hospitals' and CVI's standard charges for services and the estimated payments to be received from third-party payors

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to varying interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted when final settlements are determined Changes in estimates that relate to prior years' payment arrangements, which resulted in an increase in revenue in excess of expenses, amounted to $4,497 and $2,233 for the years ended June 30, 2012 and 2011, respectively

(In Thousands)

3. Contractual Arrangements With Third-Party Payors (continued)

During the third quarter of 2012, CFNI recognized as part of net patient service revenue $7,976 for the Medicare Rural Floor Budget Neutrality Act Settlement (the Settlement) The Settlement with Centers for Medicare and Medicaid Services involved approximately 2,200 hospitals nationwide and was reached to resolve a challenge made by the plaintiff hospitals for underpayment of inpatient Medicare services dating back to 1999

	2012	2011
Net patient service revenue		
Medicare	**$ 276,065**	$ 303,576
Medicaid	**120,098**	47,982
Managed Care	**356,890**	324,066
Welfare/Hospital Care for the Indigent/Self-Pay	**68,316**	60,262
Commercial	**25,882**	19,298
Revenues before provision for bad debts	**847,251**	755,184
Provision for bad debts	**(42,428)**	(33,422)
Net patient service revenue	**$ 804,823**	$ 721,762

The hospitals' concentration of credit risk related to accounts receivable is limited due to the diversity of patients and payors

The percentages of net patient service revenue and receivable applicable to Medicare, Medicaid, and managed care contractual arrangements as of and for the years ended June 30 are as follows

	2012	2011
Net patient service revenue		
Medicare	**33%**	40%
Medicaid	**14**	6
Managed Care	**42**	43
Welfare/Hospital Care for the Indigent/Self-Pay	**8**	8
Commercial	**3**	3
	100%	100%

(In Thousands)

3. Contractual Arrangements With Third-Party Payors (continued)

	2012	2011
Net patient accounts receivable		
Medicare	**24%**	24%
Medicaid	**11**	8
Managed Care	**35**	41
Welfare/Hospital Care for the Indigent/Self-Pay	**23**	21
Commercial	**7**	6
	100%	100%

Under Indiana law (IC 12-15-16 (1-3)), health care providers qualifying as State of Indiana Medicaid Acute Disproportionate Share and Medicaid Safety Net Hospitals (DSH Providers) are eligible to receive Indiana Medicaid Disproportionate Share Hospital (State DSH) payments SCH qualified for State DSH for the state fiscal years (SFY) ended June 30, 2012 and June 30, 2011 The amount of the State DSH funds is dependent upon regulatory approval by applicable agencies of the federal and state governments and is determined by the level, extent, and cost of uncompensated care (as defined) and various other factors State DSH payments made by the state of Indiana are paid according to its fiscal year and are based upon the cost of uncompensated care provided by DSH Providers, as well as the provider's Medicaid shortfall experienced during the state's fiscal year

Upon final settlements in fiscal 2012, SCH qualified for an additional SFY 2011 Indiana Medicaid Partial Safety Net Payment of $2,807 The following summary presents the effect of State DSH payments, according to the state's fiscal year to which the payments relate, on SCH's operating results for the years ended June 30, based upon the amount of State DSH payments recognized as revenue for the periods

	2012	2011
Revenue less than expenses, excluding State DSH Revenue	**$ (5,387)**	$ (19,354)
Less State DSH Revenue recognized relating to the State's fiscal year ended June 30,		
2012	**–**	–
2011	**2,807**	11,932
	$ (2,580)	$ (7,422)

(In Thousands)

3. Contractual Arrangements With Third-Party Payors (continued)

The 2011 Session of the Indiana General Assembly enacted Public Law 229-2011, Section 281, which required implementation of a hospital assessment fee (HAF) program for the period from July 1, 2011 to June 30, 2013 This assessment fee, which will be collected from eligible hospitals, will be used to increase reimbursement to eligible hospitals for services and as the State's share of DSH payments

Net HAF revenue is $48,861 and net HAF expense is $36,751 for the year ended June 30, 2012

4. Assets Limited as to Use

The composition of assets limited as of use at June 30 is summarized as follows

	2012	2011
Short-term investments	**$ 71,038**	$ 20,792
Equity securities		
Equity securities – consumer discretionary	**3,245**	3,105
Equity securities – energy	**2,763**	3,112
Equity securities – financial	**4,466**	3,366
Equity securities – health care	**3,294**	3,379
Equity securities – information technology	**5,904**	5,191
Equity securities – other equity investments	**9,177**	9,054
Total equity securities	**28,849**	27,207
U S government and agency obligations	**64,963**	65,490
Corporate and foreign bonds	**59,318**	71,215
Mutual fund – U S and international equities	**22,648**	23,948
Mutual fund – fixed income	**94,000**	87,471
Other fixed income investments	**1,323**	1,982
Total assets limited as to use	**$ 342,139**	$ 298,105

(In Thousands)

4. Assets Limited as to Use (continued)

The presentation of assets limited as to use at June 30 is summarized as follows

	2012	2011
Assets limited as to use		
Internally designated investments	**$ 321,534**	$ 268,288
Externally designated investments	**20,605**	29,817

The composition of investment income and other in the consolidated statements of operations and changes in net assets for the years ended June 30 is as follows

	2012	2011
Dividend and interest income	**$ 9,156**	$ 9,651
Net realized gain on the sale of investments	**343**	2,546
Net change in unrealized gains/losses on investments	**2,528**	8,024
	$ 12,027	$ 20,221

The presentation of investment income for the years ended June 30 is as follows

	2012	2011
Nonoperating		
Investment income and other	**$ 9,499**	$ 12,197
Net change in unrealized gains/losses on investments	**2,528**	8,024
	$ 12,027	$ 20,221

5. Fair Value Measurements

The carrying values of cash and cash equivalents, accounts receivable, estimated settlements due from/to third-party payors, prepaid expenses and other assets, accounts payable, accrued salaries and wages, and accrued expenses and other are reasonable estimates of their fair values due to the short-term nature of those financial instruments The estimated fair value of the long-term debt portfolio, including the current portion, based on quoted market prices for the same or similar issues, was approximately $307,000 and $282,000 at June 30, 2012 and 2011, respectively

5. Fair Value Measurements (continued)

The methodologies used to determine the fair value of assets and liabilities reflect market participant objectives and are based on the application of a three-level valuation hierarchy that prioritizes observable market inputs over unobservable inputs The three levels are defined as follows

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identified assets or liabilities

- Level 2 Inputs to the valuation methodology include other quoted prices for similar assets or liabilities in active markets and inputs that are observable either directly or indirectly

- Level 3 Inputs to the valuation methodology are unobservable, but reflect the assumptions market participants would use in pricing the asset or liability

(In Thousands)

5. Fair Value Measurements (continued)

Financial instruments measured at fair value on a recurring basis at June 30 are summarized as follows

	2012			
Assets Measured at Fair Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments				
Cash and short-term investments	**$ 71,038**	**$ –**	**$ –**	**$ 71,038**
Equity securities				
Equity securities – consumer discretionary	**3,245**	**–**	**–**	**3,245**
Equity securities – energy	**2,763**	**–**	**–**	**2,763**
Equity securities – financial	**4,466**	**–**	**–**	**4,466**
Equity securities – health care	**3,294**	**–**	**–**	**3,294**
Equity securities – information technology	**5,904**	**–**	**–**	**5,904**
Equity securities – other equity investments	**9,177**	**–**	**–**	**9,177**
Total equity securities	**28,849**	**–**	**–**	**28,849**
U S government and agency obligations	**64,963**	**–**	**–**	**64,963**
Corporate and foreign bonds	**–**	**59,318**	**–**	**59,318**
Mutual fund – U S and international equities	**22,648**	**–**	**–**	**22,648**
Mutual fund – fixed income	**41,671**	**52,329**	**–**	**94,000**
Other fixed income investments	**–**	**1,323**	**–**	**1,323**
Total assets measured at fair value	**$ 229,169**	**$ 112,970**	**$ –**	**$ 342,139**
As reported				
Internally designated assets limited as to use				**$ 321,534**
Externally designated assets limited as to use				**20,605**
				$ 342,139

(In Thousands)

5. Fair Value Measurements (continued)

	2011			
Assets Measured at Fair Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments				
Cash and short-term investments	$ 20,792	$ –	$ –	$ 20,792
Equity securities				
Equity securities – consumer discretionary	3,105	–	–	3,105
Equity securities – energy	3,112	–	–	3,112
Equity securities – financial	3,366	–	–	3,366
Equity securities – health care	3,379	–	–	3,379
Equity securities – information technology	5,191	–	–	5,191
Equity securities – other equity investments	9,054	–	–	9,054
Total equity securities	27,207	–	–	27,207
U S government and agency obligations	–	65,490	–	65,490
Corporate and foreign bonds	–	71,215	–	71,215
Mutual fund – U S and international equities	23,948	–	–	23,948
Mutual fund – fixed income	–	87,471	–	87,471
Other fixed income investments	–	1,982	–	1,982
Total assets measured at fair value	$ 71,947	$ 226,158	$ –	$ 298,105
As reported				
Internally designated assets limited as to use				$ 268,288
Externally designated assets limited as to use				29,817
				$ 298,105

5. Fair Value Measurements (continued)

Liabilities Measured at Fair Value	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Fair value of interest rate swap	**$ –**	**$ 1,043**	**$ –**	**$ 1,043**

Liabilities Measured at Fair Value	2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Fair value of interest rate swap	$ –	$ 716	$ –	$ 716

The fair value of Level 1 investments is based on quoted market prices and is valued on a daily basis The fair value of Level 2 investments is based on a combination of quoted market prices of identical or similar securities and matrix pricing, provided by third-party pricing services, of investment securities having similar quality and maturities The fair value of the interest rate swap is based upon discounted cash flows adjusted for nonperformance risk The adjustment is based on bond pricing for equivalent credit-rated entities CFNI pays a fixed rate of 2 17% and receives cash flows based on the Securities Industry and Financial Markets Association swap index

CFNI's investments are exposed to various kinds and levels of risk Equity securities and equity mutual funds expose CFNI to market risk, performance risk, and liquidity risk Fixed income securities and fixed income mutual funds expose CFNI to interest rate risk, credit risk, and liquidity risk Market risk is the risk associated with major movements of the equity markets Performance risk is the risk associated with the corresponding issuer's operating performance As market interest rates change, the value of fixed income securities, including those with fixed interest rates, is affected Credit risk is the risk that the issuer of the security will not fulfill its obligations Liquidity risk is affected by the willingness of market participants to buy and sell particular securities Liquidity risk tends to be higher for equity securities issued by companies having relatively small capital structures Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value resulting in additional gains and losses in the near term

(In Thousands)

6. Land, Buildings, and Equipment

Land, buildings and improvements, equipment, and construction in progress consist of the following at June 30

	2012	2011
Land	**$ 33,686**	$ 33,456
Buildings and components	**507,128**	498,248
Leasehold improvements	**4,854**	4,269
Software development costs	**19,429**	9,249
Furniture and equipment	**294,327**	276,455
Construction-in-progress	**6,102**	21,148
	865,526	842,825
Less allowances for depreciation	**476,703**	440,411
	$ 388,823	$ 402,414

During 2012, an unconsolidated joint venture of CFNI entered into an agreement to purchase real estate and construct an outpatient health facility that will be leased by SMMC Financing for the construction costs are obtained through a line of credit for which CFNI has guaranteed 50% of the obligation (refer to Note 7) Because of its investment in the joint venture and its guarantee of construction costs, CFNI is considered the owner of the asset during the construction period The carrying value of the construction-in-progress recorded at June 30, 2012 is $3,647 with a corresponding construction liability of $3,647 included in developer reimbursement in the consolidated balance sheet and representing amounts funded by the joint venture The total cost of the project upon its expected completion in January 2013 is expected to approximate $15,700 As a result of its ownership interest in the joint venture owner, the real estate will continue to be recorded by CFNI along with a financing obligation of approximately $12,900 The operations related to the real estate and its related financing will continue to be recorded in CFNI's financial statements through the lease term ending 2023

(In Thousands)

7. Long-Term Debt

Long-term debt, notes payable, and capital leases consist of the following at June 30

	2012	2011
$1,950 vendor financing dated June 29, 2012, the loan bears interest at 0% with monthly principal payments through June 1, 2015	$ 1,950	$ –
$40,065 commercial term loan dated October 28, 2011, the loan bears interest at 3.00% through October 28, 2018 with monthly interest and annual principal payments. Principal payments are amortized through August 1, 2025	40,065	–
$20,845 commercial term loan dated October 28, 2011, the loan bears interest at 5.4% through August 1, 2025, with semiannual interest and annual principal payments	20,845	–
Indiana Finance Authority Adjustable Rate Hospital Revenue Bonds, Series 2008, maturing in varying installments through 2029, interest rate varies weekly based upon prevailing market conditions (0.14% at June 30, 2012, and 0.06% at June 30, 2011)	24,195	26,385
$4,941 commercial term loan dated December 18, 2008, interest charged at one-month LIBOR plus 2% (LIBOR was 0.24% and 0.19% at June 30, 2012 and June 30, 2011, respectively) with a floor of 4.00% and a ceiling of 7.00%, payable in fixed quarterly payments, maturing on January 1, 2014	1,731	2,720
Indiana Health and Educational Facility Financing Authority Hospital Revenue Bonds, Series 2007, maturing in varying installments through 2037, bearing interest at fixed annual rates ranging from 5.0% to 5.5%	137,505	137,675
Indiana Health and Educational Facility Financing Authority Variable Rate Demand Refunding Revenue Bonds, Series 2006A, maturing in varying installments through 2036, interest rate varies weekly based on prevailing market conditions (0.14% at June 30, 2012 and 0.06% at June 30, 2011)	20,640	21,040
Indiana Health and Educational Facility Financing Authority Variable Rate Demand Revenue Bonds, Series 2006B, maturing in varying installments through 2036, interest rate varies weekly based on prevailing market conditions (0.14% at June 30, 2012 and 0.06% at June 30, 2011)	10,185	10,385
Indiana Health Facility Financing Authority Hospital Revenue Bonds, Series 2004A, maturing in varying installments through 2034, bearing interest at fixed annual rates ranging from 3.5% to 6.25%	55,965	56,825
Indiana Health Facility Financing Authority Hospital Revenue Bonds, Series 2001A, maturing in varying installments through 2031, bearing interest at fixed annual rates ranging from 5.5% to 6.375%	–	49,255
Indiana Health Facility Financing Authority Taxable Adjustable Rate Hospital Revenue Bonds, Series 2001B, maturing in varying installments through 2025, interest rate varies weekly based upon prevailing market conditions (0.18% at June 30, 2011)	–	19,615
Capital leases	9,645	11,543
	322,726	335,443
Less current portion of long-term debt, notes payable, and capital leases	11,456	11,816
Add unamortized bond premiums and (discounts)	734	(389)
	$ 312,004	$ 323,238

7. Long-Term Debt (continued)

Effective June 29, 2012, CFNI secured a vendor financing loan in the principal amount of $1,950 secured by certain computer network switching equipment

Effective February 8, 2012, CFNI guaranteed 50% of the outstanding construction line of credit up to a maximum of $6,000 for Valparaiso Medical Development, LLC (VMD), an unconsolidated joint venture The guarantee expires on January 1, 2013 when VMD's line of credit converts to a mortgage The amount outstanding on VMD's line of credit at June 30, 2012 is $2,858, of which CFNI's guarantee is $1,429

Effective October 28, 2011, CFNI secured loans from two financial institutions in the combined principal amount of $60,910 The private placement loans are fixed-rate until October 27, 2018, at which time the remaining balance on the $20,845 loan converts to a variable rate note The proceeds of these loans were used to refund the Series 2001 Indiana Health Facility Financing Authority (the Authority) Hospital Revenue Bonds

CFNI maintains a $40,000 revolving line of credit expiring August 23, 2013 The revolving line of credit bears interest at the greater of (i) the bank's prime commercial rate, (ii) the bank's average rate per annum Federal Fund, and (iii) LIBOR plus 1 00% No amount was outstanding under the revolving credit line at June 30, 2012 or 2011

Effective October 22, 2008, the Authority, on behalf of the Obligated Group, issued Adjustable Rate Hospital Revenue Bonds, Series 2008 in the principal amount of $27,370 Proceeds from the issuance of the bonds were used to finance the future construction of projects and purchase certain operating equipment at the Obligated Group members' facilities and to pay down the balance then outstanding under a revolving line of credit agreement

The Obligated Group has an irrevocable letter of credit agreement with a bank, under the terms of which the bank has agreed to make liquidity loans to the Obligated Group in the amount necessary to purchase the Series 2008 Bonds in the event the bonds are not remarketed At June 30, 2012, the maximum amount of the liquidity loan is the outstanding principal amount of $24,195, plus accrued interest No amounts were drawn on the letter of credit agreement as of June 30, 2012 To the extent such loan is required to be made to the Obligated Group to purchase the bonds, the amount payable under the agreement becomes due upon expiration of the letter of credit, October 21, 2014 CFNI is required to maintain certain coverage ratios under the terms of the letter, which it was in compliance with at June 30, 2012

7. Long-Term Debt (continued)

Effective December 18, 2008, CFNI secured a commercial loan in the principal amount of $4,941, which is secured by subdivided residential real estate lots The proceeds were used to refinance the commercial draw loan dated June 30, 2007

Effective June 28, 2007, the Authority, on behalf of the Obligated Group, issued Hospital Revenue Bonds, Series 2007, in the principal amount of $150,835 A portion of the proceeds from the issuance of the bonds, once deposited in an escrow account, was used in connection with a partial defeasence of the Series 2001A Bonds The remaining proceeds were used to reimburse CFNI for costs related to certain capital improvements and the purchase of operating equipment at the Obligated Group members' facilities, to pay or reimburse CFNI for costs associated with the issuance of the bonds, and to finance the future construction of projects and the purchase of additional operating equipment at the Obligated Group members' facilities

In February 2011, CFNI acquired $12,700 of its Hospital Revenue Bonds Series 2007 in the open market for a purchase price of $11,011 As a result, CFNI reduced the amount of its long-term debt by $12,700 and recognized a gain on the transaction in the amount of $1,649, net of associated bond premiums and the write-off of associated closing costs These bonds remain outstanding, with CFNI as the owner of record, and are available for remarketing

Effective in May 2006, the Authority, on behalf of CVI, issued Variable Rate Demand Refunding Revenue Bonds, Series 2006A (Series 2006A Bonds), in the principal amount of $22,525 The 2006A Bonds were used to refund the previously outstanding bonds

The Series 2006A Bonds were issued initially in the Floating Rate Mode Subsequently, CVI entered into a Swap Agreement with a bank to effectively fix CVI's interest rate with respect to the Series 2006A Bonds Under the original terms of the Swap Agreement, CVI paid the Swap Provider a fixed annual rate of 4 02% on the outstanding principal amount of the Series 2006A Bonds On June 1, 2011, CVI extended the Swap Agreement through May 31, 2015, for a fixed annual rate of 2 17% on the outstanding principal amount of the Series 2006A Bonds

7. Long-Term Debt (continued)

CVI has a letter of credit agreement with a bank under the terms of which the bank agrees to make liquidity loans to CVI in the amount necessary to purchase the Series 2006A Variable Rate Demand Revenue Bonds if not remarketed CVI's letter of credit is guaranteed by the CFNI The maximum amount of the liquidity loan would be the principal of $20,640 at June 30, 2012, plus accrued interest No amounts were drawn in the letter of credit agreement as of June 30, 2012 The liquidity loans are payable quarterly, commencing on the earlier of (a) the first such date to occur at least 366 days after the date of the liquidity drawing or (b) the termination date, May 31, 2015 CVI is required to maintain certain coverage ratios under the terms of the letter, which it was in compliance with at June 30, 2012

Effective October 2006, the Authority, on behalf of CVI, issued Variable Rate Demand Revenue Bonds, Series 2006B (Series 2006B Bonds), in the principal amount of $10,385 The Series 2006B Bonds were used to finance the construction of the assisted living and memory support expansion

The Series 2006B Bonds were issued in the Floating Rate Mode CVI has a letter of credit agreement with a bank under the terms of which the bank agrees to make liquidity loans to CVI in the amount necessary to purchase the Series 2006B Variable Rate Demand Revenue Bonds if not remarketed CVI's letter of credit is guaranteed by CFNI The maximum amount of the liquidity loan would be the principal of $10,185 at June 30, 2012, plus accrued interest No amounts were drawn in the letter of credit agreement as of June 30, 2012 The liquidity loans are payable quarterly, commencing on the earlier of (a) the first such date to occur at least 366 days after the date of the liquidity drawing or (b) the termination date, May 31, 2015

Effective April 8, 2004, the Authority, on behalf of the Obligated Group, issued Hospital Revenue Bonds, Series 2004A, in the principal amount of $60,000 Proceeds from the issuance of the bonds were used to reimburse CFNI for costs incurred in connection with certain capital improvements at the Obligated Group members' facilities and to pay or reimburse the Foundation for costs associated with the issuance of the bonds

(In Thousands)

7. Long-Term Debt (continued)

The terms of certain loan agreements require that various amounts be held on deposit, that certain financial ratios be maintained, and that compliance with debt covenants, including restrictions involving asset transfers, the incurrence of additional debt, and other transactions, as well as maintenance of specified levels of insurance coverage, is maintained At June 30, 2012, the Obligated Group was in compliance with these provisions The bonds are collateralized by certain assets of the Obligated Group, totaling approximately $888,000 at June 30, 2012

Annual principal maturities of long-term debt and notes payable for each of the next five years, assuming remarketing of the 2006 and Series 2008 Bonds, are as follows

2013	$	7,428
2014		8,188
2015		7,650
2016		8,120
2017		7,665

The amount of interest paid during 2012 and 2011, net of amounts capitalized during 2012, was $14,991 and $15,476, respectively

8. Capital Lease Obligations

CFNI leases certain medical and operating equipment under various capital lease arrangements expiring through December 2015 Certain lease agreements, having initial terms up to five years, provide renewable options for additional periods Future minimum lease payments for the remaining terms of the lease agreements at June 30, 2012, are as follows for each of the years ending June 30

2013	$	4,277
2014		4,195
2015		1,157
2016		490
2017 and thereafter		–
Total minimum lease payments		10,119
Less amount representing interest		474
Present value of net minimum lease payments	$	9,645

8. Capital Lease Obligations (continued)

Included in equipment are assets capitalized under lease agreements totaling approximately $17,857 and $18,575 at June 30, 2012 and 2011, respectively, with accumulated amortization of approximately $6,161 and $3,768 at June 30, 2012 and 2011, respectively

9. Derivatives

CFNI has an interest rate-related derivative instrument to manage its exposure on its variable rate debt instruments and does not enter into derivative instruments for any purpose other than risk management These bonds expose CFNI to variability in interest payments due to the changes in interest rates By using derivative financial instruments to manage the fluctuations in cash flows resulting from the risk of change in interest rates, CFNI exposes itself to credit risk and market risk Credit risk is the risk that the counterparty will fail to perform under the terms of the derivative contracts When the fair value of a derivative contract is positive, the counterparty owes CFNI, which creates credit risk for CFNI When the fair value of a derivative contract is negative, CFNI owes the counterparty CFNI does not require collateral for credit risk Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken Management also mitigates risk through periodic reviews of its derivative positions in the context of its total blended cost of capital

CFNI maintains an interest rate swap program on its Series 2006A Variable Rate Demand Revenue Bonds These bonds expose CFNI to variability in interest payments due to changes in interest rates Management believes that it is prudent to limit the variability of its interest payments To meet this objective and to take advantage of low interest rates, CFNI entered into an interest rate swap agreement to manage fluctuations in cash flows resulting from interest rate risk The swap limits the variable rate cash flow exposure on the Variable Rate Demand Revenue Bonds to synthetically fixed cash flows

(In Thousands)

9. Derivatives (continued)

The notional amount under the interest rate swap agreement is reduced over the term of the respective agreement to correspond with the reduction in the outstanding bond series The following is a summary of the outstanding position under the interest rate swap agreement at June 30, 2012

Bond Series	Notional Amount	Maturity Date	Rate Paid	Rate Received
2006A	$ 21,040	May 31, 2015	2 17%	SIFMA*

*Securities Industry and Financial Markets Association swap index

Management has determined that the interest rate swap agreement associated with the Series 2006A Bonds does not qualify for hedge accounting treatment, and as such, the change in the fair value of the instrument is recognized in nonoperating as a net loss on interest rate swap on the consolidated statements of operations and changes in net assets

The fair value of derivative instruments at June 30 is as follows

	Liability Derivatives		
	Balance Sheet Location	2012	2011
Derivative not designated as a hedging instrument	Noncurrent liabilities – Interest rate swap	**$ 1,043**	$ 716

The effect of the derivative instrument on the consolidated statements of operations and changes in net assets for the years ended June 30, 2012 and 2011, is as follows

	Statements of Operations and Changes in Net Assets Location	Amount of Loss 2012	2011
Derivative not designated as a hedging instrument	Swap differential payment	**$ (421)**	$ (687)
	Unrealized (loss) gain on interest rate swap	**(326)**	457
	Net loss on interest rate swap	**$ (747)**	$ (230)

(In Thousands)

10. Employee Benefit Plans

Defined-Benefit Plan

Community Hospital maintains a defined-benefit pension plan that is principally limited to certain current and former employees of the Foundation and Community Hospital who were employed prior to January 1, 2003 This defined-benefit pension plan has been curtailed, and no new participants are permitted Pension benefits are actuarially determined based upon years of service and compensation of participants (as defined) Where applicable, the funding policy is to annually contribute the amount required to comply with applicable regulations under the Employee Retirement Income Security Act of 1974 (ERISA)

CFNI recognizes the funded status of the defined-benefit pension plan, which is the difference between the fair value of plan assets and the projected benefit obligation, at June 30 in the accompanying consolidated balance sheets

A summary of changes in the projected benefit obligation of the defined-benefit pension plan for the years ended June 30 is as follows

	2012	2011
Change in projected benefit obligation		
Benefit obligation at beginning of year	**$ 204,976**	$ 195,832
Service cost	**8,858**	9,504
Interest cost	**10,840**	10,324
Actuarial losses (gains)	**32,883**	(2,556)
Benefits paid	**(9,354)**	(8,128)
Projected benefit obligation at end of year	**$ 248,203**	$ 204,976

A summary of the changes in plan assets and the resulting funded status of the defined-benefit pension plan for the years ended June 30 is as follows

	2012	2011
Change in plan assets		
Plan assets at fair value at beginning of year	**$ 137,237**	$ 113,201
Actual return on plan assets	**10,474**	21,364
Employer contributions	**10,800**	10,800
Benefits paid	**(9,354)**	(8,128)
Plan assets at fair value at end of year	**$ 149,157**	$ 137,237

(In Thousands)

10. Employee Benefit Plans (continued)

Employer contributions made to the defined-benefit pension plan were paid from employer assets All benefits paid under the defined-benefit pension plan were paid from the plan's assets

The following table sets forth the plan's funded status as well as recognized amounts in the consolidated balance sheets as of June 30

	2012	2011
Plan assets at fair value	**$ 149,157**	$ 137,237
Projected benefit obligation	**(248,203)**	(204,976)
Unfunded status recognized	**$ (99,046)**	$ (67,739)

Included in unrestricted net assets are the plan's amounts that have not yet been recognized as a component of net periodic benefit cost at June 30, as follows

	2012	2011
Unrecognized net actuarial loss	**$ (89,718)**	$ (60,464)
Unrecognized prior service cost	**(227)**	(299)
	$ (89,945)	$ (60,763)

The estimated prior service cost and net loss that will be amortized from unrestricted net assets into net periodic benefit cost during the year ending June 30, 2013, are $71 and $6,216, respectively

(In Thousands)

10. Employee Benefit Plans (continued)

The components of net periodic benefit cost and other amounts recognized in unrestricted net assets for the years ended June 30 are summarized as follows

	2012	2011
Net periodic benefit cost		
Service cost	**$ 8,858**	$ 9,504
Interest cost	**10,840**	10,324
Expected return on plan assets	**(10,732)**	(9,084)
Amortization of prior service cost	**71**	95
Amortization of actuarial net loss	**3,888**	6,261
	$ 12,925	$ 17,100

CFNI anticipates that contributions of $12,000 to plan assets will be made during 2013 from Obligated Group assets Expected employer benefit payments for the next four years are $12,788 in 2013, $14,233 in 2014, $13,841 in 2015, $15,614 in 2016, and $99,042 for the years 2017 through 2021

The weighted-average assumptions for the defined-benefit pension plan benefit costs and obligations as of and for the years ended June 30 are as follows

	2012	2011
Benefit costs		
Discount rate	**5.48%**	5 40%
Assumed rate of return on assets	**7.75**	8 00
Rate of increase in future compensation	**4.00**	4 00
Benefit obligations		
Discount rate	**4.36%**	5 48%
Assumed rate of return on assets	**8.00**	8 00
Rate of increase in future compensation	**3.75**	4 00

Assumption changes in the weighted-average discount rate reduced the projected benefit obligation at June 30, 2012 by $29,569

CFNI evaluates its assumptions regarding the estimated long-term rate of return on plan assets based on historical experience and future expectations of investment returns

(In Thousands)

10. Employee Benefit Plans (continued)

The defined-benefit pension plan's target allocation and corresponding actual asset allocation percentages by major asset category at June 30 are as follows

Major Asset Category	Target Allocation	Actual Asset Allocation Percentage at June 30 2012	2011
Equity securities	65 00%	**54.30%**	57 05%
Debt securities	35 00	**45.70**	42 95
Cash equivalents	–	–	–
	100 00%	**100.00%**	100 00%

Assets of the defined-benefit pension plan are invested solely for the benefit of plan beneficiaries and participants Investment decisions are made after giving appropriate consideration to prevailing facts and circumstances that a prudent person acting in a similar capacity would use in a similar situation and following the guidelines of the investment policy statement for the plan The plan diversifies its investments among various asset classes in order to reduce risk and enhance returns Long-term weightings for the plan of 33% large cap equity, 8% small cap equity, 13% international equity, and 46% fixed income are within the target asset allocation ranges The target ranges specified in the investment policy statement are 36% to 54% for large cap equity, 5% to 15% for small cap equity, 5% to 15% for international equity, and 28% to 45% for fixed income investments All investment returns are reviewed on an ongoing basis and evaluated with considerations focusing on performance of the individual investments, the ability to exceed the return of the appropriate benchmark index, and the ability to meet or exceed the median performance of a peer group of managers with similar styles of investing

(In Thousands)

10. Employee Benefit Plans (continued)

The fair value of the defined-benefit pension plan's assets, based upon the three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value (see Note 5), consists of the following investments at June 30

	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ 2,145**	**$ –**	**$ –**	**$ 2,145**
U S small/mid cap growth equity collective trust	**–**	**5,901**	**–**	**5,901**
U S small/mid cap value equity collective trust	**–**	**5,613**	**–**	**5,613**
Non-U S core equity collective trust	**–**	**19,380**	**–**	**19,380**
Long-duration investment-grade fixed income collective trust	**–**	**38,215**	**–**	**38,215**
U S large cap passive equity collective trust	**–**	**48,916**	**–**	**48,916**
U S passive fixed income collective trust	**–**	**8,428**	**–**	**8,428**
Long-duration passive fixed income collective trust	**–**	**20,559**	**–**	**20,559**
Total defined-benefit plan assets	**$ 2,145**	**$ 147,012**	**$ –**	**$ 149,157**

(In Thousands)

10. Employee Benefit Plans (continued)

	2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,037	$ –	$ –	$ 1,037
U S small/mid cap growth equity collective trust	–	6,099	–	6,099
U S small/mid cap value equity collective trust	–	5,790	–	5,790
Non-U S core equity collective trust	–	20,899	–	20,899
Long-duration investment-grade fixed income collective trust	–	31,726	–	31,726
U S large cap passive equity collective trust	–	44,912	–	44,912
U S passive fixed income collective trust	–	7,835	–	7,835
Long-duration passive fixed income collective trust	–	18,939	–	18,939
Total defined-benefit plan assets	$ 1,037	$ 136,200	$ –	$ 137,237

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 5

Other Postretirement Benefit Plans

CFNI sponsors a deferred compensation plan under Section 457 of the Code, whereby employees are allowed to defer income taxation on retirement savings into future years Participants are allowed to contribute income through salary reductions up to the allowed limit ($17 in 2012 and $16 5 in 2011) Contributions to the plan and earnings on the retirement income are tax deferred As of June 30, 2012 and 2011, participant contributions amounted to $1,702 and $1,637, respectively, and are included in accrued expenses

(In Thousands)

10. Employee Benefit Plans (continued)

Defined-Contribution Plans

CFNI sponsors a noncontributory, defined-contribution plan covering substantially all eligible employees of SMMC and SCH hired prior to January 1, 2003 Total benefit plan expense recognized for this plan amounted to approximately $4,103 and $3,118 in 2012 and 2011, respectively, and is included in employee benefit expense in the consolidated statements of operations and changes in net assets

CFNI sponsors a defined-contribution plan covering substantially all eligible Obligated Group employees hired on or after January 1, 2003 There are three types of employer contributions under this plan fixed retirement, discretionary, and matching The contributions are described and provided to eligible employees as defined in the plan document Plan expenses were $4,844 and $4,941 in 2012 and 2011, respectively, and are included in employee benefit expense in the consolidated statements of operations and changes in net assets

11. Lease and Operating Commitments

Future minimum payments under noncancelable operating leases and service arrangements with terms of one year or more are as follows

Year ending June 30	
2013	$ 6,094
2014	2,883
2015	2,283
2016	2,091
2017	2,041
Thereafter	10,731
Total	$ 26,123

CFNI incurred rental expenses of $10,093 and $12,083 in 2012 and 2011, respectively

12. Litigation

CFNI is from time to time subject to claims and litigation arising in the ordinary course of business CFNI intends to vigorously defend any such litigation that may arise under all defenses that would be available to CFNI In the opinion of management, the ultimate outcome of proceedings of which management is aware will not have a material effect on the consolidated financial position or results of operations of CFNI

On or about July 23, 2010, CFNI was notified that the Civil Division of the Department of Justice (DOJ) was conducting a civil investigation regarding allegations made in a qui tam lawsuit filed under seal On December 31, 2011, the court lifted the seal on the lawsuit, which alleges that Community Hospital violated the Federal False Claims Act related to the use of certain types of cardiac pacemakers and automatic implantable cardioverter defibrillators The court lifted the seal to allow the DOJ to intervene with respect to certain limited allegations for the purposes of finalizing a settlement with Community Hospital on these limited matters The DOJ has declined to intervene or take any further action on any other allegations in the original lawsuit A formal settlement conference was held in federal court on April 18, 2012, which included the DOJ, Community Hospital, the relators, and the other defendants A confidential settlement was reached which includes the relators' dismissal of all claims with prejudice, and the dismissal of claims by the DOJ without prejudice, and no admission of liability by Community Hospital The confidential settlement agreement is in the process of being executed for filing with the court, and is expected to be filed in September 2012 and the lawsuit then dismissed This matter remains confidential and is not subject to public disclosure at this time The impact on the consolidated financial statements related to the settlement is not material

On or about August 24, 2011, Community Hospital was notified that the U S Attorney's Office for the Western District of New York was conducting a civil investigation regarding a confidential matter involving Community Hospital However, as of August 15, 2012, Community Hospital has received no further inquiries related to this matter At this time, management cannot determine what impact, if any, this investigation will have on the consolidated financial statements of CFNI and cannot determine if the investigation is even continuing at this time

13. Subsequent Events

CFNI evaluated events and transactions occurring subsequent to June 30, 2012 through September 19, 2012, the issuance date of these consolidated financial statements During this period, it is management's determination that there were no subsequent events requiring recognition that have not been recorded in the accompanying consolidated financial statements, and no subsequent events requiring disclosure that have not been incorporated elsewhere within these consolidated financial statements, except for the following

CFNI issued a Conditional Notice of Intent to Issue Bonds to refund its Series 2004A bonds on July 13, 2012 This nonbinding notice gives CFNI the option to redeem these bonds This notice was issued in relation to a contemplated Series 2012 bond issue

On July 20, 2012, CFNI made a $2,665 investment in an unconsolidated joint venture to build an outpatient center in Valparaiso, Indiana

Supplementary Information

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Report of Independent Auditors on Supplementary Information

The Board of Directors
Community Foundation of Northwest Indiana, Inc

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements of Community Foundation of Northwest Indiana, Inc and Subsidiaries Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

September 19, 2011

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Details of Consolidated Balance Sheet

(In Thousands)

June 30, 2012

	Consolidated	Eliminations	Community Foundation of Northwest Indiana Obligated Group	Community Cancer Research Foundation, Inc	Community Resources, Inc	Community Village, Inc	Theatre at the Center, Inc	CVPA Holding Corporation
Assets								
Current assets								
Cash and cash equivalents	$ 30,124	$ –	$ 27,689	$ 130	$ 91	$ 1,808	$ 320	$ 86
Patient accounts receivable, net	111,952	–	110,972	–		980	–	–
Due from affiliates	–	(325)	123	173	3	–	26	–
Estimated settlements due from third-party payors	19,617	–	19,617	–		–	–	–
Inventories	18,501	–	18,460	–	10	31	–	–
Prepaid expenses and other current assets	13,994	–	12,734	555	136	329	210	30
Total current assets	194,188	(325)	189,595	858	240	3,148	556	116
Assets limited as to use								
Internally designated investments	321,534	–	307,954	–	–	13,580	–	–
Externally designated investments	20,605	–	19,867	–	–	738	–	–
Land, buildings and improvements, and equipment, net	388,823	–	347,741	14	158	34,952	–	5,958
Other assets	22,293	(8,929)	22,331	–	7,928	813	150	–
Total assets	$ 947,443	$ (9,254)	$ 887,488	$ 872	$ 8,326	$ 53,231	$ 706	$ 6,074

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Details of Consolidated Balance Sheet (continued)

(In Thousands)

	Consolidated	Eliminations	Community Foundation of Northwest Indiana Obligated Group	Community Cancer Research Foundation, Inc	Community Resources, Inc	Community Village, Inc	Theatre at the Center, Inc	CVPA Holding Corporation
Liabilities and net assets								
Current liabilities								
Accounts payable	$ 23,307	$ –	$ 21,810	$ 11	$ 1,109	$ 344	$ 11	$ 22
Accrued salaries, wages, and benefits	43,309	–	42,759	–	1	462	87	–
Accrued expenses and other	25,676	–	24,673	6	81	371	525	20
Estimated settlements due to third-party payors	22,553	–	22,553	–	–	–	–	–
Due to affiliates	–	(325)	–	–	–	275	–	50
Current portion of long-term debt and capital leases	11,456	–	9,837	–	988	631	–	–
Current developer reimbursement	552	–	552	–	–	–	–	–
Total current liabilities	126,853	(325)	122,184	17	2,179	2,083	623	92
Noncurrent liabilities								
Long-term debt, notes payable, and capital leases, less current portion	312,004	–	281,066	–	743	30,195	–	–
Noncurrent developer reimbursement	3,095	–	3,095	–	–	–	–	–
Interest rate swap	1,043	–	–	–	–	1,043	–	–
Deferred revenue from advance fees	14,820	–	–	–	–	14,820	–	–
Pension liability	99,046	–	99,046	–	–	–	–	–
Other long-term liabilities	8,487	–	8,487	–	–	–	–	–
Total noncurrent liabilities	438,495	–	391,694	–	743	46,058	–	–
Total liabilities	565,348	(325)	513,878	17	2,922	48,141	623	92
Net assets								
Unrestricted	380,614	(8,929)	372,283	848	5,404	5,090	(64)	5,982
Temporarily restricted	1,379	–	1,225	7	–	–	147	–
Permanently restricted	102	–	102	–	–	–	–	–
Total net assets	382,095	(8,929)	373,610	855	5,404	5,090	83	5,982
Total liabilities and net assets	$ 947,443	$ (9,254)	$ 887,488	$ 872	$ 8,326	$ 53,231	$ 706	$ 6,074

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets

(In Thousands)

Year Ended June 30, 2012

	Consolidated	Eliminations	Community Foundation of Northwest Indiana Obligated Group	Community Cancer Research Foundation, Inc	Community Resources, Inc	Community Village, Inc	Theatre at the Center, Inc	CVPA Holding Corporation
Revenue								
Net patient and resident service revenue before provision for bad debts	$ 847,251	$ –	$ 828,837	$ –	$ –	$ 18,414	$ –	$ –
Provision for bad debts	(42,428)	–	(42,408)	–	–	(20)	–	–
Net patient and resident service revenue	804,823	–	786,429	–	–	18,394	–	–
Capitation program revenue	29,389	–	29,389	–	–	–	–	–
Other revenue	27,643	(455)	23,625	847	1,466	71	1,731	358
Total operating revenue	861,855	(455)	839,443	847	1,466	18,465	1,731	358
Expense								
Salaries and wages	326,275	–	317,509	178	84	7,203	1,071	230
Employee benefits	83,689	–	81,498	48	11	1,798	259	75
Medical fees	5,075	–	5,075	–	–	–	–	–
Medical and other supplies	154,689	–	152,793	28	1	1,792	(3)	78
Outside services	81,949	(177)	79,901	182	48	1,490	418	87
Interest expense	15,139	–	14,519	1	123	452	44	–
Corporate allocations	–	–	(150)	–	–	150	–	–
Depreciation and amortization	50,500	–	48,047	2	15	2,147	–	289
Medicaid assessment fee	36,751	–	36,751	–	–	–	–	–
Other expense	70,516	(278)	66,801	321	1,162	1,855	305	350
Total operating expense	824,583	(455)	802,744	760	1,444	16,887	2,094	1,109
Net operating income (loss)	37,272	–	36,699	87	22	1,578	(363)	(751)
Nonoperating								
Investment income and other	9,499	–	8,808	–	–	691	–	–
Loss on early extinguishment of debt	(3,288)	–	(3,288)	–	–	–	–	–
Net change in unrealized gains losses on investments	2,528	–	2,553	–	–	(25)	–	–
Net loss on interest rate swaps	(747)	–	–	–	–	(747)	–	–
Total nonoperating	7,992	–	8,073	–	–	(81)	–	–
Revenue in excess of (less than) expenses	45,264	–	44,772	87	22	1,497	(363)	(751)

Community Foundation of Northwest Indiana, Inc. and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

	Consolidated	Eliminations	Community Foundation of Northwest Indiana Obligated Group	Community Cancer Research Foundation, Inc	Community Resources, Inc	Community Village, Inc	Theatre at the Center, Inc	CVPA Holding Corporation
Unrestricted net assets								
Revenue in excess of (less than) expense	$ 45 264	$ –	$ 44 772	$ 87	$ 22	$ 1 497	$ (363)	$ (751)
Pension-related changes other than periodic pension cost	(29 182)	–	(29 182)	–	–	–	–	–
Net assets transferred (from) to affiliates	–	(970)	621	–	970	(1 250)	463	166
Net assets released from restriction used for capital purposes	169	–	169	–	–	–	–	–
Other	(3)	67	–	(1)	–	–	(69)	–
Increase (decrease) in unrestricted net assets	16 248	(903)	16 380	86	992	247	31	(585)
Temporarily restricted net assets								
Restricted contributions	1 655	–	1 290	257	–	–	108	–
Net assets released from restriction used for operating and capital purposes	(1 708)	–	(1 365)	(304)	–	–	(39)	–
(Decrease) increase in temporarily restricted net assets	(53)	–	(75)	(47)	–	–	69	–
(Decrease) increase in net assets	16 195	(903)	16 305	39	992	247	100	(585)
Net assets at beginning of year	365 900	(8 026)	357 305	816	4 412	4 843	(17)	6 567
Net assets at end of year	$ 382 095	$ (8 929)	$ 373 610	$ 855	$ 5 404	$ 5 090	$ 83	$ 5 982

Community Foundation of Northwest Indiana Obligated Group

Details of Combined Balance Sheet

(In Thousands)

June 30, 2012

	Combined	Eliminations	Community Foundation of Northwest Indiana, Inc.	Munster Medical Research Foundation, Inc. – Community Hospital	St. Catherine Hospital, Inc.	St. Mary Medical Center, Inc.
Assets						
Current assets						
Cash and cash equivalents	$ 27,689	$ –	$ 5,925	$ 13,077	$ 5,536	$ 3,151
Patient accounts receivable, net	110,972	(1,233)	–	62,563	20,092	29,550
Due from affiliates	123	(19,230)	19,353	–	–	–
Estimated settlements due from third-party payors	19,617	–	–	8,603	6,265	4,749
Inventories	18,460	–	–	8,254	4,990	5,216
Prepaid expenses and other current assets	12,734	–	3,991	2,324	2,883	3,536
Total current assets	189,595	(20,463)	29,269	94,821	39,766	46,202
Assets limited as to use						
Internally designated investments	307,954	–	307,954	–	–	–
Externally designated investments	19,867	–	19,867	–	–	–
Land, buildings and improvements, and equipment, net	347,741	–	70,958	155,034	25,192	96,557
Other assets	22,331	–	16,440	3,194	1,207	1,490
Total assets	$ 887,488	$ (20,463)	$ 444,488	$ 253,049	$ 66,165	$ 144,249

Community Foundation of Northwest Indiana Obligated Group

Details of Combined Balance Sheet (continued)

(In Thousands)

	Combined	Eliminations	Community Foundation of Northwest Indiana, Inc.	Munster Medical Research Foundation, Inc. – Community Hospital	St. Catherine Hospital, Inc.	St. Mary Medical Center, Inc.
Liabilities and net assets						
Current liabilities						
Accounts payable	$ 21,810	$ –	$ 2,919	$ 12,417	$ 2,922	$ 3,552
Accrued salaries, wages, and benefits	42,759	–	5,677	22,865	6,679	7,538
Accrued expenses and other	24,673	(1,233)	5,944	7,338	7,059	5,565
Estimated settlements due to third-party payors	22,553	–	–	14,075	1,604	6,874
Due to affiliates	–	(19,230)	–	6,446	11,674	1,110
Current portion of long-term debt	9,837	–	8,731	–	38	1,068
Current developer reimbursement	552	–	–	–	–	552
Total current liabilities	122,184	(20,463)	23,271	63,141	29,976	26,259
Noncurrent liabilities						
Long-term debt, less current portion	281,066	–	279,994	–	16	1,056
Noncurrent developer reimbursement	3,095	–	–	–	–	3,095
Pension liability	99,046	–	–	99,046	–	–
Other long-term liabilities	8,487	–	–	4,464	2,142	1,881
Total noncurrent liabilities	391,694	–	279,994	103,510	2,158	6,032
Total liabilities	513,878	(20,463)	303,265	166,651	32,134	32,291
Net assets						
Unrestricted	372,283	–	140,820	85,890	33,792	111,781
Temporarily restricted	1,225	–	403	406	239	177
Permanently restricted	102	–	–	102	–	–
Total net assets	373,610	–	141,223	86,398	34,031	111,958
Total liabilities and net assets	$ 887,488	$ (20,463)	$ 444,488	$ 253,049	$ 66,165	$ 144,249

Community Foundation of Northwest Indiana Obligated Group

Details of Combined Statement of Operations and Changes in Net Assets

(In Thousands)

Year Ended June 30, 2012

	Combined	Eliminations	Community Foundation of Northwest Indiana, Inc	Munster Medical Research Foundation, Inc – Community Hospital	St Catherine Hospital, Inc	St Mary Medical Center, Inc
Revenue						
Net patient and resident service revenue before provision for bad debts	$ 828.837	$ (6.626)	$ –	$ 470.480	$ 141.110	$ 223.873
Provision for bad debts	(42.408)	–	–	(19.799)	(11.177)	(11.432)
Net patient and resident service revenue	786.429	(6.626)	–	450.681	129.933	212.441
Capitation program revenue	29.389	–	–	–	29.389	–
Other revenue	23.625	(2.311)	3.233	13.889	6.552	2.262
Total operating revenue	839.443	(8.937)	3.233	464.570	165.874	214.703
Expense						
Salaries and wages	317.509	–	25.118	167.494	58.426	66.471
Employee benefits	81.498	–	5.085	45.261	14.465	16.687
Medical fees	5.075	–	–	1.623	2.399	1.053
Medical and other supplies	152.793	–	1.196	87.473	20.994	43.130
Corporate allocations	(150)	–	(81.387)	43.122	17.775	20.340
Outside services	79.901	(35)	28.928	24.159	11.386	15.463
Interest expense	14.519	–	10.269	746	850	2.654
Depreciation and amortization	48.047	–	14.848	19.281	4.841	9.077
Medicaid assessment fee	36.751	–	–	20.588	4.249	11.914
Other expense	66.801	(8.902)	7.669	22.078	33.137	12.819
Total operating expense	802.744	(8.937)	11.726	431.825	168.522	199.608
Net operating income (loss)	36.699	–	(8.493)	32.745	(2.648)	15.095
Nonoperating						
Investment income and other	8.808	–	8.166	394	68	180
Loss on early extinguishment of debt	(3.288)	–	(3.288)	–	–	–
Net change in unrealized gains losses on investments	2.553	–	2.556	(3)	–	–
Total nonoperating	8.073	–	7.434	391	68	180
Revenue in excess of (less than) expense	44.772	–	(1.059)	33.136	(2.580)	15.275

Community Foundation of Northwest Indiana Obligated Group

Details of Combined Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

	Combined	Eliminations	Community Foundation of Northwest Indiana, Inc	Munster Medical Research Foundation, Inc – Community Hospital	St Catherine Hospital, Inc	St Mary Medical Center, Inc
Unrestricted net assets						
Revenue in excess of (less than) expense	$ 44,772	$ –	$ (1,059)	$ 33,136	$ (2,580)	$ 15,275
Other changes in unrestricted net assets						
Pension-related changes other than net periodic pension cost	(29,182)	–	–	(29,182)	–	–
Net assets transferred (to) from affiliates	621	–	49,953	(40,441)	3,949	(12,840)
Net assets released from restriction used for capital purposes	169	–	–	(46)	106	109
Other	–	–	–	–	–	–
Increase (decrease) in unrestricted net assets	16,380	–	48,894	(36,533)	1,475	2,544
Temporarily restricted net assets						
Restricted contributions	1,290	–	332	674	157	127
Investment income	–	–	–	–	–	–
Net assets released from restriction used for operating and capital purposes	(1,365)	–	(308)	(790)	(137)	(130)
(Decrease) increase in temporarily restricted net assets	(75)	–	24	(116)	20	(3)
Increase (decrease) in net assets	16,305	–	48,918	(36,649)	1,495	2,541
Net assets at beginning of year	357,305		92,305	123,047	32,536	109,417
Net assets at end of year	$ 373,610	$ –	$ 141,223	$ 86,398	$ 34,031	$ 111,958

Theatre at the Center, Inc.

Balance Sheets
(In Thousands)

	June 30 2012	June 30 2011
Assets		
Current assets		
Cash and cash equivalents	**$ 320**	$ 294
Due from affiliates	**26**	4
Prepaid expenses and other current assets	**210**	90
Total current assets	**556**	388
Investment in unconsolidated affiliates	**150**	150
Total assets	**$ 706**	$ 538
Liabilities and deficiency in net assets		
Current liabilities		
Accounts payable	**$ 11**	$ 21
Accrued salaries, wages, and benefits	**87**	51
Accrued expenses	**525**	483
Total current liabilities	**623**	555
Net assets		
Deficiency in unrestricted net assets	**(64)**	(95)
Temporarily restricted	**147**	78
Total net assets	**83**	(17)
Total liabilities and net assets	**$ 706**	$ 538

Theatre at the Center, Inc.

Statements of Operations and Changes in Net Assets
(In Thousands)

	Year Ended June 30	
	2012	**2011**
Revenue		
Ticket sales	**$ 1,504**	$ 1,317
Other revenue	**227**	168
Total operating revenue	**1,731**	1,485
Expense		
Salaries and wages	**1,071**	1,111
Employee benefits	**259**	265
Supplies	**(3)**	147
Outside services	**418**	208
Interest expense	**44**	36
Other expense	**305**	278
Total operating expense	**2,094**	2,045
Net operating loss	**(363)**	(560)
Revenue less than expense	**(363)**	(560)
Net assets transferred from affiliates	**463**	513
Other	**(69)**	–
Increase (decrease) in unrestricted net assets	**31**	(47)
Temporarily restricted net assets		
Restricted contributions	**108**	45
Net assets released from restriction used for operating and capital purposes	**(39)**	(11)
Increase in temporarily restricted net assets	**69**	34
Increase (decrease) in net assets	**100**	(13)
Deficiency in net assets at beginning of year	**(17)**	(4)
Net assets (deficiency) at end of year	**$ 83**	$ (17)

See accompanying note.

Theatre at the Center, Inc.

Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2012	**2011**
Operating activities		
Change in net assets	**$ 100**	$ (14)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Transfers from affiliates	**(463)**	(513)
Restricted contributions and gains on investments, net of assets released from restriction	**(69)**	(31)
Changes in operating assets and liabilities		
Prepaid expenses and other assets	**(142)**	111
Accounts payable, accrued salaries and wages, accrued expenses, and other current liabilities	**68**	50
Net cash used in operating activities	**(506)**	(397)
Financing activities		
Transfers from affiliates	**463**	513
Proceeds from restricted contributions and gains on investments, net of assets released from restriction	**69**	31
Net cash provided by financing activities	**532**	544
Net increase in cash and cash equivalents	**26**	147
Cash and cash equivalents at beginning of year	**294**	147
Cash and cash equivalents at end of year	**$ 320**	$ 294

See accompanying note.

Theatre at the Center, Inc.

Supplemental Note to Financial Statements

Years Ended June 30, 2012 and 2011

Organization and Description of Business

Community Foundation of Northwest Indiana, Inc (CFNI) is the sole member of Theatre at the Center, Inc (TATC) CFNI and TATC own the outstanding shares of capital stock issued by Community Resources, Inc (CRI), a for-profit taxable entity TATC accounts for its investment in CRI under the cost method CFNI and TATC are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code

TATC is organized to support the Center for Visual and Performing Arts (the Arts Center) and to promote the cultural, educational, and charitable community of Northwest Indiana The Arts Center consists of banquet facilities, a theater, an art gallery, and meeting rooms

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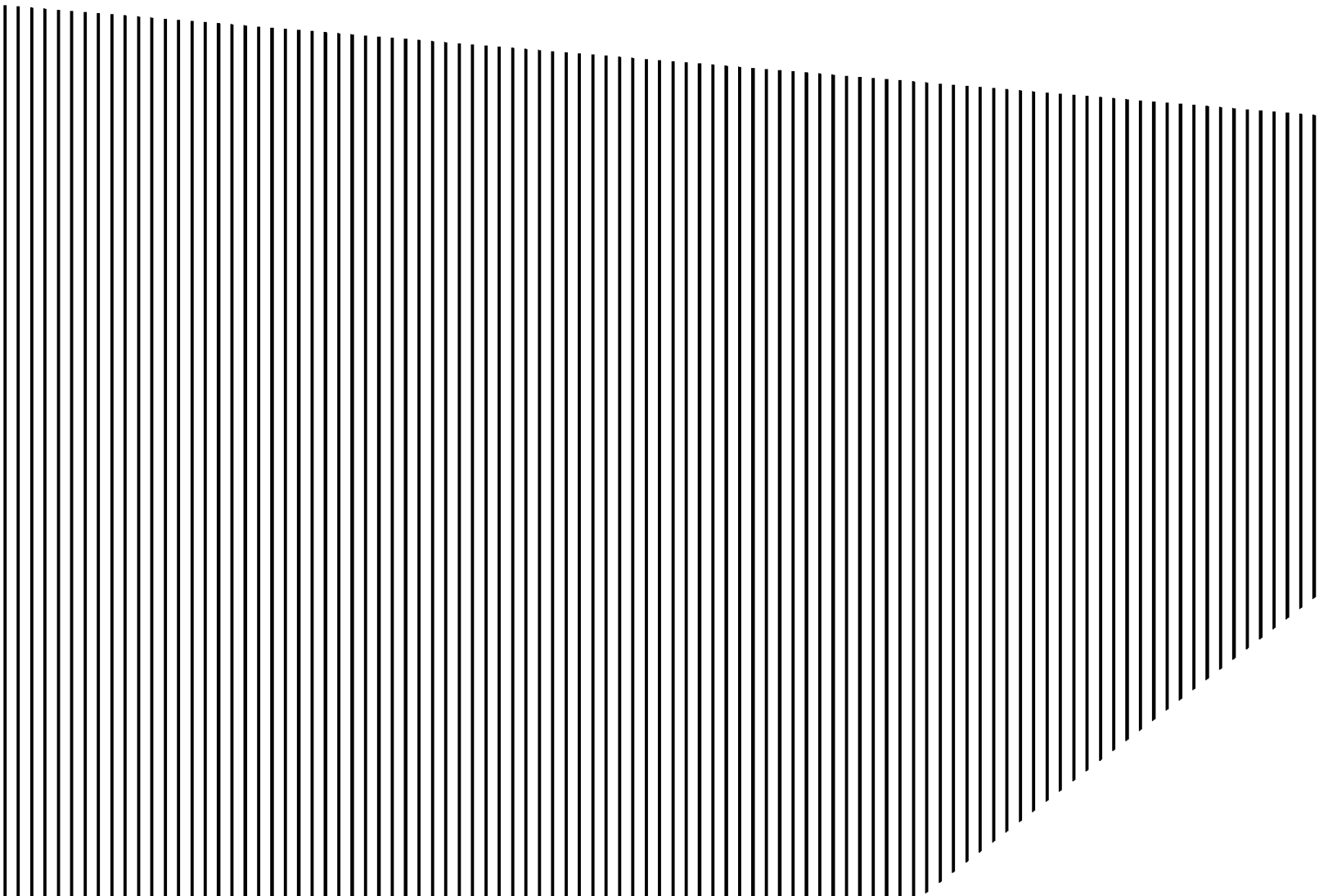

Additional Data

Software ID:
Software Version:
EIN: 35-1107009
Name: MUNSTER MEDICAL RESEARCH FOUNDATION INC

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

4d. Other program services

(Code	) (Expenses $	29,031,094	including grants of $	) (Revenue $	39,900,827)	
Pharmacy						
(Code	) (Expenses $	28,403,401	including grants of $	) (Revenue $	32,819,500)	
Cardiology						

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

4d. Other program services

(Code	) (Expenses $	27,034,765	including grants of $		) (Revenue $	9,159,500)
Physical Therapy						
(Code	) (Expenses $	20,606,077	including grants of $		) (Revenue $	)
Medicaid Assessment Fee						

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

4d. Other program services

(Code Laboratory	) (Expenses $	20,088,404	including grants of $	) (Revenue $	56,292,020)
(Code IMCU	) (Expenses $	15,660,072	including grants of $	) (Revenue $	11,515,821)

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

4d. Other program services

(Code Radiology	) (Expenses $	13,864,262	including grants of $	) (Revenue $	57,011,635)
(Code Emergency Room	) (Expenses $	11,457,233	including grants of $	) (Revenue $	27,678,630)

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

4d. Other program services

(Code)	(Expenses $	9,628,171	including grants of $	(Revenue $	12,029,000)
Physician Offices					
(Code)	(Expenses $	9,391,869	including grants of $	(Revenue $	)
Dietary					

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

4d. Other program services

(Code	) (Expenses $	7,857,000	including grants of $	) (Revenue $	)
Health Information Management					
(Code	) (Expenses $	6,388,392	including grants of $	) (Revenue $	5,547,586)
Oncology					

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

4d. Other program services

(Code ICU	) (Expenses $	5,813,051	including grants of $	) (Revenue $	3,095,654)
(Code Respiratory Therapy	) (Expenses $	5,444,503	including grants of $	) (Revenue $	11,203,886)

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

4d. Other program services

(Code	) (Expenses $	5,154,157	including grants of $	) (Revenue $	505,784)
Central Sterilization					
(Code	) (Expenses $	4,668,613	including grants of $	) (Revenue $	2,604,923)
Home Health					

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

4d. Other program services

(Code)	(Expenses $	4,551,744	including grants of $	(Revenue $	3,802,757)
Neoatology					
(Code)	(Expenses $	3,628,271	including grants of $	(Revenue $	)
Patient Financial and Registration Services					

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

4d. Other program services

(Code Admitting	) (Expenses $	3,201,029	including grants of $	) (Revenue $	)
(Code CVU	) (Expenses $	3,058,935	including grants of $	) (Revenue $	1,622,605)

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

4d. Other program services

(Code	) (Expenses $	2,917,669	including grants of $	) (Revenue $	8,424,774)	
Noninvasive Cardiology						
(Code	) (Expenses $	2,769,690	including grants of $	) (Revenue $	4,299,229)	
Occupational Therapy						

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

4d. Other program services

(Code	) (Expenses $	2,472,573	including grants of $	) (Revenue $	5,052,794)
Nuclear Medicine					
(Code	) (Expenses $	2,226,970	including grants of $	) (Revenue $	)
Security					

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

4d. Other program services

(Code	) (Expenses $	1,481,385	including grants of $	) (Revenue $	)
Medical Staff					
(Code	) (Expenses $	1,479,327	including grants of $	) (Revenue $	)
Central Supply					

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

4d. Other program services

(Code	) (Expenses $	998,961	including grants of $	) (Revenue $	)
Social Services					
(Code	) (Expenses $	909,364	including grants of $	) (Revenue $	638,483)
Speech Therapy					

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

4d. Other program services

(Code) (Expenses $ 841,358 including grants of $) (Revenue $)
Medical Based Fitness Center

(Code) (Expenses $ 582,215 including grants of $) (Revenue $)
Cancer

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

4d. Other program services

(Code	) (Expenses $	540,021	including grants of $	) (Revenue $	)
Public Relations					
(Code	) (Expenses $	392,928	including grants of $	) (Revenue $	)
Audiology					

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

4d. Other program services

(Code EEG	) (Expenses $	389,317	including grants of $		) (Revenue $	1,748,176	)
(Code Grants and Allocations	) (Expenses $	80,000	including grants of $	80,000	) (Revenue $		)

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

4d. Other program services

(Code) (Expenses $ 4,406 including grants of $) (Revenue $)

Occupational Health

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS BRUBAKER MD DIRECTOR	1 0	X						14,361	0	0
STEVE CHOVANEC DIRECTOR	1 0	X						0	0	0
ERIC COMPTON DDS DIRECTOR	1 0	X						0	0	0
FRANKIE FESKO DIRECTOR	1 0	X						18,000	79,967	0
WILLIAM HASSE III DIRECTOR	1 0	X						0	31,100	0
DON HENRY MD DIRECTOR	1 0	X						0	0	0
R LITCHFIELD DO DIRECTOR	1 0	X						0	3,488	0
S N MAKAM MD DIRECTOR	1 0	X						1,320	36,980	0
DONNA PANICH DIRECTOR	1 0	X						0	0	0
GAYLE PARR DIRECTOR	1 0	X						0	0	0
DONALD S POWERS DIRECTOR	1 0	X						0	1,217,604	48,265
HON JAMES RICHARDS DIRECTOR	1 0	X						24,000	47,542	0
NITIN SARDESAI MD DIRECTOR	1 0	X						0	0	0
WILLIAM SCHENCK DIRECTOR	1 0	X						0	40,042	0
M NABIL SHABEEB MD FACS DIRECTOR	1 0	X						0	28,000	0
DONALD TORRENGA DIRECTOR	1 0	X						0	49,854	0
JAY ZANDSTRA DIRECTOR	1 0	X						0	26,500	0
DAVID WICKLAND PRESIDENT	1 0	X		X				24,000	47,542	0
JOSEPH MORROW VICE PRESIDENT	1 0	X		X				0	16,300	0
RICHARD MCLAUGHRY SECRETARY	1 0	X		X				0	68,542	0
DAVID BOCHNOWSKI TREASURER	1 0	X		X				0	28,200	0
DONALD P FESKO ADMINISTRATOR	41 0	X		X				0	502,726	40,256
MARY ANN SHACKLETT SR VP & SYSTEM CFO	1 0			X				0	546,591	56,960
LUIS MOLINA VP OF FINANCE/CFO	40 0			X				489,018	0	60,156
RONDA MCKAY VP & CNO	40 0			X				244,532	0	9,790

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARC LEVIN MD PHYSICIAN	40.0					X		1,159,623	0	39,699
WAYEL KAAKAJI MD PHYSICIAN	40.0					X		1,100,540	0	7,770
MOHAMMAD SHUKAIRY MD PHYSICIAN	40.0					X		728,472	0	20,129
DOUGLAS DEDELOW DO PHYSICIAN	40.0					X		584,601	10,614	34,457
RICHARD BERKOWITZ MD MEDICAL DIRECTOR	40.0					X		541,986	0	62,543