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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
Elmhurst Memorial Healthcare Group

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
155 E Brush Hill Road

City or town, state or country, and ZIP + 4
Elmhurst, IL 60126

D Employer identification number
35-2339114

E Telephone number
(331) 221-1000

G Gross receipts $ 392,177,409

F Name and address of principal officer
James F Doyle
155 E Brush Hill Road
Elmhurst, IL 60126

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 ▶ 5467

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

J Website: ▶ www emhc org

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

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To enhance the health of the communities and customers we serve and to provide quality care to everyone who needs it

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**	44
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	38
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,535
6	Total number of volunteers (estimate if necessary)	**6**	979
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	833,533
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	108,202

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	3,651,370	2,183,458
	9 Program service revenue (Part VIII, line 2g)	358,197,371	386,220,332
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	245,391	-1,319,041
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,811,280	3,477,529
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	364,905,412	390,562,278
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	10,000	10,000
	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)	166,930,965	186,619,668
	16a Professional fundraising fees (Part IX, column (A), line 11e)	267,000	231,451
	b Total fundraising expenses (Part IX, column (D), line 25) ▶1,088,972		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	209,033,515	230,971,270
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	376,241,480	417,832,389
	19 Revenue less expenses Subtract line 18 from line 12	-11,336,068	-27,270,111

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	639,902,427	603,394,675
	21 Total liabilities (Part X, line 26)	151,130,188	152,718,514
	22 Net assets or fund balances Subtract line 21 from line 20	488,772,239	450,676,161

Part II Signature Block

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

Sign Here

****** | 2013-05-15
Signature of officer | Date

James F Doyle CEO & Senior VP/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Zack Fortsch | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions) P00052725

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ McGladrey LLP
1 S Wacker Drive Ste 800
Chicago, IL 60606

EIN ▶ 42-0714325

Phone no ▶ (312) 634-3400

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

To enhance the health of the communities and customers we serve

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 $ 313,724,201 including grants of $) (Revenue $ 378,050,845)

Elmhurst Memorial Hospital (Hospital or EMH) is a not-for-profit healthcare organization that provides acute and nonacute inpatient and outpatient care to residents of Eastern DuPage and Western Cook Counties Founded in 1926, Elmhurst Memorial Hospital has expanded its services and has several conveniently located Care Centers to better serve its patients, their families and numerous communities In fiscal year 2012, Elmhurst Memorial treated more than 15,441 inpatients and totaled more than 400,704 outpatient visits There were more than 48,045 visits to the Emergency Department and more than 25,334 visits to two Immediate Centers 1,400 newborns were delivered in the Family Birthing Center The organization also provided more than $26 million in community benefits, which include a generous financial assistance policy that exceeds the standards recommended by the Illinois Hospital Association, charity care and more than 200 community education programs and events On 6/25/2011 Elmhurst Memorial Hospital moved to a fully integrated medical campus that will change the perception of what a hospital can be Located at the corner of York Street and Roosevelt Road in Elmhurst, the campus is situated on a highly accessible 50-acre site and includes an acute care hospital with all private rooms, outpatient services in the existing Elmhurst Memorial Center for Health and a variety of physician offices in new medical office buildings

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

Elmhurst Memorial Hospital Foundation (Foundation) was established in 1980 as the official fundraising and gift receiving arm of Elmhurst Memorial Healthcare (EMHC) The Foundation encourages and receives contributions that are used to enhance the delivery of high quality, comprehensive healthcare services for those who live and work in the communities served by EMHC The Foundation accomplishes this through fundraising events, such as the annual Autumn Affair, and programs, such as The Grateful Patient program, which was established by the Foundation as a way for patients to show their thanks and appreciation for the care they received at EMHC by making a donation As a result of the Foundation's efforts to build private philanthropic support for the Hospital's New Main Campus project, through the launch of the Exceptional Past, Extraordinary Future Campaign for the New Elmhurst Memorial Hospital - the most ambitious fundraising initiative in the organization's history - the Hospital opened its new main campus on 6/25/2011

4c (Code) (Expenses $ 5,635,799 including grants of $) (Revenue $ 10,283,940)

Elmhurst Memorial Home Health (Home Health) provides a complete range of services, combining technical expertise and compassionate care for patients of all ages and medical needs It has made it a priority to provide patients with high quality, compassionate care - services that make a difference in the lives of patients Home Health is a state licensed, Medicare - certified agency that is accredited by The Joint Commission It is also a member of the Illinois Home Care Council Through the Hospice program, appropriate care and support allows patients to live the last phase of life fully, with dignity and freedom from pain or discomfort, in the presence of familiar persons and surroundings An interdisciplinary team approach is used to help terminally ill patients and their families face physical, emotional, psychological, social and spiritual aspects of their lives and the patient's death, together in an atmosphere of support and acceptance In fiscal year 2012, Home Health admitted 2,146 patients while Hospice admitted 347 patients and Home Medical Equipment had 2,366 rental admissions

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 319,360,000

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	213		
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**	3,535			
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**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	44		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	38		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

Kym Benson
155 E Brush Hill Road
Elmhurst, IL 60126
(331) 221-1000

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								8,503,511	0	436,978

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 ▶ 137

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Cyberknife Center Of Chicago LLC PO Box 600 Newport Beach, CA 92658	Medical Treatments	4,501,602
Elmcare 155 E Brush Hill Road Elmhurst, IL 60126	EPO Capitation Payments & Physician Cred	2,840,032
Lifesource 1255 N Milwaukee Ave Glenview, IL 60025	Lab Test Services	2,192,054
Elmhurst Emergency Medical Service 155 E Brush Hill Road Elmhurst, IL 60126	Screenings & Physicians' Services	2,098,366
Laughlin Constable PO Box 1451 Milwukee, WI 84127	Branding and Advertising Services	1,916,954

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 ▶ 108

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	246,995			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	33,957			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,902,506			
	g	Noncash contributions included in lines 1a-1f $ 25,769					
	h	**Total.** Add lines 1a-1f		2,183,458			
Program Service Revenue			Business Code				
	2a	Patient Services	621610	371,442,378	371,089,110	353,268	
	b	Medicare/Medicaid	900099	8,677,882	8,677,882		
	c	Behavioral Health Prog	900099	2,446,212	2,446,212		
	d	Income from K-1s	621400	1,440,784	1,440,784		
	e	Laboratory Services	541380	1,363,190	1,363,190		
	f	All other program service revenue		849,886	849,886		
	g	**Total.** Add lines 2a–2f		386,220,332			
	3	Investment income (including dividends, interest and other similar amounts)		78,757			78,757
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	450,432				
	b	Less rental expenses	0				
	c	Rental income or (loss)	450,432				
	d	Net rental income or (loss)		450,432			450,432
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses		1,397,798			
	c	Gain or (loss)		-1,397,798			
	d	Net gain or (loss)		-1,397,798			-1,397,798
Other Revenue	8a	Gross income from fundraising events (not including $ 246,995 of contributions reported on line 1c) See Part IV, line 18	a 296,444				
	b	Less direct expenses	b 217,333				
	c	Net income or (loss) from fundraising events		79,111			79,111
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Cafeteria and Diet	561499	1,453,797	1,453,797		
	b	Starbucks	561499	480,265		480,265	
	c						
	d	All other revenue		1,013,924	1,013,924		
	e	**Total.** Add lines 11a–11d		2,947,986			
	12	**Total revenue.** See Instructions		390,562,278	388,334,785	833,533	-789,498

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	10,000	10,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	7,353,632		7,353,632	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	140,939,529	94,583,691	46,355,838	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,115,223	6,060,307	3,054,916	
9	Other employee benefits	18,301,521	12,004,755	6,296,766	
10	Payroll taxes	10,909,763	7,026,151	3,883,612	
11	Fees for services (non-employees)				
a	Management	34,778		34,778	
b	Legal	197,910	132,057	65,853	
c	Accounting	190,032		190,032	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .	231,451			231,451
f	Investment management fees				
g	Other	26,806,419	22,832,064	3,968,068	6,287
12	Advertising and promotion	2,313,890	83	2,171,568	142,239
13	Office expenses	4,474,397	2,979,766	1,459,555	35,076
14	Information technology	3,560,981	2,318,609	1,242,372	
15	Royalties . .				
16	Occupancy	11,597,555	10,075,739	1,488,248	33,568
17	Travel	397,401	303,304	85,785	8,312
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	14,457	7,962	1,044	5,451
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	49,565,733	33,120,607	16,445,126	
23	Insurance	1,704,882	1,704,882		
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 supplies & drug	56,992,436	56,992,405	31	
b	Charity care	31,468,504	31,468,504		
c	Bad debt	20,559,253	20,559,253		
d	Equip rental & maint	9,114,048	6,091,373	3,022,675	
e					
f	All other expenses	11,978,594	11,088,488	263,518	626,588
25	**Total functional expenses.** Add lines 1 through 24f	417,832,389	319,360,000	97,383,417	1,088,972
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		4,132,813	1	2,113,098
	2	Savings and temporary cash investments		1,111,519	2	1,112,672
	3	Pledges and grants receivable, net		3,657,414	3	3,183,410
	4	Accounts receivable, net		53,604,015	4	61,011,340
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		7,518,757	8	7,149,569
	9	Prepaid expenses and deferred charges		8,084,928	9	9,062,839
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 828,711,173			
	b	Less accumulated depreciation	10b 336,626,626	537,368,099	10c	492,084,547
	11	Investments—publicly traded securities		5,659,341	11	4,555,635
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		18,765,541	15	23,121,565
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		639,902,427	16	603,394,675
Liabilities	17	Accounts payable and accrued expenses		135,619,198	17	92,644,220
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		15,510,990	25	60,074,294
	26	**Total liabilities.** Add lines 17 through 25		151,130,188	26	152,718,514
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		483,463,425	27	445,696,967
	28	Temporarily restricted net assets		4,819,299	28	4,489,679
	29	Permanently restricted net assets		489,515	29	489,515
		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		488,772,239	33	450,676,161
	34	Total liabilities and net assets/fund balances		639,902,427	34	603,394,675

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	390,562,278
2	Total expenses (must equal Part IX, column (A), line 25)	2	417,832,389
3	Revenue less expenses Subtract line 2 from line 1	3	-27,270,111
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	488,772,239
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-10,825,967
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	450,676,161

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
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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

Schedule A, Part IV, Supplemental Information Schedule A, Part I Elmhurst Memorial Foundation is not a private foundation because it is an organization described on part I, line 7 Elmhurst Memorial Home Health is not a private foundation because it is an organization described on part I, line 9

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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
Elmhurst Memorial Healthcare Group	35-2339114

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		30,490
j	Total lines 1c through 1i			30,490
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	Part II-B, Line 1	American Hospital Association and Illinois Hospital Association (IHA) Membership dues, of which a percentage of the IHA dues are allocable to lobbying activities

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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	651,465	582,437	489,516	580,261	
b	Contributions				100	
c	Investment earnings or losses	-26,734	79,028	97,621	-39,802	
d	Grants or scholarships		10,000	4,700	51,043	
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	624,731	651,465	582,437	489,516	

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		4,451,704		4,451,704
b Buildings		586,866,040	182,304,443	404,561,597
c Leasehold improvements		4,312,516	821,777	3,490,739
d Equipment		227,818,942	149,316,256	78,502,686
e Other		5,261,971	4,184,150	1,077,821
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				492,084,547

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	
Net Pension Liability	59,986,565
Miscellaneous Liability	87,729
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	60,074,294

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Clinical and Medical staff training, community health events/education, and Myers scholarships
Description of Uncertain Tax Positions Under FIN 48	Part X	Elmhurst Memorial Healthcare Group files a Form 990 (Return of Organization Exempt from Income Tax) annually When the return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained Examples of tax positions common to health systems include such matters as the following the tax exempt status of each entity, the continued tax exempt status of bonds issued by the obligated group, the nature, characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business taxable income (UBIT) UBIT is reported on Form 990T, as appropriate The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any Tax positions are not offset or aggregated with other positions Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination Upon the adoption of the Financial Accounting Standards Board (FASB)-issued guidance at July 1, 2008, and as of each subsequent fiscal year-end, there were no unrecognized tax benefits identified and recorded as a liability

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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

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

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

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

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

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
IDC IDC Centre 2500 Paseo Verde Pkwy Henderson, NV 89074	Direct mail program for the capital campaign program		No	109,797	286,646	-176,849
Total . . . . . ▶				109,797	286,646	-176,849

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

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

		(a) Event #1 Autumn Affair (event type)	(b) Event #2 Fall Benefit Dinner (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	224,910	178,994	139,535	543,439
	2 Less Charitable contributions	84,875	78,780	83,340	246,995
	3 Gross income (line 1 minus line 2)	140,035	100,214	56,195	296,444
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes	7,864		725	8,589
	6 Rent/facility costs			37,173	37,173
	7 Food and beverages		51,957	10,714	62,671
	8 Entertainment	8,020	228	482	8,730
	9 Other direct expenses	84,938	12,588	2,644	100,170
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(217,333)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				79,111

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ ----------

Address ▶ ----------

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

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

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

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

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

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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 600.000000000000 %	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)			5,893,629		5,893,629	1 410 %
b Medicaid (from Worksheet 3, column a)			26,928,500	9,922,000	17,006,500	4 070 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			32,822,129	9,922,000	22,900,129	5 480 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,644,446		1,644,446	0 390 %
f Health professions education (from Worksheet 5)			64,226		64,226	0 020 %
g Subsidized health services (from Worksheet 6)			102,430		102,430	0 020 %
h Research (from Worksheet 7)			50,820		50,820	0 010 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,353,323		1,353,323	0 320 %
j **Total** Other Benefits			3,215,245		3,215,245	0 760 %
k **Total.** Add lines 7d and 7j			36,037,374	9,922,000	26,115,374	6 240 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	20,559,253		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	112,067,000		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	149,829,502		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-37,762,502		
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 1 Elmhurst Outpatient Surgery Center LLC	Outpatient surgical services	51 600 %	0 %	48 400 %
2 2 Cyberknife Center of Chicago LLC	Radiation treatment services for cancer patients	20 000 %	0 %	40 000 %
3 3 Elmcare LLC	Physician Health Organization (PHO)	50 000 %	0 %	50 000 %
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	Elmhurst Memorial Hospital 155 E Brush Hill Road Elmhurst, IL 60126	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Elmhurst Memorial Hospital

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 600 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**	Yes	
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**	Yes	
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? **17**

	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 7 The following cost method was used - Charity at cost A cost to charge methodology based upon the 2011 Medicare Cost Report was used to calculate costs Unreimbursed Medicaid Costs also were calculated by using a cost to charge methodology based on 2011 Medicare cost report data Column (f) percentages of total expense also were calculated based on 2011 Medicare Cost Report data

Identifier	ReturnReference	Explanation
		Part II EMH addresses various community concerns as outlined in the IPLAN, including Diabetes, Infectious Diseases, Mental Health, Overweight and Obesity, Substance Abuse, High Blood Pressure, Cancer, Arthritis, Osteoporosis, Heart Disease, Stroke, Asthma and Access to Care EMH also addresses prevention and wellness education with Power of Prevention screenings program five times a year, offering a Lipid panel with glucose, blood pressure, and Vitamin D Elmhurst also offers a variety of health screenings to community residents free or at a reduced cost A complimentary Health Education Resource Service offers community residents access to health information via multi-media at two sites Services are accessible by phone and internet Free access to Internet health sites as well as assistance with internet searches is provided The centers are stocked with pamphlets, brochures, books, reference books, periodicals and health displays The Health Education Resource Center continues to partner with the American Cancer Society to offer free navigation services to cancer patients and their families A health educator meets with individuals by appointment to do one-on-one education and referral A free speaker's bureau program offers a speaker to community groups, churches, schools and service organizations EMH also offers an employee wellness education and prevention program EMH allocates staff time and talent to educate the communities it serves EMH participates on community boards and initiatives to improve community health Some of the community boards we get involved with are American Cancer SocietyAccess DuPageDistrict 205DuPage Community ClinicElmhurst KiwanisElmhurst Chamber of CommerceFORWARDHealthy LombardLife Line ScreeningElmhurst Park KiwanisVilla Park Chamber of CommerceAddison Chamber of CommerceLombard Chamber of CommerceEMH participates in county or community health initiatives such as the FORWARD DuPage initiative (Fighting Obesity Reaching Healthy Weight Among Residents of DuPage) which is a multi agency initiative (DCHD, Access DuPage, YMCA, local school districts, government agencies, physician groups and healthcare organizations) to address obesity rates that have reached epidemic proportions Nearly 1 in 3 children are overweight and at risk of becoming obese At 34 9% Illinois ranks number 10 for overweight and obese residents Adult overweight and obesity is 56% Youth 2-18 is 34% EMH is participating in healthy assessments, and are promoting programs to the community that address overweight and obesity EMH provides grant support and partners with The Henry Hyde Resource Center in Addison to provide health information, programs and screenings to a Latino population several times each year Parents and children have been educated on car seat safety, bicycle safety, nutrition and fitness, and wellness and prevention information EMH also partners with Healthy Lombard to promote healthy nutrition and fitness in the community

Identifier	ReturnReference	Explanation
		Part III, Line 4 Management estimates the allowance for uncollectible accounts based on the aging of its accounts receivable and its historical collection experience for each payor type A cost to charge ratio method based upon the 2011 Medicare cost report was used to calculate the costs on line 2 and 6 of part III

Identifier	ReturnReference	Explanation
		Part III, Line 8 All of the shortfall reported on part III line 7 is a benefit to the communities EMH serves

Identifier	ReturnReference	Explanation
		Part III, Line 9b If the patient has no insurance coverage, Elmhurst Memorial Hospital will provide financial counseling services to assist the patient or guarantor (parent or guardian responsible for payment of services) in applying for various programs that may help resolve the patient or guarantor's bill Financial counselors assist patients in applying for government-sponsored health insurance or other third-party insurance (such as adding baby to policy), establishing a payment arrangement, and applying for financial assistance Before receiving a bill, patients without insurance coverage will receive a letter informing them of our financial assistance program and the option of payment plans

Identifier	ReturnReference	Explanation
Elmhurst Memorial Hospital		Part V, Section B, Line 10 The amount of disposable income available monthly to pay the hospital charges is calculated by subtracting "average allowed expenses" depending on age, family size, household type, from gross income This monthly amount times 60 is subtracted from the patients balance to determine the charity discount

Identifier	ReturnReference	Explanation
Elmhurst Memorial Hospital		Part V, Section B, Line 19d Determine maximun amounts charged to FAP eligible individuals The maximum charged is calcuated as described in question 10

Identifier	ReturnReference	Explanation
Elmhurst Memorial Hospital		Part V, Section B, Line 20 Elmhurst does not believe that patients who are eligible for financial assistance are charged more than an individual with insurance However, it is possible that gross charges less the calcuated charity/financial discount is greater than allowable insurance charges

Identifier	ReturnReference	Explanation
Elmhurst Memorial Hospital		Part V, Section B, Line 21 In most instances, FAP eligible patients receive a discount on gross charges However, it is possible that provider based facility charges do not reach the eligibility thresholds for discounts and are therefore billed at gross charges

Identifier	ReturnReference	Explanation
		Part VI, Line 2 Goals for Hospital's community benefits plan are developed with consideration of the Illinois Department of Public Health's Illinois Project for Local Assessment of Needs (IPLAN) IPLAN is a process developed by the Illinois Department of Public Health (IDPH) that includes a series of planning activities conducted within the local health department jurisdictions The project involves a community needs assessment and the identification of priority health issues from the findings of the assessment EMH uses strategic issues as identified by the planning process in DuPage County, where the Hospital is located The methodology used for identifying strategic health issues involves a systematic review of assessment data and community input A steering committee considers the convergence of external opportunities and threats, system strengths and weaknesses, health status findings and community themes to identify issues Strategic issues are selected to represent the most compelling public health challenges the community will face over the next five years Strategic health issues selected by the DuPage County IPLAN Steering Committee are as follows - Diabetes- Arthritis- Osteoporosis- Heart Disease- Stroke Deaths- Asthma- Infectious Diseases- Mental Health- Overweight and obesity- Substance Abuse- High Blood Pressure- Cancer- Coordination of education and communication to address health issues and promote wellness - Develop health services system to improve and maintain health and wellness, in light of changing demographics/growing vulnerable population- Evaluation of program outcomes to ensure effective and efficient interventions - Mobilization of partners and resources to address critical health issues

Identifier	ReturnReference	Explanation
		Part VI, Line 3 EMH recognizes its responsibility to the community by providing that no patient requiring necessary medical care will be refused due to a lack of financial means The organization offers a generous financial assistance policy that exceeds the standards recommended by the Illinois Hospital Association Each situation is reviewed independently and allowances are made for extenuating circumstances based on good faith efforts and circumstances Elmhurst Memorial Hospital Charitable Care Policy was adopted in March 1993 and most recently modified in June 2011 Highlights of the policy include the following - 100% discount is given on any type of self pay outstanding balance (100% or after insurance) for patients whose income levels fall at or below 200% of poverty guidelines (The Illinois Hospital Association recommends a 100% discount at 100% of poverty guidelines) - A discount is given to patients whose income levels fall above the 200% of poverty based on ability to pay (The Illinois Hospital Association encourages discounts at this level) Factors used to determine the discount include age, family size, household type, gross income and disposable income (taking into account other necessary expenses) - During fiscal year 2012, EMH provided $7,538,074 of care to individuals who qualified for financial assistance under the Charitable Care Policy This represents a "cost" measurement using the Hospital's Medicare cost to charge ratio The Hospital recognizes their responsibility to the community by providing that no patient requiring necessary health care will be refused such care solely due to a lack of financial means Each situation will be reviewed independently and allowances will be made for extenuating circumstances based on good faith efforts and circumstances The Hospital communicates the availability of its charity care policy through conspicuous signage in Hospital's Emergency Room, main lobby and registration area, as well as in the main registration area of the Elmhurst Memorial Center for Health, the Elmhurst Memorial Lombard Center for Health and the other "off campus" outpatient treatment and diagnostic areas Brochures describing the policy are available to patients and their families Additionally, the registration department, financial counselors and the patient business services employees are available to discuss the charity care program with patients and their families Every effort is made to determine eligibility for charitable care at or near the time of registration However, due to the nature of insurance coverage, the services we render, and the timing of the billing cycle, it is recognized that sometimes eligibility and final determination of the amount of charitable care will take place after services have been rendered Daily the hospital's financial counselors identify newly admitted patients with no insurance coverage These patients are contacted if medically appropriate and apprised of the Hospital's charity program Any patient wishing to apply for financial assistance will be provided the charity care application and the financial counselors will be available to assist in completing the application Prior to their first statement all uninsured patients other than cardiac rehab, elective cosmetic surgery and obstetrical package price patients, receive a letter advising them that we have no insurance information from them The Hospital also advises them that we have a financial assistance program and communicate how they can contact us regarding the financial assistance program or to provide insurance information All patients seeking financial assistance under the program must complete a charity care application including providing evidence of income, asset and debt levels with such documents as tax returns, W-2's, bank statements, check stubs, loan statements etc Charity discounts will be applied against patient bills for those who qualify under the policy The hospital will not pursue legal action for non-payment of bills against charity care patients who are eligible for partial discounts and who make good faith efforts to comply with their payment plan Once it is determined that a patient has the ability to pay a portion of the balance and subsequently that person fails to do so, the balance determined will become subject to the normal credit and collection policies, including placement with an agency for collection A Financial Review Committee will meet as needed to review the effectiveness and appropriateness of the Charitable Care policy, and to recommend changes as required

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The service area of EMH extends across the eastern portion of DuPage County and the western portion of Cook County Hospital's primary service area, defined as those zip codes contributing approximately 70% of Hospital's total inpatients, is comprised of the following communities Elmhurst Memorial Hospital - Primary Service Area60126 Elmhurst60148 Lombard60101 Addison60181 Villa Park60106 Bensenville60164 Northlake60131 Franklin Park60191 Wood Dale60163 Berkeley60139 Glendale Heights60162 Hillside60160 Melrose Park60104 Bellwood60108 BloomingdaleHospital's secondary service area is defined as those communities contributing an additional 10% of admissions Elmhurst Memorial Hospital - Secondary Service Area60103 Bartlett60188 Carol Stream60187 Wheaton60154 Westchester60153 Maywood60523 Oak Brook60165 Stone Park60137 Glen Ellyn60172 Roselle60143 Itasca60707 Elmwood ParkAge and gender break-outs for the Hospital service area are as follows Elmhurst Memorial Hospital Primary Service AreaPopulation by Age & Gender Projected Projected 2012 2017 Growth %Growth Age Groups Population Population 2012 - 2017 2012 - 2017Female 00-17 42,659 41,737 -922 -2 2% 18-44 64,404 61,411 -2,993 -4 6% 45-64 46,632 48,793 2,161 4 6% 65+ 24,589 27,162 2,573 10 5% Female Total 178,284 179,103 819 0 5%Male 00-17 44,153 43,088 -1,065 -2 4% 18-44 69,323 66,128 -3,195 -4 6% 45-64 45,989 48,662 2,673 5 8% 65+ 18,212 20,522 2,310 12 7%Male Total 177,677 178,400 723 -0 4% Grand Total 00-17 86,812 84,825 -1,987 -2 3% 18-44 133,727 127,539 -6,188 -4 6% 45-64 92,621 97,455 4,834 5 2% 65+ 42,801 47,684 4,883 11 4% Grand Total 355,961 357,503 1,542 0 4%Though overall population growth within the EMH service area is slow, growth of the 45 to 65+ age groups is significant These groups have relatively high use rates for healthcare services, which will likely result in a steady demand for inpatient services and growing demand for outpatient services Ethnicity of the Service AreaThe following table outlines Hispanic population trends in the Hospital's primary service area communities Projected Change in Population Ethnicity - Primary Service AreaAge Groups Hispanic Non-Hispanic Projected Projected 2012 Growth 2012 Growth Population 2012 - 2017 Population 2012 - 20170-17 32,653 9 5% 54,159 -9 4%18-44 46,648 7 7% 87,079 -11 2%45-65 17,558 29 5% 75,063 -0 5%65+ 5,213 32 0% 37,588 8 6%Total 102,072 13 3% 253,889 -4 7%Clearly, the Hispanic population is expected to continue to grow in the communities served by Elmhurst Memorial Hospital The older age groups (45+) are the fastest growing group within the Hispanic community and are likely to require more health services Providers serving this demographic must be sensitive to cultural differences, especially language barriers Language ServicesThe communities served by EMH are seeing noteworthy increases in the numbers of Latino families moving into the area Total care for language assistant services was $82,588 for fiscal year 2012 and included costs of salaries and benefits for translation, translation services provided by telephone transmission services, translation of forms and notices, and brochures provided in languages other than English

Identifier	ReturnReference	Explanation
		Part VI, Line 6 Elmhurst Memorial Hospital is part of Elmhurst Memorial Healthcare, an intergrated health system that promotes health in the communities of western Cook County, IL and DuPage County, IL Other members of the health system include a home health care company and affiliated physician practices that work together to provide integrated care across the health care continuum

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	IL

Additional Data

Software ID:
Software Version:
EIN: 35-2339114
Name: Elmhurst Memorial Healthcare Group

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? **17** Name and address	Type of Facility (Describe)
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
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Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory Center
Elmhurst Memorial Center for Health 1200 S York Road Elmhurst, IL 60126	O P Ambulatory 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
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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

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

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
(1) Scholarships	2	10,000			

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
Schedule I, part I, Line 2	Procedures for monitoring the use of grant funds in the United States	EMH follows federal, state, donor, and intuitional guidelines for determining eligibility for scholarships, grants and awards EMH maintains records showing the selection criteria, recipient eligibility, how funds may be used, and any related party

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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
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☑ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		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) Sandra Nelson	(i)	153,033	27,253	8,912	0	17,916	207,114	0
	(ii)	0	0	0	0	0	0	0
(2) W Peter Daniels	(i)	570,003	97,202	6,131	0	23,947	697,283	0
	(ii)	0	0	0	0	0	0	0
(3) James F Doyle	(i)	413,874	73,802	23,940	22,094	25,431	559,141	15,094
	(ii)	0	0	0	0	0	0	0
(4) Mary Stull	(i)	222,133	38,911	18,050	10,520	16,733	306,347	7,187
	(ii)	0	0	0	0	0	0	0
(5) Pamela Dunley	(i)	217,322	38,702	67,461	84,176	15,953	423,614	57,507
	(ii)	0	0	0	0	0	0	0
(6) Andrew S Blum MD	(i)	430,307	20,000	2,252	0	18,639	471,198	0
	(ii)	0	0	0	0	0	0	0
(7) Charles Colander	(i)	278,890	49,732	2,019	0	17,890	348,531	0
	(ii)	0	0	0	0	0	0	0
(8) Connie Nacopoulos MD	(i)	298,764	52,877	69,327	80,473	19,500	520,941	54,977
	(ii)	0	0	0	0	0	0	0
(9) Lois Grubb	(i)	252,550	45,179	4,289	0	15,089	317,107	0
	(ii)	0	0	0	0	0	0	0
(10) Suzann Benedetto till Jun 2011	(i)	137,174	37,807	171,825	0	13,745	360,551	0
	(ii)	0	0	0	0	0	0	0
(11) Leo F Fronza until Jun 2011	(i)	375,836	117,622	4,128,748	0	16,986	4,639,192	4,109,160
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	EMHC provides reimbursement for federal and state individual income tax return preparation up to the approved amount in the Executive Compensation package as recommended by the Human Resources Committee of the Hospital Board and approved by the Hospital Board
	Part I, Lines 4a-b	EMHC offers a Supplemental Employee Retirement Plan to all employees who participate in the executive benefits program and whose compensation exceeds the IRS allowable limit for a qualified pension plan The amount accrued/paid in 2011 was included in income on Schedule J for the following individuals Connie Nacopoulos, MD - $54,977 Leo F Fronza - $4,109,160 James F Doyle - $15,094 Mary Stull - $7,187 Pamela Dunley - $57,507 Severance payments Suzann Benedetto - $169,647 Leo Fronza Elmhurst reported total taxable income for Leo of $4,622,206 in 2011 This includes his $375,836 annual salary, and $137,210 of taxable bonuses and benefits, as well as nonrecurring compensation of $4,109,160 that Leo was contractually entitled to under the terms of his employment agreement His nonrecurring compensation includes contractually entitled deferred compensation of $4,109,160 earned over Leo's 25-plus years as Elmhurst's president

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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
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) OEC Business Interiors Inc	Sherrie Riha, EMHF Trustee, is an officer of OEC Business Interiors, Inc	127,483	Purchase of furniture/office equipment		No
(2) Alholm Monahan Klauke Hay & Oldenburg LLC	Anne Oldenburg, EMHF Trustee is a greater than 5% partner in the law firm	116,069	Legal services provided to Elmhurst Memorial Hospital		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (Auction Items)	X	144	7,523	Cost
26	Other ▸ (Paper and printing)	X	1	18,246	Cost
27	Other ▸( )				
28	Other ▸ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . **29** 0

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

Part II

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

Identifier	Return Reference	Explanation
Changes in Program Services	Form 990, Part III, line 3	Effective February 28, 2012, inpatient behavioral health and transitional care center services at the Berteau Campus were discontinued, as approved by the Illinois Health Facilities Planning Board

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 4	The Elmhurst Memorial Hospital's Bylaws regarding the criteria of the revisions to the Certificate of Incorporation and the Bylaws were changed in 2012

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Elmhurst Memorial Healthcare is the sole corporate member of Elmhurst Memorial Hospital Elmhurst Memorial Hospital is the sole corporate member of Elmhurst Memorial Home Health and Elmhurst Memorial Hospital Foundation

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	The sole corporate member can appoint, remove and fill the vacancies of trustees and officers of Hospital, Home Health, and Foundation

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	The sole corporate member's approval is required for adopting, amending, repealing and/or restating the Articles of Incorporation and Bylaws, any plan of sale, transfer, merger, consolidation or dissolution of the corporation, appointment of independent auditors, borrowing of any sum exceeding $100,000 or which has a stated term of greater than one year, any guarantee of debt, long-term capital and operational budgets, and sale of the corporation's real estate or execution of any agreement or transaction of a material nature

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	A review of the 990 was conducted prior to being filed by Hospital's Finance Committee during their meeting held in April The review was led by the Finance Committee Chair and conducted by representatives of Hospital's tax consultants, as overseen by Hospital's financial management staff The final form 990 is provided to the board members before filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	EMHC regularly and consistently monitors it's conflict of interest policy by requiring prompt and full disclosure of existing or potential conflicts of interest and in addition, sends out an annual conflict of interest questionnaire to members of the Boards of Trustees of Elmhurst Memorial Healthcare and each affiliate, non-Trustee members of Board committees, members of the Pharmacy, Nutrition and Therapeutics Committee, Healthcare Management Council, Department Heads and those with purchasing authority in excess of $50,000 The annual questionnaires are reviewed by the Director, Risk Management/Corporate Compliance Officer and the appropriate Board or committee chairman In the event that a potential conflict arises, the results may be discussed with any and all individuals necessary to come to a final determination In the event that the conflict of interest may potentially impair that person's ability to fulfill their duty to EMHC or affiliate, that person will be given an opportunity to eliminate the conflict or to resign, as reasonably determined

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The executive compensation program has been designed, under the direction of the Human Resource Committee, to attract and retain a highly qualified executive team and directly link their pay to the attainment of both corporate and personal performance objectives The Committee is comprised of outside, independent individuals with relevant expertise in a range of fields The Committee reviews executive compensation annually with input from Towers Perrin, an independent expert consulting firm Included in this review are tests of the executive pay structure against a number of available comparator groups and data sources The process is designed to meet the requirements of the IRS' rebuttable presumption of reasonableness Base salaries for executives are established by the Committee to reflect each executive's scope of responsibility and individual performance The Committee uses a "scorecard" approach to evaluate performance which provides comprehensive performance measures and indicators and enable the Committee to evaluate performance and progress with respect to critical goals The Committee maintains minutes of its proceedings and deliberations, and makes recommendations to the Board of Trustees for their consideration and action

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	EMHC and its subsidiaries' audited financial statements are made available on the organization's website and by request Governing documents and conflict of interest policy are not available to the general public

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -74,356 Pension & Supplemental Plan related Changes -42,721,560 Temporarily Restricted Contributions 2,060,835 Temporarily Restricted Contributions Released from Restriction -2,390,448 Transfers from Affiliates 41,933,897 Transfers to Affiliates -12,251,690 Impairment Loss 2,617,355 Total to Form 990, Part XI, Line 5 -10,825,967

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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
Elmhurst Memorial Healthcare Group

Employer identification number
35-2339114

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
(1) Elmhurst Memorial Professional Services LLC 155 Brush Hill Road Elmhurst, IL 60126 80-0152217	Physician Group-Radiology	IL			Elmhurst Memorial Hospital

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) Elmhurst Memorial Healthcare 155 Brush Hill Road Elmhurst, IL 60126 36-4037473	Healthcare provider, administrative	IL	501(c)	Line 3	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Elmhurst Outpatient Surgery Center LLC 1200 S York Road Elmhurst, IL 60126 36-4150045	Outpatient Surgery	IL	N/A	related	1,012,305	2,886,199		No			No	50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Elmhurst Memorial Health Technologies LLc 855 North Church Court Elmhurst, IL 60126 36-3229839	Practice Management	IL	N/A	C			

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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
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	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o	Yes	
p Reimbursement paid by related organization(s) for expenses	1p		No
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other transfer of cash or property from related organization(s)	1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Elmhurst Outpatient Surgery Center LLC	K	119,678	Cash Transfers
(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	

Elmhurst Memorial Healthcare and Subsidiaries

Financial Report
June 30, 2012

Contents

Independent Auditor's Report

To the Board of Trustees
Elmhurst Memorial Healthcare
Elmhurst, Illinois

We have audited the accompanying consolidated balance sheets of Elmhurst Memorial Healthcare and Subsidiaries ("Elmhurst") as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in unrestricted net assets, changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of Elmhurst's management Our responsibility is to express an opinion on these financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Elmhurst Memorial Healthcare and Subsidiaries as of June 30, 2012 and 2011, and the results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

McGladrey LLP

Chicago, Illinois
September 24, 2012

Elmhurst Memorial Healthcare and Subsidiaries

Consolidated Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	**$ 19,639,323**	$ 23,339,411
Short-term investments	**1,112,672**	1,111,519
Patient accounts receivable - less allowances for uncollectible accounts of $12,640,000 in 2012 and $11,262,000 in 2011	**66,626,246**	58,609,224
Inventories	**7,149,569**	7,518,757
Prepaid expenses, interest receivable, and other	**10,530,647**	8,955,528
Amounts due from third-party payors	**11,455,785**	12,362,561
Total current assets	**116,514,242**	111,897,000
Investments and Assets Limited as to Use		
Internally designated for capital improvements	**188,934,325**	254,728,404
Externally designated investments under bond agreements	**36,116,963**	31,772,065
Other investments and assets limited as to use	**5,041,422**	5,184,913
Total investments and assets limited as to use	**230,092,710**	291,685,382
Cash and Investments Posted as Swap Collateral	**33,006,309**	3,071,351
Land, Buildings, and Equipment - net	**573,787,554**	617,754,041
Prepaid Pension, Deferred Financing Costs, and Other	**14,512,217**	14,190,865
	$ 967,913,032	$ 1,038,598,639
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 21,031,487**	$ 70,032,811
Accrued payroll and other	**29,753,122**	25,843,876
Amounts due to third-party payors	**30,602,314**	28,351,919
Current maturities of debt	**5,849,267**	5,330,004
Borrowings under lines of credit	**20,000,000**	-
Total current liabilities	**107,236,190**	129,558,610
Long-Term Debt, excluding current maturities	**501,167,655**	506,862,261
Other Liabilities	**57,268,757**	36,924,815
Accrued Pension	**59,986,565**	15,422,911
Total liabilities	**725,659,167**	688,768,597
Net Assets		
Unrestricted	**237,274,671**	344,521,228
Temporarily restricted	**4,489,679**	4,819,299
Permanently restricted	**489,515**	489,515
	242,253,865	349,830,042
	$ 967,913,032	$ 1,038,598,639

See Notes to Consolidated Financial Statements

Elmhurst Memorial Healthcare and Subsidiaries

Consolidated Statements of Operations and Changes in Unrestricted Net Assets
Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Net patient service revenue	**$ 388,422,359**	$ 351,433,096
Other revenue	**21,523,880**	17,640,810
	409,946,239	369,073,906
Expenses		
Salaries and benefits	**182,648,092**	170,002,163
Supplies	**62,882,821**	56,741,466
Purchased services and other	**105,218,796**	96,349,018
Provision for bad debts	**22,650,261**	24,585,166
Depreciation and other charges relating to buildings and equipment	**53,538,658**	34,158,449
Medicaid tax	**7,312,614**	7,310,342
One-time costs associated with new hospital	**-**	4,628,954
	434,251,242	393,775,558
Operating loss	**(24,305,003)**	(24,701,652)
Nonoperating income (expense)		
Investment income	**9,599,382**	12,529,020
Unrealized (losses) gains on investments	**(10,388,862)**	35,352,995
Interest expense	**(15,044,147)**	(7,662,371)
Expenses related to debt and investments	**(2,527,184)**	(969,232)
Amortization of deferred financing costs	**(140,494)**	(145,481)
Cash settlements on interest rate swaps	**(1,929,526)**	1,008,257
Unrealized (loss) gain on interest rate swaps	**(19,810,840)**	4,694,741
Change in unrealized gain on hedge fund investments	**1,532,821**	(677,730)
	(38,708,850)	44,130,199
Excess (deficit) of revenue over expenses	**(63,013,853)**	19,428,547
Other changes in unrestricted net assets		
Discontinued operations (Note 14)	**(1,688,478)**	2,412,465
Amortization of gain on discontinuation of hedge accounting	**177,334**	178,463
Pension and supplemental plan related changes, other than net periodic pension cost	**(42,721,560)**	26,851,456
Temporarily restricted contributions released for capital projects	**-**	2,000,000
	(44,232,704)	31,442,384
(Decrease) increase in unrestricted net assets	**$ (107,246,557)**	$ 50,870,931

See Notes to Consolidated Financial Statements

Elmhurst Memorial Healthcare and Subsidiaries

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

	2012	2011
Unrestricted net assets		
Excess (deficit) of revenue over expenses	**$ (63,013,853)**	$ 19,428,547
Discontinued operations (Note 14)	**(1,688,478)**	2,412,465
Amortization of gain on discontinuation of hedge accounting	**177,334**	178,463
Pension and supplemental plan related changes, other than net periodic pension cost	**(42,721,560)**	26,851,456
Temporarily restricted contributions released for capital projects	**-**	2,000,000
(Decrease) increase in unrestricted net assets	**(107,246,557)**	50,870,931
Temporarily restricted net assets		
Contributions for medical education programs, capital purchases, and other purposes	**2,060,828**	2,712,314
Net assets released from restrictions and used for operations, capital purposes, and medical education programs	**(2,390,448)**	(4,020,288)
Decrease in temporarily restricted net assets	**(329,620)**	(1,307,974)
(Decrease) increase in net assets	**(107,576,177)**	49,562,957
Net assets		
Beginning of year	**349,830,042**	300,267,085
End of year	**$ 242,253,865**	$ 349,830,042

See Notes to Consolidated Financial Statements

Elmhurst Memorial Healthcare and Subsidiaries

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

	2012	2011
Cash Flows from Operating Activities		
(Decrease) increase in net assets	**$ (107,576,177)**	$ 49,562,957
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities		
Depreciation and other charges relating to buildings and equipment	**53,538,658**	34,543,448
Loss on disposal of assets	**365,176**	27,939
Amortization of deferred financing costs	**140,494**	145,481
Amortization of bond discount/premium	**154,661**	140,466
Unrealized losses (gains) on investments	**8,856,041**	(34,675,265)
Unrealized loss (gain) on interest rate swaps	**19,810,840**	(4,694,741)
Restricted contributions	**-**	(2,000,000)
Change in patient accounts receivable		
Net increase in patient accounts receivable	**(22,578,632)**	(46,542,020)
Increase in contractual allowances	**17,620,385**	36,810,486
Provision for bad debts	**22,650,261**	25,233,612
Write-offs of accounts receivable	**(25,709,036)**	(22,314,856)
(Decrease) increase in prepaid pension, deferred financing costs, and other	**512,154**	1,002,631
Net change in other assets and liabilities	**47,267,346**	(54,766,368)
Net cash provided by (used in) operating activities	**15,052,171**	(17,526,230)
Cash Flows from Investing Activities		
Acquisition of buildings and equipment	**(56,383,012)**	(125,812,087)
Proceeds from sale of buildings and equipment	**160,237**	31,350
Purchases of investments	**(23,544,006)**	(40,198,167)
Proceeds from sales and maturities of investments	**76,279,484**	198,947,521
Cash and investments posted as swap collateral	**(29,934,958)**	(3,071,351)
Net cash (used in) provided by investing activities	**(33,422,255)**	29,897,266
Cash Flows from Financing Activities		
Borrowings on lines of credit	**20,000,000**	-
Proceeds from restricted contributions - net of assets released from restrictions	**-**	2,000,000
Repayment of long-term debt	**(5,330,004)**	(5,225,004)
Net cash provided by (used in) financing activities	**14,669,996**	(3,225,004)
(Decrease) increase in cash and cash equivalents	**(3,700,088)**	9,146,032
Cash and cash equivalents		
Beginning of year	**23,339,411**	14,193,379
End of year	**$ 19,639,323**	$ 23,339,411
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	**$ 11,594,310**	$ 11,296,800
Supplemental Schedule of Noncash Investing and Financing Activities		
Capital acquisitions funded through accounts payable	**$ 1,354,098**	$ 47,639,526

See Notes to Consolidated Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies

Organization Elmhurst Memorial Healthcare and Subsidiaries ("Elmhurst") is an integrated delivery system that provides health care services to the residents of eastern Du Page and western Cook counties Elmhurst provides a broad continuum of services and is committed to providing high-quality, comprehensive patient care that is designed to meet the total needs of the patient

Elmhurst functions in a leadership role in improving the health of the community through an emphasis on health maintenance, education, and rehabilitation, as well as diagnosis and treatment

Elmhurst is the sole corporate member of Elmhurst Memorial Hospital (the "Hospital") and is also the sole shareholder of Elmhurst Memorial Health Technologies, LLC ("HTI") The Hospital is the sole corporate member of Elmhurst Memorial Home Health ("Home Health") and Elmhurst Memorial Hospital Foundation (the "Foundation")

Principles of consolidation The consolidated financial statements include the accounts and transactions of Elmhurst, the Hospital, Home Health, HTI, and the Foundation All significant intercompany accounts and transactions have been eliminated in consolidation

Use of estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable and settlements with third-party payors, the accrual for professional liability, accrued pension cost and the valuation of alternative investments and derivative financial instruments Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the consolidated financial statements

Cash equivalents Elmhurst considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents The carrying value of cash equivalents approximates fair value

Throughout the year, Elmhurst may have amounts on deposit with financial institutions in excess of those insured by the Federal Deposit Insurance Corporation Elmhurst has not experienced any losses in such accounts

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

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Patient receivables due directly from patients are carried at the original charge for the service provided less amounts covered by third-party payors and less estimated allowances for uncollectible accounts and charity Management estimates the allowance for uncollectible accounts based on the aging of its accounts receivable and its historical collection experience for each payor type Management estimates the allowance for charity based on the Hospital's charity care policy and historical charity care experience Recoveries of receivables previously written off as uncollectible are recorded as a reduction of the provision for bad debts when received The provision for bad debts for the year ended June 30, 2011, was increased by a change in estimate related to prior year receivables of approximately $4,300,000

The past due status of receivables is determined on a case-by-case basis depending on the payor responsible Interest is generally not charged on past due accounts

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

Inventories Inventories are stated at the lower of cost (first-in, first-out) or market Inventories consist mainly of supplies

Investments and assets limited as to use Investments in equity securities, mutual funds, and debt securities are measured at fair value in the consolidated financial statements, based on prices available in active markets for identical instruments Elmhurst has designated its investments as trading securities Accordingly, investment gains and losses (including interest, dividends, and realized and unrealized gains and losses) are included in excess of revenue over expenses unless the income or loss is restricted by donor or law (see Note 5) The fair values of investments in hedge funds and equity securities held in commingled funds are valued based on the net asset value provided by the respective fund manager or general partners, where the fair value of the underlying securities, which may or may not be traded in an active market, is the most significant input to the resulting net asset value Elmhurst is a passive participant in these funds and manages its holdings in these funds similar to its holdings in other financial instruments Investments in real estate are measured at fair value based on current appraisal value Unrealized gains and losses on hedge funds are included in excess (deficit) of revenue over expenses (see Note 5) Investment returns on permanently restricted assets are allocated to purposes specified by the donor, either as temporarily restricted or unrestricted

Assets limited as to use consist of investments set aside by the Board of Trustees for future capital acquisitions and improvements, medical education, and other health care programs over which the Board retains control and may, at its discretion, subsequently use for other purposes Additionally, assets limited as to use include investments held by trustees under bond agreements

Fair value of financial instruments Financial instruments consist primarily of cash and cash equivalents, investments, derivatives, patient accounts receivable, amounts due to/from third-party payors, accounts payable, and long-term debt Except for derivatives and long-term debt, the fair value of these instruments approximated their financial statement carrying amount at June 30, 2012 and 2011, because of their short-term maturity See Note 6 for additional fair value disclosures

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Joint ventures Elmhurst Memorial Hospital has a joint venture arrangement with Elmhurst Outpatient Surgery Center, LLC which includes a 51 6 percent interest in the entity This investment, which totaled $2,932,615 and $2,916,787 as of June 30, 2012 and 2011, respectively, is accounted for on the equity basis and is included in other assets in the accompanying consolidated balance sheets

Elmhurst Memorial Healthcare has a joint venture arrangement with Cyberknife Center of Chicago, LLC, which includes a 20 0 percent interest in the entity This investment, which totaled $182,423 and $109,807 as of June 30, 2012 and 2011, respectively, is accounted for on the equity basis and is included in other assets in the accompanying consolidated balance sheets

Land, buildings, and equipment Property and equipment are recorded at cost or, if donated, at fair market value at the date of donation Depreciation for land, buildings, and equipment is provided over the estimated useful lives of each class of depreciable assets using the straight-line method and the half-year convention Land improvements are depreciated over 25 5 to 40 5 years, buildings over 20 5 to 40 5 years, and equipment over 3 5 to 20 5 years Interest expense incurred during the development and construction of properties, net of interest income earned on unspent bond proceeds, is capitalized as part of the property cost and is depreciated over the useful life of the property Net interest expense of $9,198,075 was capitalized for the year ended June 30, 2011

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

Deferred financing costs and intangible assets Expenses incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related financing using a method which approximates the effective-yield method Intangible assets are principally amortized over a period of 15 years using the straight-line method

Derivative instruments and hedging activities Derivative instruments are recorded at fair value, which considers, among other factors, nonperformance risk Gains and losses on nonhedging or the ineffective portion of hedging derivative instruments are recorded as components of nonoperating income and gains and losses on the effective portion of hedging instruments are recorded as components of Other Changes in Unrestricted Net Assets within the Consolidated Statements of Operations and Changes in Unrestricted Net Assets (see Note 8) When a hedge is dedesignated but the hedged transactions are still probable to occur, gains and losses on the hedging instrument arising subsequent to the date of dedesignation are recorded as components of nonoperating income, and gains or losses previously recorded as components of Other Changes in Unrestricted Net Assets are amortized to nonoperating income when the hedged transactions affect income

Accrued professional liability The provision for accrued professional liability includes estimates of the ultimate costs of claims incurred but not reported and is actuarially determined

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Net assets Elmhurst may classify its net assets into three categories, which are unrestricted, temporarily restricted and permanently restricted

Unrestricted net assets are reflective of revenues and expenses associated with the principal operating activities of Elmhurst and are not subject to donor-imposed stipulations

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of Elmhurst and/or the passage of time Assets released from restrictions that are used for the purchase of fixed assets or capital purposes are reported in the Consolidated Statements of Operations and Changes in Net Assets as additions to unrestricted net assets 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 Restricted earnings are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by Elmhurst

Donor-restricted gifts Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets as net assets released from restrictions

Net patient service revenue Elmhurst has agreements with third-party payors that provide for payments to Elmhurst at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors, which are subject to audit by administering agencies Contractual adjustments under third-party reimbursement programs are accrued on an estimated basis and are adjusted in future periods as final settlements are determined See Note 2 for additional information

Charity care Elmhurst provides care to all patients regardless of their ability to pay Uncompensated care and community service provided by Elmhurst are excluded from net patient service revenue See Note 4 for additional information

Medicare and Medicaid Electronic Health Records ("EHR") Incentive Programs The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid Incentive Programs beginning in Federal fiscal year 2011 for eligible acute care hospitals that are meaningful users of certified EHR technology, as defined by the Federal Register Elmhurst has implemented certified EHR technology that has enabled it to demonstrate its meaningful use and to qualify for the incentive programs The initial incentive payments received for both the Medicare and Medicaid EHR incentive programs are estimates based upon data from prior year's cost reports The final settlements will be determined after the submission of the current annual cost reports and subsequent audits by the fiscal intermediary The EHR Incentive Programs are expected to continue through September 30, 2014, and the incentive payments will be calculated annually After that date, hospitals that are not meaningful users of certified users of certified EHR technology will be subject to a potential decrease in their Medicare and Medicaid payments Elmhurst accounts for EHR incentive funds using the grant accounting model

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Elmhurst successfully registered for the Medicare EHR Incentive Program in April 2012 Elmhurst completed the attestation process in May 2012 after demonstrating the ninety days of continuous use as a meaningful user In June 2012, Elmhurst received $2,878,870 of Medicare EHR incentive for the Federal fiscal year ending September 30, 2012, and has recorded this amount as Other Operating Revenue in the accompanying Consolidated Statement of Operation and Changes in Unrestricted Net Assets for the year ended June 30, 2012

Elmhurst successfully registered for the Illinois Medicaid EHR Incentive Program in April 2012 and completed the attestation process in May 2012 As of June 30, 2012, Elmhurst has recorded $300,000 for Medicaid EHR incentive for the State's fiscal year ended June 30, 2012 This amount is other operating revenue in the accompanying Consolidated Statement of Operations and Changes in Unrestricted Net Assets for the year ended June 30, 2012 The related receivable is included in Prepaid Expenses, Interest Receivable, and Other Assets in the accompanying June 30, 2012 Consolidated Balance Sheet

Excess (deficit) of revenue over expenses The Consolidated Statements of Operations and Changes in Unrestricted Net Assets include excess of revenue over expenses Changes in unrestricted net assets, which are excluded from excess (deficit) of revenue over expenses, include the effective portion of interest rate swaps, pension and supplemental plan related changes other than net periodic pension cost, the results of discontinued operations, and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets

Operating income (loss) The Consolidated Statements of Operations and Changes in Unrestricted Net Assets include operating income Changes in unrestricted net assets, which are excluded from operating income (loss), include unrestricted contributions, interest and financing costs, and other income which management views as outside of normal operating activity

Income and other taxes Elmhurst Memorial Healthcare, Elmhurst Memorial Hospital, Elmhurst Memorial Home Health and Elmhurst Memorial Hospital Foundation have received determination letters from the Internal Revenue Service stating that they are exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code Accordingly, income taxes are not provided for in the accompanying consolidated financial statements

HTI, a wholly owned subsidiary of Elmhurst, is a for-profit limited liability corporation

For the year ended June 30, 2012, HTI had net operating income of $33,432 for financial statement purposes that was offset by previous years' net operating losses (NOL) In accordance with Internal Revenue Service regulations, an NOL may be carried forward 20 years to offset taxable income that exists in those years At June 30, 2012, approximately $4,566,397 of NOL was available to be carried forward

As a result of the NOL, HTI has no Federal tax expense or tax liability for the years ended June 30, 2012 and 2011 The deferred tax asset related to the NOL is offset by a valuation allowance, as realization of the tax benefits of the NOL carryforward is not assured

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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

Tax positions are not offset or aggregated with other positions Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination Upon the adoption of the Financial Accounting Standards Board (FASB)-issued guidance at July 1, 2008, and as of each subsequent fiscal year-end, there were no unrecognized tax benefits identified and recorded as a liability

Forms 990 and 990T filed by Elmhurst Memorial Healthcare and its subsidiaries are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return Forms 990 and 990T filed by Elmhurst Memorial Healthcare and its subsidiaries are no longer subject to examination for the tax years 2007 and prior

New accounting guidance During the year ended June 30, 2012, Elmhurst adopted the disclosure guidance contained in FASB Accounting Standards Update (ASU) No 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure – a consensus of the FASB Emerging Issues Task Force* This ASU requires that the measurement of charity care by a health care entity for disclosure purposes be based on the direct and indirect costs of providing the charity care, and that Elmhurst provide disclosure regarding the method used to identify or determine such costs See Note 4 for further information

During the year ended June 30, 2012, Elmhurst adopted the provisions of FASB ASU No 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, which further clarifies that health care entities should not net insurance recoveries against the related claim liabilities In connection with Elmhurst's retrospective application of ASU 2010-24, Elmhurst recorded an increase to its Prepaid Pension, Deferred Financing Costs, and Other Assets and Other Liabilities as of June 30, 2012 and 2011 of $4,094,000 and $3,120,000, respectively This increase represents Elmhurst's estimate of its recoveries for certain claims in excess of Elmhurst's self-insured retention levels for professional liability claims The adoption of ASU 2010-24 had no impact on Elmhurst's results of operations, net assets or cash flows

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Pending pronouncement In July 2011, the FASB issued ASU 2011-07, *Health Care Entities (Topic 954) – Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities – a consensus of the FASB Emerging Issues Task Force* ASU 2011-07 requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay, to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts) Additionally, ASU 2011-07 requires those health care entities to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts

For public entities such as Elmhurst, the provisions of ASU 2011-07 are effective for fiscal years and interim periods within those years beginning after December 15, 2011, with early adoption permitted The changes to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented The disclosures required by ASU 2011-07 should be provided for the period of adoption and subsequent reporting periods Elmhurst is assessing the impact of the implementation of ASU 2011-07 on its consolidated financial statements

Reclassifications Certain prior year amounts have been reclassified to conform to the current year presentation

Note 2. Net Patient Service Revenue

Net patient service revenue in 2012 and 2011 was increased by the effect of favorable third-party payor settlements and related changes in estimates of approximately $2,839,000 and $845,000, respectively A summary of the basis of reimbursement with major third-party payors follows

Medicare The Hospital is paid for inpatient acute care and outpatient care services rendered to Medicare program beneficiaries under prospectively determined rates per discharge (Prospective Payment Systems) These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The Hospital's classification of patients under Prospective Payment Systems and the appropriateness of the patient's admissions are subject to validation reviews The Hospital is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual reimbursement reports by the Hospital and audits by the Medicare fiscal intermediary

Elmhurst has filed formal appeals relating to the settlement of certain prior-year Medicare cost reports The outcome of such appeals cannot be determined at this time Any resulting gains will be recognized in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets when realized

Medicaid The Hospital is reimbursed at prospectively determined rates for each Medicaid inpatient discharge Outpatient services are reimbursed based on established fee screens For inpatient acute care services, payment rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The prospectively determined rates are not subject to retroactive adjustment Medicaid reimbursement may be subject to periodic adjustment, as well as to changes in existing payment levels and rates, based on the amount of funding available to the Medicaid program

Note 2. Net Patient Service Revenue (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs

Medicaid Hospital Tax Assessment Program The Hospital is part of the State of Illinois hospital tax assessment program which is administered by the Illinois Department of Public Aid The laws and regulations authorizing this Program have been extended through June 30, 2014 There is no assurance of the continuation of this program after June 30, 2014 Under this program, the Hospital is to receive annually approximately $8,678,000 from the State and pay annually a provider tax assessment approximating $7,304,000 For the years ended June 30, 2012 and 2011, the Hospital has recorded $8,677,882 in assessment revenue (included in net patient service revenue) and $7,312,614 and $7,310,342, respectively, in assessment expense (Medicaid tax)

On June 14, 2012, the Governor of Illinois signed the Save Medicaid Access and Resources Together (SMART) Act The SMART Act reduces by 3 5 percent all Illinois Medicaid payments received by hospitals (excluding Safety Net Providers, as defined, and Critical Access Hospitals) effective July 1, 2012

The SMART Act also includes an enhanced hospital tax assessment program that, if approved by the Centers for Medicare and Medicaid Services (CMS), will extend the program through December 31, 2014 and generate additional funds that will be used to attract additional Federal matching funds The additional funds will be used to provide new hospital payments designed to preserve and improve access to hospital services for residents throughout Illinois Management believes that the enhanced hospital tax assessment program, if approved by CMS, will not have a significant effect on the Hospital

Blue Cross Substantially all of the Hospital's reimbursement from Blue Cross is derived from three managed care contracts, that provide cost-based reimbursement to the Hospital The Hospital also participates as a provider of health care services under another cost-based reimbursement agreement with Blue Cross

Managed care organizations The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis of payment under these agreements includes discounts from established charges, prospectively determined per diem and case rates, and cost-based methodologies

Note 3. Concentrations of Credit Risk

Elmhurst grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net patient accounts receivable from patients and third-party payors as of June 30, 2012 and 2011 was as follows

	2012	2011
Medicare	26 %	19 %
Medicaid	10	6
Managed care (other than Blue Cross)	33	37
Blue Cross	10	10
Self-pay	11	13
Other	10	15
	100 %	100 %

Note 4. Charity Care

In the ordinary course of business, Elmhurst renders services to patients who are financially unable to pay for medical care Elmhurst provides care to these patients who meet certain criteria under its charity care policy without charge or at amounts less than the established rates Charity care eligibility is established based on limited or no insurance coverage, income compared to published poverty levels and family size, as well as other factors Because Elmhurst does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Elmhurst maintains records to identify and monitor the level of charity care it provides Charity care is measured based on the Elmhurst's estimated direct and indirect costs of providing charity care services That estimate is made by calculating a ratio of cost to gross charges, applied to the uncompensated charges associated with providing charity care to patients The amount of charity care provided during the years ended June 30, 2012 and 2011 was approximately $7,096,000 and $7,482,000, respectively

Note 5. Investments and Assets Limited as to Use

Investments and assets limited as to use as of June 30, 2012 and 2011, consisted of the following

	2012	2011
Cash and cash equivalents	$ 15,581,971	$ 9,783,278
Certificates of deposit	-	300,495
Equity securities		
U S	69,847,649	70,638,673
Non-U S	22,813,912	25,699,977
Global real estate	17,206,263	17,362,959
Fixed income securities		
U S government obligations	15,145,907	29,691,115
Corporate bonds	7,811,005	22,410,548
Mutual funds and trusts invested in U S fixed-income securities	22,523,180	46,025,258
Trust invested in global fixed-income securities	19,074,236	23,538,334
Hedge funds	29,805,561	34,860,762
Mutual fund invested in TIPS and commodities	10,420,698	11,510,502
Real estate	975,000	975,000
	$ 231,205,382	$ 292,796,901

Assets limited as to use and short-term investments are classified at June 30, 2012 and 2011, as follows

	2012	2011
Short-term investments	$ 1,112,672	$ 1,111,519
Investments and assets limited as to use	230,092,710	291,685,382
	$ 231,205,382	$ 292,796,901

Other investments and assets limited as to use as of June 30, 2012 and 2011, consisted of the following

	2012	2011
Internally designated for medical education and other health care services	$ 4,081,029	$ 4,549,283
Temporarily restricted donor assets	470,878	146,115
Donor assets restricted into perpetuity	489,515	489,515
	$ 5,041,422	$ 5,184,913

Note 5. Investments and Assets Limited as to Use (Continued)

Investment returns for the years ended June 30, 2012 and 2011, consisted of the following

	2012	2011
Interest and dividend income	$ 4,074,393	$ 5,465,990
Realized income - net	5,524,989	7,063,030
Investment income	$ 9,599,382	$ 12,529,020

Investment returns on externally designated investments related to Elmhurst's debt were $722,702 and $763,490 during the years ended June 30, 2012 and 2011, respectively These amounts are presented as other operating revenue in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets and all other investment returns are presented as nonoperating investment income

Note 6. Fair Value Disclosures

Fair value measurements Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date In determining fair value, Elmhurst uses various methods including market, income and cost approaches Based on these approaches, Elmhurst often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique These inputs can be readily observable, market corroborated, or generally unobservable inputs Elmhurst utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs Based on the observability of the inputs used in the valuation techniques Elmhurst is required to provide the following information according to the fair value hierarchy The fair value hierarchy ranks the quality and reliability of the information used to determine fair values Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories

Level 1 Quoted prices for identical instruments in active markets

Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets Valuations are obtained from third party pricing services for identical or similar assets or liabilities

Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety

For the years ended June 30, 2012 and 2011, the application of valuation techniques applied to similar assets and liabilities has been consistent The following is a description of the valuation methodologies used for instruments measured at fair value

Note 6. Fair Value Disclosures (Continued)

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument

Alternative Investments

The fair value of alternative investments (hedge funds) is $29,805,561 and $34,860,762 at June 30, 2012 and 2011, respectively Of these amounts, $15,772,361 and $17,652,139 was invested in a fund of hedge funds with quarterly liquidity requiring 95 days notice for redemption and $14,033,200 and $17,208,623 was invested in a fund of hedge funds with quarterly liquidity requiring 60 days notice for redemption as of June 30, 2012 and 2011, respectively Alternative investments with no market activity are valued using the market values of the underlying investments held by the investment fund Management's estimate of the fair value of hedge funds and equities held in commingled funds are based on information provided by the fund managers or general partners, which in turn is based on the most recent information available to the fund manager for the underlying investments

In determining the appropriate levels, Elmhurst performs a detailed analysis of the assets and liabilities that are subject to the FASB-issued guidance At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3

Interest Rate Swaps

Currently, Elmhurst uses interest rate swaps to manage interest rate risks The valuation of these instruments is determined by utilizing widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each interest rate swap This analysis reflects the contractual terms of the interest rate swap, including the period to maturity and uses observable market-based inputs, including LIBOR rate curves

	Liability Derivatives			
	2012		2011	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments*				
Interest rate contracts	Other liabilities	$ 32,722,314	Other liabilities	$ 13,088,685
Total derivatives		$ 32,722,314		$ 13,088,685

* Note 8 provides additional information on Elmhurst's purpose for entering into derivatives

Note 6. Fair Value Disclosures (Continued)

	Location of Gain (Loss) Recognized in Excess of Revenue over Expenses	Amount of Gain (Loss) Recognized in Excess of Revenue over Expenses	
		2012	2011
Derivatives not designated as hedging instruments			
Interest rate contracts	Nonoperating income (expense)	$ (21,740,366)	$ 5,702,998

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis, as of June 30, 2012 and 2011

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash	$ 15,581,971	$ -	$ -	$ 15,581,971
Certificates of deposit	-	-	-	-
Equity securities				
U S	15,088,448	54,759,201	-	69,847,649
Non-U S	-	22,813,912	-	22,813,912
Global real estate	17,206,263	-	-	17,206,263
Fixed income securities				
U S government and government agency obligations	15,145,907	-	-	15,145,907
Corporate bonds	-	7,811,005	-	7,811,005
Mutual funds and trusts invested in U S fixed-income securities	11,031,651	11,491,529	-	22,523,180
Trust invested in global fixed-income securities	-	19,074,236	-	19,074,236
Hedge funds	-	29,805,561	-	29,805,561
Mutual fund invested in TIPS and commodities	10,420,698	-	-	10,420,698
Real estate	-	975,000	-	975,000
Total investments	$ 84,474,938	$ 146,730,444	$ -	$ 231,205,382
Interest rate swaps	$ -	$ (32,722,315)	$ -	$ (32,722,315)

Note 6. Fair Value Disclosures (Continued)

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash	$ 9,783,278	$ -	$ -	$ 9,783,278
Certificates of deposit	-	300,495	-	300,495
Equity securities				-
U S	15,657,019	54,981,654	-	70,638,673
Non-U S	168,904	25,531,073	-	25,699,977
Global real estate	17,362,959	-	-	17,362,959
Fixed income securities				
U S government and government agency obligations	29,691,115	-	-	29,691,115
Corporate bonds	13,557,416	8,853,132	-	22,410,548
Mutual funds and trusts invested in U S fixed-income securities	15,815,030	30,210,228	-	46,025,258
Trust invested in global fixed-income securities	-	23,538,334	-	23,538,334
Hedge funds	-	34,860,762	-	34,860,762
Mutual fund invested in TIPS and commodities	11,510,502	-	-	11,510,502
Real estate	-	975,000	-	975,000
Total investments	$ 113,546,223	$ 179,250,678	$ -	$ 292,796,901
Interest rate swaps	$ -	$ (13,088,685)	$ -	$ (13,088,685)

Fair value of financial instruments The following methods and assumptions were used by Elmhurst to estimate the fair value of other financial instruments not described above

The carrying values of cash and cash equivalents, accounts receivable, other receivables, accounts payable, accrued expenses and amounts due to or from third-party payors are reasonable estimates of their fair value due to the short-term nature of these financial instruments

The estimated fair value of long-term debt, based on quoted market prices for the same or similar issues, was approximately $15,714,000 more than its carrying value at June 30, 2012, and approximately $9,132,000 less than its carrying value at June 30, 2011

Note 7. Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost, less accumulated depreciation, at June 30, 2012 and 2011, as follows

	2012	2011
Land and land improvements	$ 104,768,334	$ 103,369,601
Buildings	563,527,658	571,667,791
Equipment	242,424,391	234,735,258
Construction in progress	2,761,831	3,612,826
Land held for future use	954,860	954,860
	914,437,074	914,340,336
Less accumulated depreciation	(340,649,520)	(296,586,295)
	$ 573,787,554	$ 617,754,041

In June 2011, Elmhurst opened its new integrated health care campus The campus currently includes a replacement hospital and additional physician offices As of June 30, 2012, the old campus was still being used for cancer treatment services and is expected to be used for cancer services through 2013 up until the new cancer center is built on the new health care campus The Hospital recognized an impairment charge of $8,186,000 in 2012 related to the fair value of its Berteau campus as of September 2011 when the decision was made to relocate all services off of the Berteau campus This charge is included in Depreciation and Other Charges Relating to Buildings and Equipment in the accompanying Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2012 The Hospital also reassessed the depreciable lives associated with the buildings and equipment remaining at Berteau and will depreciate the remaining book value over the period ending June 30, 2013 The net book value of the fixed assets and land at the old hospital campus was $7,947,053 and $18,970,719 as of June 30, 2012 and 2011, respectively The fixed assets at the old hospital campus will be fully depreciated by June 30, 2013

Net interest cost capitalized during the year ended June 30, 2011 was $9,198,074 The accumulated capitalized interest cost as of June 30, 2011 was $17,401,539

Note 8. Long-Term Debt

Long-term debt at June 30, 2012 and 2011 consists of the following

	2012	2011
5 00% to 6 25% secured revenue refunding bonds, dated December 15, 2002 (Series 2002D), due in varying annual principal installments through January 1, 2028	$ 124,546,719	$ 126,688,396
Variable rate direct note obligation Series 1985C and 1985D (0 18% and 0 10% at June 30, 2012 and 2011, respectively), maturing on December 15, 2012	5,333,296	8,533,300
Variable rate direct note obligation Series 2004A (0 30% and 0 25% at June 30, 2012 and 2011, respectively), maturing on January 1, 2034	6,482,000	6,482,000
Secured revenue bonds Series 2008A (4 5% to 5 625%), dated May 15, 2008, due in varying annual principal installments through January 1, 2037	120,511,207	120,344,869
Variable rate demand revenue bonds, Series 2008B (0 17% and 0 04% at June 30, 2012 and 2011, respectively), maturing on January 1, 2048	100,000,000	100,000,000
Variable rate demand revenue bonds, Series 2008C (0 31% and 0 10% at June 30, 2012 and 2011, respectively), maturing on January 1, 2048	75,000,000	75,000,000
Variable rate demand revenue bonds, Series 2008D (0 14% and 0 06% at June 30, 2012 and 2011, respectively), maturing on January 1, 2048	50,000,000	50,000,000
Variable rate demand revenue bonds, Series 2008E (0 30% and 0 24% at June 30, 2012 and 2011, respectively), maturing on January 1, 2048	25,000,000	25,000,000
Other long-term borrowings	143,700	143,700
	507,016,922	512,192,265
Less current maturities of long-term debt	(5,849,267)	(5,330,004)
Long-term debt less current maturities	$ 501,167,655	$ 506,862,261

In August 2006, Elmhurst entered into a $12,000,000 loan through the Illinois Facilities Authority's Pooled Financing Program related to the Series 1985C and 1985D Project Loan Agreements Proceeds from the loan were used to reimburse Elmhurst for routine capital expenditures with tax-exempt uses

Note 8. Long-Term Debt (Continued)

In May 2008, Elmhurst issued $124,820,000 fixed-rate revenue bonds (Series 2008A) The proceeds were used to establish a Project Fund (to reimburse Elmhurst for costs related to the construction of the new hospital campus), establish a Capitalized Interest Fund (to pay the interest costs during construction), and to establish a Debt Service Reserve Fund

In May 2008, Elmhurst also issued $250,000,000 variable rate revenue bonds (Series 2008B through E) A portion of the proceeds were used to redeem the Series 2006E Direct Note Bonds The remainder of the proceeds were used to establish Project Funds (to reimburse Elmhurst for cost related to the construction of the new hospital campus) and Capitalized Interest Funds (to pay the interest costs during construction) The bonds are puttable on demand by the bondholders Elmhurst uses a remarketing agent to resell any tendered bonds to new investors Elmhurst has obtained an irrevocable letter of credit to secure repayment of the bond financing, and to provide short-term liquidity in the event bonds are put to Elmhurst and are not able to be immediately remarketed If the letter of credit were to be drawn upon as a result of failed efforts to remarket any tendered bonds, amounts drawn would be repayable in quarterly installments over a 36-month period commencing 367 days after being drawn, or sooner if the bonds are subsequently remarketed to new investors

The maturities and annual sinking fund requirements for the fiscal years ending June 30, 2013 through 2017, on the outstanding long-term debt are as follows, assuming remarketing of variable rate unsecured demand revenue bonds 2013 - $5,849,267, 2014 - $7,121,325, 2015 - $5,362,813, 2016 - $5,545,625, 2017 - $5,516,755 and thereafter - $477,621,137 As described above, if variable rate unsecured demand revenue bonds fail to remarket, Elmhurst would have to make accelerated debt repayments

The revenue bonds are collateralized by substantially all assets of Elmhurst The provisions of the indenture require the Obligated Group (comprised of Elmhurst Memorial Hospital, Elmhurst Memorial Healthcare, and Elmhurst Memorial Home Health) to maintain certain financial covenants, including a minimum annual debt service coverage level, and a minimum number of days cash on hand

During 2012, Elmhurst obtained an unsecured $10,000,000 working capital line of credit with JP Morgan Chase Bank that matures on January 4, 2013 Borrowings bear interest at a variable rate (1 48 percent at June 30, 2012) The balance outstanding on the line of credit at June 30, 2012 was $10,000,000

During 2012, Elmhurst obtained an unsecured $10,000,000 working capital line of credit with RBS Citizens, NA that matures on January 16, 2013 Borrowings bear interest at a variable rate (1 74 percent at June 30, 2012) The balance outstanding on the line of credit at June 30, 2012 was $10,000,000

In 1998, Elmhurst established a program to actively manage its interest cost The program seeks to achieve the lowest interest cost consistent with an acceptable level of risk given varying interest rate environments Elmhurst has established a long-term targeted mix of 50 percent fixed and 50 percent variable interest rate exposure Long-term tax-exempt and taxable financings form the base for the program These financings are necessarily timed to coincide with the periodic acquisition of qualified assets Based upon the interest rate environment at the time of such financings, fixed or variable rate modes of financing are utilized Derivatives (interest rate swaps) are used to achieve the targeted mix when underlying financings do not Market conditions often limit the ability of the program to fully achieve its goals and consequently swap terms (maturity, notional amounts, etc) do not perfectly match the terms of the underlying debt

Note 8. Long-Term Debt (Continued)

During the years ended June 30, 2012 and 2011, Elmhurst had the following interest rate swap agreements in place

Floating Interest Rate Agreement ("Basis Swap") – Elmhurst entered a Basis Swap in May 2002 to lower total interest cost by earning income from spreads between taxable and tax-exempt interest rates Elmhurst pays the SIFMA floating rate index and receives 76 21 percent of one-month LIBOR on a $50,000,000 notional amount, extending over a 20-year period The Basis Swap does not qualify for hedge accounting Gains and losses are recorded as Nonoperating Income (Expense) in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets

Fixed Receiver Interest Rate Swap Agreement ("Fixed Receiver") – Elmhurst entered this swap in August 2003 to increase its exposure to floating interest rate debt after its 2002D fixed-rate refinancing resulted in a higher fixed interest rate exposure Elmhurst paid the SIFMA floating rate index and received a fixed rate of 4 64 percent on a notional amount of $40,000,000 This agreement was terminated in July 2011 Gains and losses are recorded as Nonoperating Income (Expense) in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets

2008 Fixed Payer Interest Rate Swap Agreement ("2008 Fixed Payer") – Elmhurst entered this swap strategy with three separate counterparties in July 2005 to hedge its fixed interest rate exposure for the planned 2008 bond issue related to the new facility While terms with the three counterparties differ slightly, the following express the aggregate terms of the entire strategy The exchange of payments was not effective until January 2008 to coincide with the planned bond issue Elmhurst pays a fixed rate of 4 135 percent in exchange for the SIFMA floating rate index on a notional amount of $120,000,000 for 30 years The term of the swap is matched to the expected life and amortization on 50 percent of the 2008 bonds The 2008 Fixed Payer Swap was designated for hedge accounting through June 30, 2008 Gains and losses through June 30, 2008, were recorded as Changes in Unrestricted Net Assets in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets On July 1, 2008, Elmhurst dedesignated the hedge Gains and losses on the hedging instrument arising subsequent to the date of dedesignation are recorded as components of Nonoperating Income, and gains or losses previously recorded as components of Other Changes in Unrestricted Net Assets are amortized to Nonoperating Income when the previously hedged interest expense is recognized

Fixed Spread Floating Interest Rate Agreements ("Fixed Spread Basis Swaps") – Elmhurst entered this swap strategy with three separate counterparties in July 2005 with the objective of reducing total interest cost by earning income from spreads between taxable and tax-exempt interest rates Effective January 2008, Elmhurst began paying the SIFMA floating rate index and receive 67 percent of one-month LIBOR, plus 0 76 percent on a $120,000,000 notional amount, extending over a 30-year period In April 2008, Elmhurst entered into another Fixed Spread Basis Swap with two counterparties Elmhurst pays the SIFMA floating rate index and receives 61 3 percent of one-month LIBOR, plus a fixed spread of 0 73 percent on a $140,000,000 notional amount over a 30-year period The Fixed Spread Basis Swaps do not qualify for hedge accounting Gains and losses are recorded as Nonoperating Income (Expense) in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets

Note 8. Long-Term Debt (Continued)

Constant Maturity Swaps – Elmhurst entered this swap strategy with two counterparties in June 2006 with the objective of reducing total interest cost by earning income from spreads between one-month and five-year interest rates Under the agreements with both counterparties, payments began in January 2007 Elmhurst pays 67 percent of one-month LIBOR in exchange for 61 3 percent of five-year LIBOR on $60,000,000 or 50 percent of the LIBOR exposure of the Fixed Spread Basis Swap until 2032 In addition, Elmhurst had paid 76 21 percent of one-month LIBOR in exchange for 76 21 percent of five-year LIBOR - 0 35 percent on $25,000,000 or 50 percent its LIBOR exposure on the basis swap This swap was terminated during fiscal year 2011, resulting in a gain of $1,482,000 that was recorded in cash settlements on interest rate swaps under non-operating income (expense) The remaining Constant Maturity Swap is not designated for hedge accounting Gains and losses are recorded as Nonoperating Income (Expenses) in the Consolidated Statements of Operations and Changes in Unrestricted Net Assets

Elmhurst has provisions in its swap agreements that require the posting of collateral The amount of collateral to be posted is determined based on a combination of Elmhurst's credit rating and the mark-to-market valuation Based on Elmhurst's credit rating as of June 30, 2012, collateral is required to be posted when the counterparty mark-to-market valuation results in a liability ranging from more than $0 to more than $3,000,000 At June 30, 2012 and 2011, Elmhurst has posted $33,006,309 and $3,071,351, respectively, of collateral, in the form of cash and investments, with the counterparties The maximum amount of collateral if conditions were different as of June 30, 2012 is an additional $3,000,000

Note 8. Long-Term Debt (Continued)

The following tables provide details on the swap agreements and reconciliation to the consolidated financial statements

Derivative Contract Terms	Basis Swap	Fixed Receiver	Fixed Payer	Fixed Spread Basis Swaps	Constant Maturity Swaps	Fixed Spread Basis Swaps	Total of Interest Rate Swap Contracts
Execution date	May 2002	August 2003	July 2005	July 2005	June 2006	April 2008	
2011 Notional amount	$ 50,000,000	$ 40,000,000	$ 120,000,000	$ 120,000,000	$ 60,000,000	$ 140,000,000	$ 530,000,000
2012 Notional amount	50,000,000	-	120,000,000	120,000,000	60,000,000	140,000,000	490,000,000
Elmhurst pays the counterparty	SIFMA	SIFMA	4 135%	SIFMA	5-yr LIBOR	SIFMA	
Counterparty pays Elmhurst	76 2% 1-mo LIBOR	4 64%	SIFMA	67% LIBOR + 0 76%	1-mo LIBOR	61 3% LIBOR + 0 73%	
Termination date	May 2022	Terminated July 2011	January 2038	January 2038	January 2032	June 2038	
Qualifies for hedge accounting	no	no	no	no	no	no	
Market Value Asset (Liability) of Derivative Contracts (1)							
Balance, July 1, 2010	$ (1,341,358)	$ 955,665	$ (14,835,028)	$ (231,352)	$ 3,932,424	$ (6,440,985)	$ (17,960,634)
Changes in value	692,442	(715,192)	1,043,250	2,058,109	(330,414)	2,123,754	4,871,949
Balance, June 30, 2011	(648,916)	240,473	(13,791,778)	1,826,757	3,602,010	(4,317,231)	(13,088,685)
Changes in value	115,158	(240,473)	(23,557,336)	1,868,698	(787,840)	2,968,163	(19,633,630)
Balance, June 30, 2012	$ (533,758)	$ -	$ (37,349,114)	$ 3,695,455	$ 2,814,170	$ (1,349,068)	$ (32,722,315)

(1) Amounts are presented within other liabilities within the consolidated balance sheets

Net Cash Flow Received (Paid) by Elmhurst Under Derivative Contracts	Basis Swap	Fixed Receiver	Fixed Payer	Fixed Spread Basis Swaps	Constant Maturity Swaps	Fixed Spread Basis Swaps	Total Swap Cash Flow
Year Ended June 30, 2011							
Cash from contractual payments	$ (30,145)	$ 1,812,817	$ (4,659,918)	$ 857,637	$ 2,163,866	$ 864,000	$ 1,008,257
Year Ended June 30, 2012							
Cash from contractual payments	$ 16,406	$ 450,608	$ (4,795,396)	$ 951,613	$ 403,020	$ 1,044,223	$ (1,929,526)

Note 9. Operating Leases

The Hospital has operating leases for specific property, plant, and equipment

Rent paid and recorded under operating leases was $3,697,466 and $3,248,457 for the years ended June 30, 2012 and 2011, respectively

The future minimum lease commitments under these operating leases as of June 30, 2012, are as follows

Years ending June 30	
2013	$ 2,475,779
2014	1,830,900
2015	555,208
	$ 4,861,887

Note 10. Employee Retirement Plans

Elmhurst has a noncontributory retirement plan which qualifies as a pension plan under ASC Topic 715, *Compensation – Retirement Benefits* The plan covers substantially all full-time employees It is Elmhurst's policy to make contributions in amounts calculated by the actuarial consultant to adequately fund benefit programs and meet ERISA requirements In addition, Elmhurst also maintains an unfunded noncontributory, supplemental defined benefit retirement plan (SERP) for certain executive employees

Note 10. Employee Retirement Plans (Continued)

Information regarding the benefit obligations and assets of the pension plan and SERP as of and for the years ended June 30, 2012 and 2011 is as follows

	2012		2011	
	Pension	SERP	Pension	SERP
Accumulated benefit obligation	$ 196,749,032	$ 2,164,860	$ 160,040,495	$ 1,732,378
Projected benefit obligation				
Projected benefit obligation, beginning of year	$ 181,385,944	$ 1,732,378	$ 179,632,937	$ 5,815,475
Service cost	6,866,783	126,806	6,997,084	118,288
Interest cost	10,253,497	89,690	9,726,499	289,011
Plan changes	-	129,476	-	
Actuarial (gains) losses	33,260,462	310,643	(9,865,127)	(168,933)
Benefits paid	(5,827,813)	-	(5,105,449)	(4,321,463)
Projected benefit obligation, end of year	225,938,873	2,388,993	181,385,944	1,732,378
Change in plan assets				
Fair value of plan assets, beginning of year	165,963,033	-	138,716,172	-
Actual return on plan assets	817,088	-	26,852,310	-
Contributions	5,000,000	-	5,500,000	4,321,463
Benefits paid	(5,827,813)	-	(5,105,449)	(4,321,463)
Fair value of plan assets, end of year	165,952,308	-	165,963,033	-
Funded status, end of year	$ (59,986,565)	$ (2,388,993)	$ (15,422,911)	$ (1,732,378)

The unfunded pension liability is reported as Accrued Pension on the accompanying Consolidated Balance Sheets At June 30, 2012 and 2011, $2,008,993 and $1,382,378, respectively, of the unfunded SERP liability is included in Other Liabilities and $380,000 and $350,000, respectively, is included in Accrued Payroll and Other Liabilities on the accompanying Consolidated Balance Sheets

Plan items not yet recognized as a component of periodic pension expense, but included as a separate component of unrestricted net assets at June 30, 2012 and 2011, are as follows

	2012		2011	
	Pension	SERP	Pension	SERP
Unrecognized prior service cost	$ 154,737	$ 351,708	$ 323,159	$ 323,130
Unrecognized net actuarial loss	97,447,916	379,777	54,557,934	69,134
	$ 97,602,653	$ 731,485	$ 54,881,093	$ 392,264

Note 10. Employee Retirement Plans (Continued)

Pension related changes other than net periodic pension cost that have been included as a reduction of unrestricted net assets consist of

	2012		2011	
	Pension	SERP	Pension	SERP
Net actuarial (gain) loss arising during the period	$ 46,201,423	$ 310,643	$ (22,744,701)	$ (168,933)
Prior service cost	-	129,476	-	-
Prior service cost amortized during the period	(168,422)	(100,898)	(168,422)	(160,399)
Net actuarial loss amortized during the period	(3,311,441)	-	(3,899,838)	(262,582)
	$ 42,721,560	$ 339,221	$ (26,812,961)	$ (591,914)

	2012		2011	
	Pension	SERP	Pension	SERP
Assumptions				
Discount rate used to determine benefit obligation	4 75 %	4 75 %	5 75 %	5 75 %
Discount rate used to determine net periodic benefit cost	5 75 %	5 75 %	5 50 %	5 50 %
Rate of increase in compensation levels	5 00 %	5 00 %	5 00 %	5 00 %
Expected long-term rate of return on assets	8 00 %	N/A	8 00 %	N/A

The estimated net actuarial loss and prior service cost that will be amortized as a component of net periodic benefit cost during fiscal 2013 are $7,312,834 and $154,737, respectively, for the pension plan The estimated net actuarial loss and prior service cost that will be amortized as a component of net periodic benefit costs during fiscal 2013 is $20,125 and $92,574, respectively, for the SERP

Elmhurst expects to contribute $5,000,000 to the Plan during fiscal 2013, and $380,000 to the SERP during fiscal 2013

In June 2012, Elmhurst Memorial Healthcare (EMHC) amended its defined benefit plan to allow for a one-time lump sum distribution to certain terminated vested but not yet retired participants that have earned benefits within a certain range In July 2012, EMHC sent letters to 1,047 participants to offer the one-time lump sum distribution EMHC anticipates that these distributions will be made from plan assets in October 2012 and will not exceed $20,000,000

Note 10. Employee Retirement Plans (Continued)

The allocation of pension plan assets at June 30, 2012 and 2011 is as follows

	Target	2012	2011
Equity securities	55 %	58 %	55 %
Fixed-income securities	25	28	31
Alternative investments	20	14	14
Total	100 %	100 %	100 %

The pension fund is managed in accordance with the policies established by the Investment Committee of the Board (the "Investment Committee") The investment policy includes specific guidelines for quality, asset concentration, asset mix, asset allocations, and performance expectations The pension fund investment allocations are periodically reviewed for compliance with the pension investment policy by the Investment Committee

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

Expected future benefit payments for the plan years ending December 31 are as follows

Pension Plan	2012	
	Pension	SERP
2013	$ 6,969,000	$ 380,000
2014	7,737,000	-
2015	8,541,000	2,220,000
2016	9,384,000	-
2017	10,230,000	-
2018-2022	64,297,000	2,460,000

Note 10. Employee Retirement Plans (Continued)

Net periodic benefit cost for the years ended June 30, 2012 and 2011, includes the following components

	2012		2011	
	Pension	SERP	Pension	SERP
Service cost - benefits earned during the year	$ 6,866,783	$ 126,806	$ 6,997,084	$ 118,287
Interest cost on projected benefit obligation	10,253,497	89,690	9,726,499	289,011
Expected return on plan assets	(13,758,049)	-	(13,972,736)	-
Amortization of prior service cost	168,422	100,898	168,422	160,399
Amortization of actuarial loss	3,311,441	-	3,899,838	-
Settlement expense	-	-	-	262,582
	$ 6,842,094	$ 317,394	$ 6,819,107	$ 830,279

Elmhurst also maintains contributory savings plans (the "Savings Plans") covering substantially all employees of Elmhurst Participants may make voluntary contributions to the Savings Plans, which are partially matched by Elmhurst For each dollar of participant contribution, Elmhurst matches 50 percent of the first 3 percent of pay and 25 percent of the second 3 percent of pay Certain matching benefits were suspended in 2010 EMH did not have a matching program in 2011, but did match during 2012 Additional contributions may be made by Elmhurst at its discretion Costs of the Savings Plans charged to salaries and benefits totaled $1,758,564 and $105,299 for the years ended June 30, 2012 and 2011, respectively

The tables below present the balances of pension assets measured at fair value on a recurring basis, as of June 30, 2012 and 2011

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash	$ 3,378,378	$ -	$ -	$ 3,378,378
Mutual funds invested in U S fixed-income securities	-	17,750,492	-	17,750,492
Trust invested in global fixed-income securities	-	25,688,979	-	25,688,979
Equity securities				
U S	13,237,532	51,799,060	-	65,036,592
Non-U S		23,548,460	-	23,548,460
Global real estate	8,050,239	-	-	8,050,239
Hedge funds	-	22,499,168	-	22,499,168
Total investments	$ 24,666,149	$ 141,286,159	$ -	$ 165,952,308

Note 10. Employee Retirement Plans (Continued)

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash	$ 4,145,802	$ -	$ -	$ 4,145,802
Mutual funds invested in U S fixed-income securities	24,017,936	6,032,706	-	30,050,642
Trust invested in global fixed-income securities	-	16,793,957	-	16,793,957
Equity securities				
U S	13,800,483	49,266,073	-	63,066,556
Non-U S	-	20,690,515	-	20,690,515
Global real estate	8,123,552	-	-	8,123,552
Hedge funds	-	23,092,009	-	23,092,009
Total investments	$ 50,087,773	$ 115,875,260	$ -	$ 165,963,033

Note 11. Professional and General Liabilities Insurance

Elmhurst is involved in litigation arising in the ordinary course of operations that, in the opinion of management, will be resolved without a material impact on the Hospital's financial position Substantially, all claims made prior to July 1, 1979, are covered by commercial insurance On July 1, 1979, the Hospital entered into a contractual agreement with the Chicago Hospital Risk Pooling Program (CHRPP) that, through its risk-sharing provisions, provided the Hospital with insurance coverage for professional and general liability claims CHRPP is a multi-hospital trust formed pursuant to the provisions of the Illinois Religious and Charitable Risk Pooling Act As a self-insurance administrator, CHRPP enables risk-sharing among Illinois hospitals Beneficiary hospitals are obligated to make additional contributions, if necessary, to maintain the trust assets at a level adequate to support anticipated disbursements, as defined in the trust agreement Substantially all claims made between July 1, 1979 and December 1, 2005, are covered by CHRPP For the period July 1, 1979 to December 31, 2002, CHRPP coverage was on the occurrence-basis Effective January 1, 2003, CHRPP changed its coverage from occurrence-basis to claims-made

In June 2010, CHRPP notified its current and former members that it had resolved to discontinue the issuance of hospital professional and comprehensive general liability coverage and commence a voluntary "run-off" of its claim portfolio effective January 1, 2011

CHRPP engaged the services of an independent consultant for actuarial valuations of self-insured funding requirements and has designated attorneys to handle professional and general liability claims The Hospital has established its risk management program and claims-handling procedures in accordance with guidelines issued by the United States Department of Health and Human Services The self-insurance funding, which is expensed when amounts are funded into the self-insurance trust, was recommended and certified by an independent actuarial firm As stated above, the Hospital's insurance premiums are subject to retrospective adjustments Management does not believe any retrospective adjustments would be material

Note 11. Professional and General Liabilities Insurance (Continued)

Since 2005, the Hospital has a self-insured retention program in which the Hospital retains the risk for all claims with individual values under $3,000,000 The Hospital has obtained insurance coverage on a claims-made basis for amounts exceeding $3,000,000 up to $33,000,000 The Hospital has engaged an independent actuary to determine the estimated cost of the retained risk and has recorded expense in accordance with the actuary's estimate At June 30, 2012 and 2011, the Hospital recorded a liability, discounted at 4 50 percent in 2012 and 2011, of $23,765,000 and $23,447,428, respectively, for incurred but not reported claims arising under both its own self-insurance program and the CHRPP program The effect of discounting the liability is approximately $4,280,000 and $4,446,000, respectively, at June 30, 2012 and 2011 This liability consists of $2,359,987 and $2,215,654 reported in Accounts Payable at June 30, 2012 and 2011, respectively, and $21,405,013 and $21,231,774 reported in Other Liabilities at June 30, 2012 and 2011, respectively, on the Consolidated Balance Sheets The Hospital has elected to not establish a corresponding self-insured trust asset to fund this liability as of June 30, 2012, because management believes that it has enough liquidity in its cash, short-term investments, and the capital reserve fund

Based on significant favorable loss experience that has emerged over several years for the Hospital, the Hospital adjusted certain assumptions in the June 30, 2012 actuarial valuation that resulted in a reduction of the liability and related expense of approximately $4,500,000

Note 12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2012 and 2011, respectively, are available for the following purposes

	2012	2011
Pledges restricted to benefit future periods	$ 4,018,801	$ 4,673,164
Medical education	91,300	63,000
Other health care programs	379,578	83,135
	$ 4,489,679	$ 4,819,299

Permanently restricted net assets of $489,515 at June 30, 2012 and 2011 are investments to be held in perpetuity, the income from which is expendable for medical education

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes of medical education, and other health care programs amounting to $2,390,448 and $2,020,288, respectively, and were recorded as Other Revenue in the accompanying Consolidated Statements of Operations and Changes in Unrestricted Net Assets

Note 12. Temporarily and Permanently Restricted Net Assets (Continued)

The expected timing of pledge payments and value of pledges receivable recorded as of June 30, 2012, are as follows

Years ending June 30	
2013	$ 835,391
2014	700,100
2015	604,500
2016	538,499
2017	505,000
Thereafter	1,155,920
	4,339,410
Less - present value discounts	(265,163)
Less - allowance for uncollectible pledges	(55,446)
Pledges receivable, net	4,018,801
Less current portion included in prepaid expenses, interest receivable, and other assets	(835,391)
Noncurrent portion included in prepaid pension, deferred financing costs, and other assets	$ 3,183,410

Note 13. Functional Expenses

Elmhurst provides comprehensive quality health care services to the residents of eastern Du Page and western Cook counties Expenses related to these functions at June 30, 2012 and 2011 are as follows

	2012	2011
Health care services	$ 342,585,902	$ 310,902,629
General and administrative	90,324,258	81,504,133
Fundraising	1,341,082	1,368,796
	$ 434,251,242	$ 393,775,558

Note 14. Discontinued Operations

Effective February 28, 2012, inpatient behavioral health and transitional care center services at the Berteau Campus were discontinued Operating results for these discontinued operations are reported separately as discontinued operations in the consolidating statements of operations As of June 30, 2011, Elmhurst had net patient accounts receivable of $1,616,800 recorded on the consolidated balance sheet related to these discontinued operations As of June 30, 2012, there was no receivable recorded on the consolidated balance sheet related to the discontinued operations Net patient service revenue for these discontinued operations during the years ended June 30, 2012 and 2011 were $5,464,079 and $9,464,284, respectively

See Note 7 for information regarding impairment and accelerated depreciation of the Berteau Campus

Note 15. Commitments and Contingencies

Medicare and Medicaid reimbursement: Significant cuts to both the Medicare and Medicaid programs are under consideration by the U S Congress as it looks to cut federal spending Such cuts in Medicaid and Medicare reimbursement, if enacted, could have a significant adverse effect on the Corporation's financial statements

Litigation Elmhurst is a defendant in various lawsuits arising in the ordinary course of business Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such matters will not have a material effect on Elmhurst's consolidated financial statements

Regulatory investigation The U S Department of Justice, other federal agencies and the Illinois Department of Public Aid routinely conduct regulatory investigations and compliance audits of health care providers The Hospital is subject to these regulatory efforts Management is currently unaware of any regulatory matters which may have a material effect on Elmhurst's financial position or results from operations

Regulatory environment including fraud and abuse matters The health care industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed Management believes that the Hospital is in compliance with fraud and abuse, as well as other applicable government laws and regulations While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or asserted at this time

CMS Recovery Audit Contractor Program Congress passed the Medicare Modernization Act in 2003, which among other things established a three-year demonstration of the Medicare Recovery Audit Contractor (RAC) program The RAC identified and corrected a significant amount of improper overpayments to providers In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states by 2010 CMS implemented the RAC program in Illinois in 2010 Management does not believe that RAC audits will have a material effect on the Corporation's results of operations or cash flows At June 30, 2012 and 2011, the Hospital recorded a reserve for estimated amounts that will be repaid under the RAC program based on the Hospital's RAC program experience to date

Property and Sales Tax Exemption On June 14, 2012, the Governor of Illinois signed into law legislation that governs property and sales tax exemption for not-for-profit hospitals The law took effect on the date it was signed Under the law, in order to maintain its property and sales tax exemption, the value of specified services and activities of a not-for-profit hospital must equal or exceed the estimated value of the hospital's property tax liability, as determined under a formula in the law The specified services are those that address the health care needs of low-income or underserved individuals or relieve the burden of government with regard to health care services, and include the cost of free or discounted services provided pursuant to the hospital's financial assistance policy, other unreimbursed costs of addressing the health needs of low-income and underserved individuals, direct or indirect financial or in-kind subsidies of State and local governments, the unreimbursed cost of treating Medicaid and other means-tested program recipients, the unreimbursed cost of treating dual-eligible Medicare/Medicaid patients, and other activities that the Illinois Department of Revenue determines relieve the burden of government or address the health of low-income or underserved individuals Management believes that the Hospital meets the requirements under the law to maintain its property and sales tax exemption

Note 15. Commitments and Contingencies (Continued)

Elmhurst has filed a property tax-exemption application for a portion of the Center for Health and for its new hospital, and awaits a decision from the Illinois Department of Revenue As of June 30, 2012, Elmhurst has recorded a refund receivable of approximately $2,595,000 for a portion of property taxes paid relating to the Center for Health for tax years 2008, 2009, 2010, and 2011 and for all property taxes paid relating to the new hospital for tax year 2011 Management continues to believe that the application will be approved and that the related property taxes will be refunded

Note 16. Subsequent Events

Elmhurst has evaluated subsequent events for potential recognition and/or disclosure through September 24, 2012, the date the consolidated financial statements were issued

Independent Auditor's Report on the Supplementary Information

To the Board of Trustees
Elmhurst Memorial Healthcare
Elmhurst, Illinois

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

McGladrey LLP

Chicago, Illinois
September 24, 2012

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Balance Sheet Information
June 30, 2012

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Assets									
Current Assets									
Cash and cash equivalents	$ 19,639,323	$ -	$ 15,871,077	$ 1,655,148	$ 2,113,098	$ -	$ 1,274,322	$ 1	$ 838,775
Short-term investments	1,112,672	-	-	-	1,112,672	-	-	-	1,112,672
Patient accounts receivable - less allowances for uncollectible accounts	66,626,246	-	5,614,933	(27)	61,011,340	-	59,104,749	1,906,591	-
Inventories	7,149,569	-	-	-	7,149,569	-	7,084,339	65,230	-
Prepaid expenses, interest receivable, and other	10,530,647	(5,799)	1,393,312	80,295	9,062,839	-	8,176,498	9,902	876,439
Amounts due from third-party payors	11,455,785	-	-	-	11,455,785	-	11,455,785	-	-
Amounts due from affiliated organizations	-	(2,493,990)	-	24,435	2,469,555	-	2,455,410	-	14,145
Total current assets	116,514,242	(2,499,789)	22,879,322	1,759,851	94,374,858	-	89,551,103	1,981,724	2,842,031
Investments and Assets Limited as to Use									
Internally designated for capital improvements	188,934,325	-	188,934,325	-	-	-	-	-	-
Externally designated investments under bond agreements	36,116,963	-	34,615,563	-	1,501,400	-	1,501,400	-	-
Other investments and assets limited as to use	5,041,422	-	-	-	5,041,422	-	-	-	5,041,422
Total investments and assets limited as to use	230,092,710	-	223,549,888	-	6,542,822	-	1,501,400	-	5,041,422
Land, Buildings, and Equipment - net	573,787,554	-	81,703,007	-	492,084,547	-	491,649,084	435,463	-
Investment in Subsidiaries	-	(477,901)	477,901	-	-	(10,974,507)	10,974,507	-	-
Cash and Investments Posted as Swap Collateral	33,006,309	-	33,006,309	-	-	-	-	-	-
Prepaid Pension, Deferred Financing Costs, and Other	14,512,217	-	4,119,769	-	10,392,448	-	7,209,038	-	3,183,410
	$ 967,913,032	$ (2,977,690)	$ 365,736,196	$ 1,759,851	$ 603,394,675	$ (10,974,507)	$ 600,885,132	$ 2,417,187	$ 11,066,863

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Balance Sheet Information (Continued)
June 30, 2012

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Liabilities and Net Assets/ Shareholder's Equity									
Current Liabilities									
Accounts payable	$ 21,031,487	$ (5,799)	$ 2,332,816	$ 12,135	$ 18,692,335	$ -	$ 18,633,602	$ 54,106	$ 4,627
Accrued payroll and other	29,753,122	-	11,017,297	5,486	18,730,339	-	18,140,406	589,933	-
Amounts due to third-party payors	30,602,314	-	-	-	30,602,314	-	30,710,899	(108,585)	-
Current maturities of debt	5,849,267	-	5,849,267	-	-	-	-	-	-
Borrowings under lines of credit	20,000,000	-	20,000,000	-	-	-	-	-	-
Due to affiliated organizations	-	(2,493,990)	24,435	1,264,329	1,205,226	-	1,205,226	-	-
Total current liabilities	107,236,190	(2,499,789)	39,223,815	1,281,950	69,230,214	-	68,690,133	535,454	4,627
Long-Term Debt, excluding current maturities	501,167,655	-	501,167,655	-	-	-	-	-	-
Other Liabilities	57,268,757	-	33,767,022	-	23,501,735	-	23,414,006	-	87,729
Accrued Pension	59,986,565	-	-	-	59,986,565	-	59,986,565	-	-
Total liabilities	725,659,167	(2,499,789)	574,158,492	1,281,950	152,718,514	-	152,090,704	535,454	92,356
Net Assets/Shareholders' Equity									
Common stock - at par	-	(7,502,470)	-	7,502,470	-	-	-	-	-
Additional paid-in capital	-	(2,552,286)	-	2,552,286	-	-	-	-	-
Unrestricted net assets/retained earnings	237,274,671	9,576,855	(208,422,296)	(9,576,855)	445,696,967	(5,995,313)	443,815,234	1,881,733	5,995,313
Temporarily restricted net assets	4,489,679	-	-	-	4,489,679	(4,489,679)	4,489,679	-	4,489,679
Permanently restricted net assets	489,515	-	-	-	489,515	(489,515)	489,515	-	489,515
	242,253,865	(477,901)	(208,422,296)	477,901	450,676,161	(10,974,507)	448,794,428	1,881,733	10,974,507
	$ 967,913,032	$ (2,977,690)	$ 365,736,196	$ 1,759,851	$ 603,394,675	$ (10,974,507)	$ 600,885,132	$ 2,417,187	$ 11,066,863

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Unrestricted Net Assets Information
Year Ended June 30, 2012

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Revenues									
Net patient service revenue	$ 388,422,359	$ -	$ 47,165,122	$ -	$ 341,257,237	$ -	$ 330,979,050	$ 10,278,187	$ -
Other revenue	21,523,880	-	2,026,312	1,522,455	17,975,113	-	15,810,019	5,753	2,159,341
	409,946,239	-	49,191,434	1,522,455	359,232,350	-	346,789,069	10,283,940	2,159,341
Expenses									
Salaries and benefits	182,648,092	-	-	975,229	181,672,863	-	175,824,976	5,245,167	602,720
Supplies	62,882,821	-	1,142,121	114,936	61,625,764	-	60,672,626	765,063	188,075
Purchased services and other	105,218,796	-	45,565,851	398,858	59,254,087	2,754,299	54,753,315	1,198,300	548,173
Provision for bad debts	22,650,261	-	2,430,017	-	20,220,244	-	20,152,041	66,091	2,112
Depreciation and other charges relating to buildings and equipment	53,538,658	-	1,019,431	-	52,519,227	-	52,296,214	223,013	-
Medicaid tax	7,312,614	-	-	-	7,312,614	-	7,312,614	-	-
	434,251,242	-	50,157,420	1,489,023	382,604,799	2,754,299	371,011,786	7,497,634	1,341,080
Operating income (loss)	(24,305,003)	-	(965,986)	33,432	(23,372,449)	(2,754,299)	(24,222,717)	2,786,306	818,261
Nonoperating income (expense)									
Investment income	9,599,382	-	9,520,625	-	78,757	-	-	-	78,757
Unrealized (losses) gains on investments	(10,388,862)	-	(10,314,506)	-	(74,356)	-	16,530	-	(90,886)
Interest expense	(15,044,147)	-	(15,044,147)	-	-	-	-	-	-
Expenses related to debt and investments	(2,527,184)	-	(2,527,184)	-	-	-	-	-	-
Amortization of deferred financing costs	(140,494)	-	(140,494)	-	-	-	-	-	-
Cash settlements on interest rate swaps	(1,929,526)	-	(1,929,526)	-	-	-	-	-	-
Unrealized loss on interest rate swaps	(19,810,840)	-	(19,810,840)	-	-	-	-	-	-
Distribution of restricted revenue	-	-	-	-	-	2,754,299	-	-	(2,754,299)
Gain (loss) on investment in subsidiaries	-	(33,432)	33,432	-	-	1,502,204	(1,502,204)	-	-
Change in unrealized gain on hedge fund investments	1,532,821	-	1,532,821	-	-	-	-	-	-
	(38,708,850)	(33,432)	(38,679,819)	-	4,401	4,256,503	(1,485,674)	-	(2,766,428)

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Unrestricted Net Assets Information (Continued)
Year Ended June 30, 2012

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Excess (deficit) of revenue over expenses	$ (63,013,853)	$ (33,432)	$ (39,645,805)	$ 33,432	$ (23,368,048)	$ 1,502,204	$ (25,708,391)	$ 2,786,306	$ (1,948,167)
Other changes in unrestricted net assets									
Discontinued operations	(1,688,478)	-	-	-	(1,688,478)	-	(1,688,478)	-	-
Amortization of gain on discontinuation of hedge accounting	177,334	-	177,334	-	-	-	-	-	-
Pension and supplemental plan related changes, other than net periodic pension cost	(42,721,560)	-	-	-	(42,721,560)	-	(42,721,560)	-	-
	(44,232,704)	-	177,334	-	(44,410,038)	-	(44,410,038)	-	-
(Decrease) increase in unrestricted net assets	$ (107,246,557)	$ (33,432)	$ (39,468,471)	$ 33,432	$ (67,778,086)	$ 1,502,204	$ (70,118,429)	$ 2,786,306	$ (1,948,167)

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Balance Sheet Information
June 30, 2011

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Assets									
Current Assets									
Cash and cash equivalents	$ 23,339,411	$ -	$ 17,444,553	$ 1,762,045	$ 4,132,813	$ -	$ 2,155,635	$ 1	$ 1,977,177
Short-term investments	1,111,519	-	-	-	1,111,519	-	-	-	1,111,519
Patient accounts receivable - less allowances for uncollectible accounts	58,609,224	-	5,005,236	(27)	53,604,015	-	52,539,400	1,064,615	-
Inventories	7,518,757	-	-	-	7,518,757	-	7,430,914	87,843	-
Prepaid expenses, interest receivable, and other	8,955,528	(10,959)	803,302	78,257	8,084,928	-	7,029,907	19,573	1,035,448
Amounts due from third-party payors	12,362,561	-	-	-	12,362,561	-	12,362,561	-	-
Amounts due from affiliated organizations	-	(2,401,387)	-	-	2,401,387	-	2,401,387	-	-
Total current assets	111,897,000	(2,412,346)	23,253,091	1,840,275	89,215,980	-	83,919,804	1,172,032	4,124,144
Investments and Assets Limited as to Use									
Internally designated for capital improvements	254,728,404	-	254,728,404	-	-	-	-	-	-
Externally designated investments under bond agreements	31,772,065	-	30,322,638	-	1,449,427	-	1,449,427	-	-
Other investments and assets limited as to use	5,184,913	-	-	-	5,184,913	-	-	-	5,184,913
Total investments and assets limited as to use	291,685,382	-	285,051,042	-	6,634,340	-	1,449,427	-	5,184,913
Land, Buildings, and Equipment - net	617,754,041	-	80,385,942	-	537,368,099	-	536,942,225	425,874	-
Investment in Subsidiaries	-	(444,469)	444,469	-	-	(12,806,331)	12,806,331	-	-
Cash and Investments Posted as Swap Collateral	3,071,351	-	3,071,351	-	-	-	-	-	-
Prepaid Pension, Deferred Financing Costs, and Other	14,190,865	-	4,386,857	-	9,804,008	-	6,146,594	-	3,657,414
	$ 1,038,598,639	$ (2,856,815)	$ 396,592,752	$ 1,840,275	$ 643,022,427	$ (12,806,331)	$ 641,264,381	$ 1,597,906	$ 12,966,471

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Balance Sheet Information (Continued)
June 30, 2011

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Liabilities and Net Assets/									
Shareholder's Equity									
Current Liabilities									
Accounts payable	$ 70,032,811	$ (10,959)	$ 1,303,040	$ 14,136	$ 68,726,594	$ -	$ 68,574,026	$ 80,507	$ 72,061
Accrued payroll and other	25,843,876	-	6,785,796	11,537	19,046,543	-	18,296,397	750,146	-
Amounts due to third-party payors	28,351,919	-	-	-	28,351,919	-	28,435,908	(83,989)	-
Current maturities of debt	5,330,004	-	5,330,004	-	-	-	-	-	-
Due to affiliated organizations	-	(2,401,387)	1,031,254	1,370,133	-	-	-	-	-
Total current liabilities	129,558,610	(2,412,346)	14,450,094	1,395,806	116,125,056	-	115,306,331	746,664	72,061
Long-Term Debt, excluding current maturities	506,862,261	-	506,862,261	-	-	-	-	-	-
Other Liabilities	36,924,815	-	14,222,594	-	22,702,221	-	22,614,142	-	88,079
Accrued Pension	15,422,911	-	-	-	15,422,911	-	15,422,911	-	-
Total liabilities	688,768,597	(2,412,346)	535,534,949	1,395,806	154,250,188	-	153,343,384	746,664	160,140
Net Assets/Shareholders' Equity									
Common stock - at par	-	(7,502,470)	-	7,502,470	-	-	-	-	-
Additional paid-in capital	-	(2,552,286)	-	2,552,286	-	-	-	-	-
Unrestricted net assets/retained earnings	344,521,228	9,610,287	(138,942,197)	(9,610,287)	483,463,425	(7,497,517)	482,612,183	851,242	7,497,517
Temporarily restricted net assets	4,819,299	-	-	-	4,819,299	(4,819,299)	4,819,299	-	4,819,299
Permanently restricted net assets	489,515	-	-	-	489,515	(489,515)	489,515	-	489,515
	349,830,042	(444,469)	(138,942,197)	444,469	488,772,239	(12,806,331)	487,920,997	851,242	12,806,331
	$ 1,038,598,639	$ (2,856,815)	$ 396,592,752	$ 1,840,275	$ 643,022,427	$ (12,806,331)	$ 641,264,381	$ 1,597,906	$ 12,966,471

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Unrestricted Net Assets Information
Year Ended June 30, 2011

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Revenues									
Net patient service revenue	$ 351,433,096	$ -	$ 44,899,936	$ -	$ 306,533,160	$ -	$ 298,089,734	$ 8,443,426	$ -
Other revenue	17,640,810	(9,309,165)	1,959,269	10,129,698	14,861,008	-	12,290,360	7,460	2,563,188
	369,073,906	(9,309,165)	46,859,205	10,129,698	321,394,168	-	310,380,094	8,450,886	2,563,188
Expenses									
Salaries and benefits	170,002,163	-	145,188	9,540,369	160,316,606	-	155,252,817	4,529,898	533,891
Supplies	56,741,466	-	2,451,792	88,985	54,200,689	-	53,381,399	665,557	153,733
Purchased services and other	96,349,018	(9,309,165)	49,298,424	377,002	55,982,757	2,607,347	51,545,276	1,148,073	682,061
Provision for bad debts	24,585,166	-	1,999,907	250	22,585,009	-	22,484,881	101,018	(890)
Depreciation	34,158,449	-	1,269,552	25	32,888,872	-	32,629,954	258,918	-
Medicaid tax	7,310,342	-	-	-	7,310,342	-	7,310,342	-	-
One time costs associated with new hospital	4,628,954	-	-	-	4,628,954	-	4,628,954	-	-
	393,775,558	(9,309,165)	55,164,863	10,006,631	337,913,229	2,607,347	327,233,623	6,703,464	1,368,795
Operating income (loss)	(24,701,652)	-	(8,305,658)	123,067	(16,519,061)	(2,607,347)	(16,853,529)	1,747,422	1,194,393
Nonoperating income (expense)									
Investment income	12,529,020	-	12,301,052	-	227,968	-	-	-	227,968
Unrealized gains on investments	35,352,995	-	34,600,402	-	752,593	-	513,859	-	238,734
Interest expense	(7,662,371)	-	(7,662,467)	-	96	-	96	-	-
Expenses related to debt and investments	(969,232)	-	(969,232)	-	-	-	-	-	-
Amortization of deferred financing costs	(145,481)	-	(145,481)	-	-	-	-	-	-
Cash settlements on interest rate swaps	1,008,257	-	1,008,257	-	-	-	-	-	-
Unrealized gain on interest rate swaps	4,694,741	-	4,694,741	-	-	-	-	-	-
Distribution of restricted revenue	-	-	-	-	-	2,607,347	-	-	(2,607,347)
Gain (loss) on investment in subsidiaries	-	(123,067)	123,067	-	-	(1,650,693)	1,650,693	-	-
Change in unrealized gain on hedge fund investments	(677,730)	-	(677,730)	-	-	-	-	-	-
	44,130,199	(123,067)	43,272,609	-	980,657	956,654	2,164,648	-	(2,140,645)

Elmhurst Memorial Healthcare and Subsidiaries

Consolidating Statement of Operations and Changes in Unrestricted Net Assets Information (Continued)
Year Ended June 30, 2011

	Consolidated	Eliminations	Elmhurst Memorial Healthcare	Health Technologies LLC	Elmhurst Memorial Hospital Consolidated	Eliminations	Elmhurst Memorial Hospital	Elmhurst Memorial Home Health	Elmhurst Memorial Hospital Foundation
Excess (deficit) of revenue over expenses	$ 19,428,547	$ (123,067)	$ 34,966,951	$ 123,067	$ (15,538,404)	$ (1,650,693)	$ (14,688,881)	$ 1,747,422	$ (946,252)
Other changes in unrestricted net assets									
Discontinued operations	2,412,465	-	-	-	2,412,465	-	2,412,465	-	-
Amortization of gain on discontinuation of hedge accounting	178,463	-	178,463	-	-	-	-	-	-
Pension and supplemental plan related changes other than net periodic pension cost	26,851,456	-	-	-	26,851,456	-	26,851,456	-	-
Temporarily restricted contributions released for capital projects	2,000,000		-	-	2,000,000	-	-		2,000,000
	31,442,384	-	178,463	-	31,263,921	-	29,263,921	-	2,000,000
Increase in unrestricted net assets	$ 50,870,931	$ (123,067)	$ 35,145,414	$ 123,067	$ 15,725,517	$ (1,650,693)	$ 14,575,040	$ 1,747,422	$ 1,053,748

Additional Data

Software ID:
Software Version:
EIN: 35-2339114
Name: Elmhurst Memorial Healthcare Group

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			
Anne Oldenburg Asst Secretary - EMHF/Trustee - EMHH	1.00	X		X				0	0	0
Betsy Hanisch Vice Chairman - EMHF	1.00	X		X				0	0	0
Balbino Fernandez MD Trustee - EMHC	1.00	X						0	0	0
Blanche Hill Trustee - EMHF	1.00	X						0	0	0
Brian J Grant Trustee - EMHC/Trustee - EMHF	1.00	X						0	0	0
Brian Hagan Trustee - EMHC	1.00	X						0	0	0
Charity S Ahlgrim Trustee - EMHF	1.00	X						0	0	0
Charles Giger MD Pres Medical Staff - EMH/EMHC	1.00	X						0	0	0
Danelle Achepohl Asst Treasurer - EMHF	1.00	X		X				0	0	0
Daniel Sullivan MD VP Med Staff, Trustee - EMH	1.00	X						0	0	0
David Brueggen Asst Treasurer - EMHC	1.00	X		X				0	0	0
David L Atchison Chairman - EMHC/Trustee - EMH	1.00	X		X				0	0	0
Dean R Milos MD Asst Treasurer - EMH	1.00	X		X				0	0	0
Debra Catalano Trustee - EMHF	1.00	X						0	0	0
Don Hoffman MD Trustee - EMH	1.00	X						0	0	0
Donald Lurye MD Trustee - EMHC/EMHH	1.00	X						0	0	0
Edward J Momkus Secretary - EMHF	1.00	X		X				0	0	0
George Kouba Asst Secretary - EMH	1.00	X		X				0	0	0
Greg Young Trustee - EMHH	1.00	X						0	0	0
Honorable Lee Daniels Trustee - EMHC	1.00	X						0	0	0
J Thomas Brown MD Trustee - EMH	1.00	X						0	0	0
James J Migala MD Asst Secretary - EMHC	1.00	X		X				0	0	0
James McNamara Trustee - EMHF	1.00	X						0	0	0
Joel G Herter Chairman - EMH/Trustee - EMHF/EMHC	1.00	X		X				0	0	0
Joseph R Jeffery Trustee - EMHF	1.00	X						0	0	0

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			
Judge William J Bauer Trustee - EMH	1 00	X						0	0	0
Kenneth E Wegner Chairman - EMHF/Trustee - EMH	1 00	X		X				0	0	0
Kristina Katzovitz MD Sec /Treas - EMHH, Trustee - EMHC	1 00	X		X				0	0	0
Lou McKeever MD Trustee - EMHC	1 00	X						0	0	0
Mary Ann Malloy MD Trustee - EMHF	1 00	X						0	0	0
Michael Martirano MD Sp Rep - Med Staff, Trustee - EMH	1 00	X						0	0	0
Patricia Merwick MD Trustee - EMHC	1 00	X						0	0	0
Richard Bruce Trustee - EMHF	1 00	X						0	0	0
Richard Gillette Trustee - EMHF	1 00	X						0	0	0
Richard Inskeep Secretary - EMHC/Treasurer - EMHF	1 00	X		X				0	0	0
Robert G Robertson Treasurer - EMHC/EMH, Trustee - EMHF	1 00	X		X				0	0	0
Robert E Soukup Chair - EMHC	1 00	X		X				0	0	0
Robert Platt Vice Chair - EMHC	1 00	X		X				0	0	0
Ron Cheff MD Secretary - EMH	1 00	X		X				0	0	0
Sandra Nelson President - EMHF	40 00	X		X				189,198	0	17,916
Sarah Diamond Trustee - EMHF	1 00	X						0	0	0
Sherrie Riha Trustee - EMHF	1 00	X						0	0	0
Susan Gehrke LoPiano Trustee - EMHF	1 00	X						0	0	0
Suzanne Durburg RN Trustee - EMH/EMHH	1 00	X						0	0	0
Thomas Kloet Vice Chairman - EMH/Trustee - EMHC	1 00	X		X				0	0	0
Timothy Bresnahan MD Trustee - EMHC	1 00	X						0	0	0
Valerie Cahill Trustee - EMH	1 00	X						0	0	0
W Peter Daniels President - EMHC/EMH/Trustee - EMHF	40 00	X		X				673,336	0	23,947
Wayne Aardsma until Feb 2012 President - EMHH	40 00	X		X				51,584	0	37,886
James F Doyle Senior VP/CFO - EMHC	40 00			X				511,616	0	47,525

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			
Mary Stull COO Elm Clinic Division	40 00				X			279,094	0	27,253
Pamela Dunley VP Patient Services	40 00				X			323,485	0	100,129
Andrew S Blum MD Physician	40 00					X		452,559	0	18,639
Charles Colander VP, Chief Info Officer	40 00					X		330,641	0	17,890
Connie Nacopoulos MD VP Medical Affairs	40 00					X		420,968	0	99,973
Lois Grubb VP Human Resources	40 00					X		302,018	0	15,089
Suzann Benedetto till Jun 2011 VP Patient Care Svcs	40 00					X		346,806	0	13,745
Leo F Fronza until Jun 2011 Former CEO-EMHC/EMH	0 00						X	4,622,206	0	16,986