

See a Social Security Number? Say Something! Report Privacy Problems to https://public.resource.org/privacy Or call the IRS Identity Theft Hotline at 1-800-908-4490



DLN: 93493134078183

$\mathsf{Form} 990$

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

Open to Public Inspection

		2011 ca	lendar year, or tax year beginning 07-01-2011 C Name of organization	and ending 06-30-20	12	D Employ	er ider	ntification number	
	dress cha	'	PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK			74-11(
— _{Na}	me chan	nge	Doing Business As			E Telepho	ne nui	mber	
— _{Inr}	tıal retur	'n	Number and street (or P O box if mail is not delivere	ed to street address) Room/	suite	(254) 7			
Te	rmınated	i	6901 MEDICAL PARKWAY			G Gross re	ceipts \$	269,967,609	
— Am	nended r	eturn	City or town, state or country, and ZIP + 4 WAC, TX 76712						
Ap	plication	pending			_				
			F Name and address of principal officer KENT A KEAHEY		H(a) Is th		return	for	
			6901 MEDICAL PARKWAY WACO,TX 767127910						
			WACO, 1X 707127310		H(b) Are a			d? Yes V No (see instructions)	
г Та	ıx-exem	pt status	▼ 501(c)(3)	4947(a)(1) or				nber 🕨 0928	
ı w	ebsit e	: ► ww	W PROVIDENCE NET						
			Corporation Trust Association Other		L Year of fo	rmation 190	8 M	State of legal domicile TX	
Pa	rt I	Sum	mary						
Activities & Governance	2 C 3 N 4 N 5 T	Check th Number Number	in support of this mission is box if the organization discontinued its of voting members of the governing body (Part of independent voting members of the governing mber of individuals employed in calendar year mber of volunteers (estimate if necessary)	b)	L	net as 3 4 5 6	11 10 3,030 205		
			related business revenue from Part VIII, colui	* **			7a	432,544	
	b N	let unre	lated business taxable income from Form 990	-T, line 34			7b		
	8	Control	butions and grants (Part VIII, line 1h)		Pric	2,006,5	0.7	Current Year 209,959	
9	9		m service revenue (Part VIII, line 2g)			2,006,3		253,487,160	
Revenue	10	_	ment income (Part VIII, column (A), lines 3, 4		10,344,8	_	7,375,585		
Ě	11	Other	revenue (Part VIII, column (A), lines 5, 6d, 8e	c, 9c, 10c, and 11e)		7,487,4	75	8,569,627	
	12		revenue—add lines 8 through 11 (must equal F			259,900,6	59	269,642,331	
	13		and similar amounts paid (Part IX, column (A			3,596,5	50	5,901,915	
	14	Benefit	ts paid to or for members (Part IX, column (A)	, line 4)				0	
Ø	15	Salarıe 10)	es, other compensation, employee benefits (Pa	art IX, column (A), lines	5-	109,580,1	25	115,291,277	
98€	16a	•	sional fundraising fees (Part IX, column (A), li	ne 11e)	109,380,123				
Expenses	ь		ndraising expenses (Part IX, column (D), line 25) •0	,					
ш	17		expenses (Part IX, column (A), lines 11a-110	d,11f-24e)		117,352,7	92	111,138,584	
	18	Totale	expenses Add lines 13-17 (must equal Part I	(X, column (A), line 25)		230,529,4	67	232,331,776	
- 40	19	Reven	ue less expenses Subtract line 18 from line 1	2		29,371,1	-	37,310,555	
Net Assets or Fund Balances					·	g of Curren 'ear	t	End of Year	
98.48 84.48 84.48	20	Totala	assets (Part X, line 16)			299,701,2	21	312,160,743	
절절	21	Totall	ıabılıtıes (Part X, lıne 26)			101,582,1	19	100,912,827	
	22		sets or fund balances Subtract line 21 from li	ine 20		198,119,1	02	211,247,916	
Unde know		ties of pe	ature Block erjury, I declare that I have examined this return, f, it is true, correct, and complete. Declaration of						
		****)13-05-14	_		
Sigr		Sig na	ture of officer		Di	ate	-		
Her	e		N RICHARDSON SR VP-FINANCE/CFO or print name and title						
Paid		Prepare signatur	r's Jefferey Frank	Date	Check if self-employed	Preparer's (see instru		er identification number	
	oarer's Only	ıf self-e	mployed),			EIN ▶			
J 3 C	Only	address	, and ZIP + 4 1111 BAGBY ST STE 4500			Phone no) (71	.3) 982-2000	
		1	HOUSTON, TX 77002			1	. (11	, 2000	

May the IRS discuss this return with the preparer shown above? (see instructions)

LOIIII	990 (2011)					Page ∠
Par		t of Program Serv		lishments Jestion in this Part III		r
1		organization's missio		Jestion in this Fait III		,
Our (comr provi	Catholic health minis nunities In furtheran des essential health	try is dedicated to spi ce of its mission and i care services such as	ritually centered n an effort to red outpatient clini	duce the government's ics, and emergency roo	istains and improves the ho financial burden, Providenc m and ambulatory facilities ipital projects in support of	e Health Services of Waco that serve low income
2		ı undertake any sıgnıfı or 990-EZ?			which were not listed on	┌ Yes ┌ No
	If "Yes," describe th	iese new services on S	Schedule O			
3	services?			nt changes in how it con	ducts, any program	┌ Yes ┌ No
4	Describe the organic	501(c)(3) and 501(c)(ce accomplishm 4) organizations	and section 4947(a)(ee largest program service: 1) trusts are required to rep n program service reported	
4a	(Code SEE STATEMENT 1) (Expenses \$	192,253,270	including grants of \$	5,901,915) (Revenue \$	258,810,532)
4b	(Code) (Expenses \$		including grants of \$) (Revenue \$)
4c	(Code) (Expenses \$		including grants of \$) (Revenue \$)
4d	Other program ser (Expenses \$	vices (Describe in Sc	hedule O) cluding grants of	f\$) (Revenue \$)
4e	Total program serv	rice expenses ► \$	192,253,27	0		

art IV	Checklist (of Require	d 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 $\sqrt{2}$	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			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section $170(b)(1)(A)(II)$? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV.	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Par	t IV Checklist of Required Schedules (continued)			
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		Νο
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		Νo
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		Νο
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		Νo
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		Νο
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		Νο
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)			
а	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	Yes	
С	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		Νο
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		Νο
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		Νο
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		N o
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		N o
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		Νο
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	
		F	orm 99 0	(2011)

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 223			
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			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the	3a	Yes	
h	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	30	163	
44	over, a financial account in a foreign country (such as a bank account or securities			
	account)?	4a		Νο
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		N o
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		Νο
С	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			Νο
_		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		Νo
ь	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts			
	were not tax deductible?	6b		Νo
7	Organizations that may receive deductible contributions under section 170(c).			
а	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and	7a		Νo
	services provided to the payor?	7b		NI -
	If "Yes," did the organization notify the donor of the value of the goods or services provided?	/D		No
С	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		Νο
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d 0			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit	7-		Na
£	contract?	7e 7f		No No
	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as	/1		NO -
9	required?	7g		Νo
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a			
	Form 1098-C?	7h		No
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		Νο
9	Sponsoring organizations maintaining donor advised funds.	-		
	Did the organization make any taxable distributions under section 4966?	9a		Νο
_	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		No No
ь 10	Section 501(c)(7) organizations. Enter	50		14.0
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
	facilities			
11	Section 501(c)(12) organizations. Enter			
а	Gross income from members or shareholders			
Ь	Gross income from other sources (Do not net amounts due or paid to other			
	sources against amounts due or received from them)			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		Νo
	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.			
а	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		No
b	Enter the aggregate amount of reserves the organization is required to maintain by			
	the states in which the organization is incensed to issue qualified health plans			
С	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		Νo
	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		No

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 an	vallestion in this Part VI						- V
Check ii Schedule O	contains a response to an	y question in tins i ait vi			•	•		• 1.

Se	ection A. Governing Body and Management			
	Action Al Governing Body and Hanagement		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax vear			
b	Enter the number of voting members included in line 1a, above, who are			
2	Independent			
	other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		Νo
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			
а	The governing body?	8a	Yes	
ь	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		103	
	organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		Νo
	ection B. Policies (This Section B requests information about policies not required by the Internal			
	evenue Code.)		Yes	No
10-	Did the organization have local chapters, branches, or affiliates?	10a	165	No
	If "Yes," did the organization have written policies and procedures governing the activities of such chapters,	IVa		NO
	affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10ь		No
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	
	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?			
а	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)			
	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	
	ection C. Disclosure			
17	List the States with which a copy of this Form 990 is required to be filed			
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 V Upon request

- 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
- State the name, physical address, and telephone number of the person who possesses the books and records of the organization 🕨 20 KAREN RICHARDSON SR VPCFO 6901 MEDICAL PARKWAY

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

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

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

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

(A) Name and Title	(B) Average hours per week (describe hours	(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
	for	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former		,	organizations
See Additional Data Table										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

	(A) Name and Title	(B) A verage hours per week (describe	unles an	on (d e thai	n on son er ar	e bo ıs b nd a	ox, oth		Rep comp fro organiz	(D) ortable ensation m the zation (W-	(E) Reportable compensation from related organizations (W- 2/1099-		(F) Estimount of compensions from rganizat	ated of other sation the ion and
		hours for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former			MISC)		relat organiza	
See A	Addıtıonal Data Table						+ -							
												+		
								-				_		
												+		
								-				+		
												-		
								<u> </u>				\perp		
1b	Sub-Total				•	•		>						
	Total from continuation sheets Total (add lines 1b and 1c) .			• •	•	•				4,362,856				313,508
	Total number of individuals (incl								receive	, ,	ın			313,300
_	\$100,000 of reportable compen						uborc	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	a more ema				
													Yes	No
3	Did the organization list any for on line 1a? <i>If</i> "Yes," complete Sci	·				-			-		ated employee	3	Yes	NO
4	For any individual listed on line	1a. is the sum of	f report:	able o	omi	oens	sation	and •	otherco	mpensation	n from the		163	
-	organization and related organiz													
	ındıvıdual			•	•	•		•				4	Yes	
5	Did any person listed on line 1a services rendered to the organiz								_		or individual for	_		N -
			,					. ,			L	5		No
S	ection B. Independent Con	tractors												
1	Complete this table for your five \$100,000 of compensation from or within the organization's tax y	n the organizatio												
	-	(A)	J							Dane	(B)		(0	
	O SURGICAL GROUP	me and business add	11622								iption of services		Compe	
	FISH POND RD O, TX 767102621									MEDICAL CO	NSULTING			740,378
1594	/IS CONSULTING LLC -5 CLAYTON ROAD STE360									CONSULTING	i			680,872
_	WIN, MO 63011 ENNAN COUNTY MEDICAL EDUCATION & F	RESEARCH										+		
1600	PROVIDENCE DR O, TX 767072291	(LSE/WOII								RESIDENT M	EDICAL SVC			923,530
MCLE	ENNAN COUNTY HOSPITALISTS OX 23548									HOSPITALIST	S	\top	1	.,181,283
	O, TX 767023548 ENNAN COUNTY EMERGENCY PHYSICIANS											\perp		
PO B	OX 23548 O, TX 767023548	•								EMERGENCY	PHYSICIANS		8	3,777,413

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 \blacktriangleright 25

Part v	/	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
ts ts	1a	Federated campaigns 1a					
E E	ь	Membership dues 1b					
50 €		_					
र्कु हिं	C	Fundraising events 1c					
<u>≅.</u> ਰ	d	Related organizations 1d	207,884				
ωĒ	e	Government grants (contributions) 1e					
들ᅏ	f f	All other contributions, gifts, grants, and 1f	2,075	i			
草草		sımılar amounts not included above					
皇を	g	Noncash contributions included in					
Contributions, gifts, grants and other similar amounts	_	lines 1a-1f \$	_	300.050			
ुं ख	h	Total. Add lines 1a-1f	•	209,959			
œ.		E	Business Code				
Ē	2a	NET PATIENT SVCS REV	624100	253,487,160	253,487,160		
e E	ь						
or or	c						
Ģ S	l .						
Ř	d						
Ξ	e						
© Eg	f	All other program service revenue					
Program Service Revenue							
	g	Total. Add lines 2a-2f		253,487,160			
	3	Investment income (including dividends,					
		and other similar amounts)	-	7,383,285			7,383,285
	4	Income from investment of tax-exempt bond proc	ceeds 🕨	0			
	5	Royalties		0			
		(ı) Real	(11) Personal				
	6a	Gross rents 173,567					
	ь	Less rental					
	c	expenses Rental income 173,567					
	•	or (loss)		470 557			470.557
	d	Net rental income or (loss)	-	173,567			173,567
		(ı) Securities	(II) O ther				
	7a	Gross amount 57,858 from sales of					
		assets other					
	Ь	than inventory Less cost or 65,558					
	-	other basis and sales expenses					
	l c	Gain or (loss) -7,700					
	d	Net gain or (loss)		-7,700			-7,700
	8a	Gross income from fundraising		,			,
Φ	04	events (not including					
=		\$					
Φ >-		of contributions reported on line 1c)					
Ě		See Part IV, line 18					
u		a	50,910				
Other Revenue	Ь	Less direct expenses b	28,981	24 225			24 225
0	C	Net income or (loss) from fundraising eve	ents 🟲	21,929			21,929
	9a	Gross income from gaming activities					
		See Part IV, line 19					
	b	Less direct expenses b	es	0			
	C	Net income or (loss) from gaming activiti	es	0			
	10a	Gross sales of inventory, less returns and allowances .					
	ь		462,378				
		Less cost of goods sold b Net income or (loss) from sales of inventor	230,739	231,639			231,639
	С		Business Code	231,033			231,037
	4.4		900099	3,042,033	3,042,033		
	11a	PHARMACY SALES			, ,		
	Ь	MISC OTHER	900099	1,835,135	1,835,135		
	С	CAFETERIA SALES	900099	2,386,576	T	T	2,386,576
	d	All other revenue		878,748	446,204	432,544	
	e	Total. Add lines 11a-11d		8,142,492			
	12	Total revenue. See Instructions	. •				
				269,642,331	258,810,532	432,544	10,189,296

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

	neck if Schedule o contains a response to any question in this i are ix		(7)	(0)	(2)
	ot include amounts reported on lines 6b, p, 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	5,901,915	5,901,915		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0	2,22,22		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	3,636,634		3,636,634	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	146,706		146,706	
7	Other salaries and wages	89,504,577	77,941,353	11,563,224	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,717,564	1,580,159	137,405	
9	Other employee benefits	13,401,350	11,927,202	1,474,148	
10	Payroll taxes	6,884,446	6,127,157	757,289	
11	Fees for services (non-employees)	, 2.,	, =:,=3.	,==3	
 а	Management	0			
ь	Legal	484,072		484,072	
c	Accounting	255,483		255,483	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	31,500,229	24,428,158	7,072,071	
12	Advertising and promotion	1,361,479	10,039	1,351,440	
13	Office expenses	51,968,261	49,169,748	2,798,513	
14	Information technology	0			
15	Royalties	0			_
16	Occupancy	3,400,602	3,384,102	16,500	
17	Travel	839,501	352,362	487,139	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	1,971,799		1,971,799	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	11,921,086	10,132,923	1,788,163	
23	Insurance	112,927		112,927	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f Ifline 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
а	NON RECURRING LOSS PPE	1,105,635	1,105,635		
ь	EQUIPMENT RENT & MAINT	1,581,500	1,469,939	111,561	
С	MAINTENANCE & REPAIRS	3,879,767	1,560,093	2,319,674	
d	OTHER EXPENSES	5,178,607	2,711,906	2,466,701	
e					
f	All other expenses	-4,422,364	-5,549,421	1,127,057	_
25	Total functional expenses. Add lines 1 through 24f	232,331,776	192,253,270	40,078,506	0
26	Joint costs. Check here ► T 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			Fa	rm 990 (2011)

Part X Balance Sheet (A) (B) Beginning of year End of year 0 Cash—non-interest-bearing 1 1 2 18.074.285 2 12.815.151 Savings and temporary cash investments 3 4 34.126.285 4 36.328.385 Accounts receivable, net . 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of 5 0 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of 0 Schedule L . . . 6 2,177,213 7 1,125,196 4.046.227 8 3.990.290 9 1.127.545 993.064 9 Prepaid expenses and deferred charges 236,019,457 10a Land, buildings, and equipment cost or other basis Complete 10a Part VI of Schedule D 10b Less accumulated depreciation 123,360,531 112,221,955 **10c** 112,658,926 b 0 11 11 12 0 12 Investments—other securities See Part IV, line 11 13 13 0 Investments—program-related See Part IV, line 11 . . 14 3,286,277 14 3,211,894 124,641,434 141,037,837 15 15 299,701,221 312,160,743 16 16 Total assets. Add lines 1 through 15 (must equal line 34) . . . 21,556,744 19,980,534 17 17 Accounts payable and accrued expenses . 18 18 19 4,938,374 19 4,792,314 20 20 Tax-exempt bond liabilities 21 21 Escrow or custodial account liability Complete Part IV of Schedule D . . Liabilities 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified 22 23 53.368.857 23 52,984,920 Secured mortgages and notes payable to unrelated third parties . . . 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 21,718,144 25 23,155,059 D 26 101,582,119 26 100,912,827 **Total liabilities.** Add lines 17 through 25 Organizations that follow SFAS 117, check here ▶ 🔽 and complete lines 27 Balance through 29, and lines 33 and 34. 197,443,470 **27** 27 Unrestricted net assets 210,639,277 675,632 608.639 28 Temporarily restricted net assets 28 Fund 29 29 Permanently restricted net assets Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34. ö 30 Capital stock or trust principal, or current funds 30 Assets 31 31 Paid-in or capital surplus, or land, building or equipment fund 32 32 Retained earnings, endowment, accumulated income, or other funds ¥ 198.119.102 33 211,247,916 33 Total net assets or fund balances 34 Total liabilities and net assets/fund balances 299.701.221 312,160,743

Pal	Check if Schedule O contains a response to any question in this Part XI	<u> </u>		.┏	
1	Total revenue (must equal Part VIII, column (A), line 12)			269,6	542,331
2	Total expenses (must equal Part IX, column (A), line 25)	2			
3	Revenue less expenses Subtract line 2 from line 1	3		37,3	310,555
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		198,1	19,102
5	Other changes in net assets or fund balances (explain in Schedule O)	5		-24,1	181,741
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	5		211,2	247,916
Pai	rt XIII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII			୮	•
				Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
ь	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
С	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	2	2c		No
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	ued			
_	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 req audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	uıred	3b		No

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

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

DLN: 93493134078183

Public Charity Status and Public Support

(Form 990 or 990EZ)

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

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

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

OMB No 1545-0047

Open to Public Inspection

Name of the organization PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK

SCHEDULE A

Department of the Treasury

Internal Revenue Service

Employer identification number

74-1109636

1		A churc	h, conventi	on of churches, or as	ssociation of	churches	section 170(l	b)(1)(A)(i)				
2	Γ	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)										
3	굣	A hosp	ıtal or a coo	perative hospital se	rvice organiz	ation desci	rıbed ın secti o	on 170(b)(1	L)(A)(iii).			
4	Γ		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	Γ	_	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	Г	A feder	al, state, or	local government or	government	al unit des	cribed in sect	ion 170(b)	(1)(A)(v).			
7	Γ	An orga describ	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	\sqcap	A comr	nunity trust	described in section	170(b)(1)(A)(vi) (Co	mplete Part I	I)				
9	\sqcap	Anorga	anızatıon tha	at normally receives	(1) more th	an 331/3%	of its suppor	t from cont	rıbutıons, mem	ıbershıp fee	s, and gro	SS
		receipt	s from activ	ities related to its ex	xempt functi	ons—subje	ct to certain e	exceptions,	and (2) no mo	re than 33:	1/3% of	
		ıts sup	port from gr	oss investment inco	me and unre	lated busin	ess taxable ır	ncome (less	s section 511	tax) from b	usinesses	
		acquire	d by the org	janızatıon after June	30,1975 S	ee section	509(a)(2). (0	omplete Pa	art III)			
10	Γ	Anorga	anızatıon orç	janized and operated	d exclusively	to test for	public safety	See sectio	n 509(a)(4).			
e f g	'	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							Check her ons 1) or zation,			
		-	•	governing body of th er of a person descri		_					g(i) J(ii)	
			•	led entity of a perso	• •		above?				ı(iii)	
h				ng information about							, ()	<u> </u>
(i) Name suppor organiza		(iii) Type of organization e of (ii) (described on rted EIN lines 1- 9 above		(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		A mo	vii) unt of port?	
				instructions))	Yes	No	Yes	No	Yes	No		
T												
Tota	1					<u> </u>						

ınstructıons

	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.)							
		organization	rails to quality t	<u>inder the tests</u>	listed below, pi	ease cor	npiete	Part III.)
	ection A. Public Support endar year (or fiscal year beginning	1	1	1	1			
Car	in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2	011	(f) Total
1	Gifts, grants, contributions, and							
	membership fees received (Do not							
	ınclude 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							
_ <u>S</u>	ection B. Total Support							
Cal	endar year (or fiscal year beginning	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 20	11	(f) Total
	ın)	(-,	(-,	(0, 2000	(-,	(-,		
7	A mounts 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	es, etc (See ins	tructions)		•	12		
13	First Five Years If the Form 990 is t	or the organizati	on's first. second	. third. fourth. or	fifth tax vear as a	501(c)(3) organi	zation.
	check this box and stop here	.	· · · · · · · · · · · · · · · · · · ·	,,,	,	(- / (-	,	▶ ┌
_ <u>s</u>	ection C. Computation of Pub							
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 , Pa	rt II, line 14			15		
16a	33 1/3% support test—2011. If the				line 14 is 33 1/3%	6 or more	, check '	
_	and stop here. The organization qualifies as a publicly supported organization							
b	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							
17-	box and stop here. The organization qualifies as a publicly supported organization 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14							
т/а	is 10% or more, and if the organization							
	in Part IV how the organization mee							ted
	organization	to the lacts diff	a circumstances	cost The Organia	Lation quanties as	a publicly	Sappor	red ▶□
ь	10%-facts-and-circumstances test-	-2010. If the ora	anızatıon dıd not	check a box on li	ne 13, 16a, 16b.	or 17a and	d line	• •
_	15 is 10% or more, and if the organ							
	Explain in Part IV how the organizat	ion meets the "f	acts and circums	tances" test Th	e organızatıon qua	lıfıes as a	publich	
	supported organization			بمد می	4-11			► □
18	Drivate Foundation If the organizati	on did not chack	' a hov on line 13	165 166 1757	ar 1 /h chack thic	nov and c	- 0 0	

▶□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 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 (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (d) 2010 (e) 2011 (c) 2009 (f) Total ın) A mounts from line 6 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b c Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public support percentage from 2010 Schedule A, Part III, line 15 16 16

S	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

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 (Form 990 or 990-EZ) 2011

DLN: 93493134078183

OMB No 1545-0047

SCHEDULE C (Form 990 or 990-

Department of the Treasury Internal Revenue Service

EZ)

4

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.

Open to Public

f the organization answered "Yes,"	to Form 990, Part IV, Li	ine 3, or Form 990-EZ,	Part V, line 46 (Political	Campaign Activities),
hen				

- 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

Provide a description of the organization's direct and indirect political campaign activities on behalf of or

◆ 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

in opposition to candidates for public office in Part IV

Name of the organization
PROVIDENCE HEALTH SERVICES OF WACO
dha PROVIDENCE HEALTHCARE NETWORK

Employer identification number

74-1109636

|--|

- Political expenditures Volunteer hours
- Part I-B Complete if the organization is exempt under section 501(c)(3).
- Enter the amount of any excise tax incurred by the organization under section 4955
- 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? **∇** Nα Was a correction made? ☐ Yes ✓ No
- If "Yes," describe in Part IV

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

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities
- Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
- Did the filing organization file Form 1120-POL for this year? Yes 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) A mount paid from filing organization's funds If none, enter -0-	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Sch	edule C (Form 990 or 990-EZ) 2011					Page 2
Pa	rt II-A Complete if the organization under section 501(h)).	is exempt under	section 501(c)	(3) and file	ed Form 5768	(election
	Check If the filing organization belongs to a expenses, and share of excess lobb	ying expenditures)		affiliated grou	up member's nam	e, address, EIN,
<u> </u>	Limits on Lobbying E (The term "expenditures" means a	xpenditures			(a) Filing Organization's Totals	(b) Affiliated Group Totals
	Total lobbying expenditures to influence public of	pinion (grass roots lob	bying)			
ь	Total lobbying expenditures to influence a legisl	ative body (direct lobby	/ing)	-		
c	Total lobbying expenditures (add lines 1a and 1	b)		Ī		
d	Other exempt purpose expenditures			Γ		
e	Total exempt purpose expenditures (add lines 1	c and 1d)				
f	Lobbying nontaxable amount Enter the amount columns	from the following table	ın both			
	If the amount on line 1e, column (a) or (b) is: Not over \$500,000	The lobbying nontaxa 20% of the amount on lir				
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,000			
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$1,000,0	00		
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,00			
	Over \$17,000,000	\$1,000,000				
	Grassroots nontaxable amount (enter 25% of lir	ne 1f)				1
h	Subtract line 1g from line 1a If zero or less, ent	er -0-		Γ		
i	Subtract line 1f from line 1c If zero or less, ente	er - 0 -		Γ		
j	If there is an amount other than zero on either lissection 4911 tax for this year?	ne 1h or line 1ı, did the	organization file Fo	orm 4720 repo	orting	┌ Yes ┌ No
	(Some organizations that made a columns below. See t		ection do not h r lines 2a throu	avè to con ıgh 2f on p		ne five
	Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a	Lobbying non-taxable amount					
ь —	Lobbying ceiling amount (150% of line 2a, column(e))					
_с	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)	(b)	
		Yes	No	A mount	
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				
а	Volunteers?		Νo		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		Νo		
c	Media advertisements?		Νo		
d	Mailings to members, legislators, or the public?		Νo		
e	Publications, or published or broadcast statements?		Νo		
f	Grants to other organizations for lobbying purposes?	Yes		14,400	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		Νo		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		Νo		
i	Other activities? If "Yes," describe in Part IV		Νo		
j	Total lines 1c through 1i			14,400	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		Νo		
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?		Νo		

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".

	,		
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).		
а	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 noticeal expenditure next year?	4	

Part IV Supplemental Information

Dues, assessments and similar amounts from members

5 Taxable amount of lobbying and political expenditures (see instructions)

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

Ident if ier	Return Reference	Explanation		
Part II-B, Line 11	•	Lobbying expenses represent the portion of dues paid to nationa		
	· ·	and state hospital associations that is specifically allocable to		
		lobbying		

111

efile GRAPHIC print - DO NOT PROCESS

DLN: 93493134078183

OMB No 1545-0047

Inspection

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.

PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK

Name of the organization **Employer identification number** 74-1109636 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 Total number at end of year Aggregate contributions to (during year) Aggregate grants from (during year) Aggregate value at end of year Did the organization inform all donors and donor advisors in writing that the assets held in donor advised ┌ No funds are the organization's property, subject to the organization's exclusive legal control? 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 □ Yes conferring impermissible private benefit Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7. 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 Preservation of a certified historic structure Protection of natural habitat Preservation of open space 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 Total number of conservation easements 2a Total acreage restricted by conservation easements 2b 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 termi	nated by th	ne 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, enforcement of the conservation easements it holds?	handling of	violations, and Ye	s [□ No
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation ea	sements d	uring the year ►		
7	A mount of expenses incurred in monitoring, inspecting, and enforcing conservation easem	ents durin	g the year		
	▶ \$				
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of $170(h)(4)(B)(i)$ and $170(h)(4)(B)(ii)$?	section	☐ Ye	s [□ No
9	In Part XIV, describe how the organization reports conservation easements in its revenue balance sheet, and include, if applicable, the text of the footnote to the organization's finar 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.

- 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
- 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

Assets included in Form 990, Part X

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

Revenues included in Form 990, Part VIII, line 1

Schedule D (Form 990) 2011

Part	•••• Organizations Maintaining Co	llections of Art	, His	torica	<u>al Trea</u>	sures, or O	<u>the</u>	r Similar As	sets (c	ontinued)
3	Using the organization's accession and othe items (check all that apply)	r records, check an	y of th	ne follov	wing that	are a significa	nt u	se of its collect	ion	
а	Public exhibition		d	Г	oan or e	xchange progr	ams			
b	Scholarly research		e	Γ	Other					
c	Preservation for future generations									
4	Provide a description of the organization's co Part XIV	ollections and expla	ın hov	w they f	urther th	ne organization	's ex	kempt purpose i	n	
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t								_ Yes	∏ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an an					ion answere	Y" b	es" to Form 9	90,	
1a	Is the organization an agent, trustee, custod included on Form 990, Part X?	ıan or other ınterme	ediary	for cor	ntributior	ns or other ass	ets i		_ Yes	┌ No
b	If "Yes," explain the arrangement in Part XIV	/ and complete the	follow	/ıng tab	le	Г		Am	ount	
c	Beginning balance						1c			
d										
e	Distributions during the year						1e			
f	Ending balance						1f			
2a	Did the organization include an amount on Fo	orm 990, Part X, line	e 21?			L		·	Yes	┌ No
	If "Yes," explain the arrangement in Part XIV							,		,
	rt V Endowment Funds. Complete		n ans	wered	l "Yes" t	to Form 990,	Par	t IV, line 10.		
	•	(a)Current Year)Prior Ye)Three Years Back	(e)Four Y	ears Back
1a	Beginning of year balance	1,080,106		9	65,247	873,36	1			
b	Contributions	38,475			32,020	31,64	4			
c	Investment earnings or losses	-46,644			84,587	95,47	6			
d	Grants or scholarships					-28,14	4			
e	Other expenditures for facilities and programs	-3,578			-1,748	-7,09	0			
f	Administrative expenses									
g	End of year balance	1,068,359		1,0	80,106	965,24	7			
2	Provide the estimated percentage of the yea	r end balance held a	as							
а	Board designated or quasi-endowment 🕨									
ь	Permanent endowment 🕨 100 000 %									
c	Term endowment ▶									
3a	Are there endowment funds not in the posses	ssion of the organiz	ation	that are	held an	d administered	l for	the		
	organization by								Yes	No
	(i) unrelated organizations						•	3a(-	No
ь	(ii) related organizations						•	3a(i		<u> </u>
4	Describe in Part XIV the intended uses of th	•					•		res	<u> </u>
	t VI Land, Buildings, and Equipme									
	Description of property	ma see roim ss	0,10	(a) Co	st or other			(c) Accumulated depreciation	(d) Bo	ok value
1-	land			===(<u> </u>			<u> </u>	0 006 441
	Land		•		3,056,08			60 052 022		6 200 106
	Buildings		•			145,163		68,953,933		6,209,106
	Leasehold improvements		•			5,521		3,986,808	+	1,534,431
	Equipment		•			74,305		50,419,790		3,885,976
	Other	rm 990 Part V colur	nn (P)		0(c))	1,022		▶	+	1,022,972 2,658,926
iota	. Add filles 1a-1e (Column (a) should equal Fo	ını 990, Fait ∧, COlul	III (B)	,, iiile 10	U(C)./ •		•	<u> </u>		
								Schedule D	(Form 9	90) 2011

Part VII Investments—Other Securities. See	Form 990, Part X, line 1	2.	
(a) Description of security or category	(b)Book value		d of valuation
(including name of security)		Cost or end-or	-year market value
(1)Financial derivatives			
(2)Closely-held equity interests Other			
Other			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	•		
Part VIII Investments—Program Related. See	e Form 990. Part X. line	13.	
			d of valuation
(a) Description of investment type	(b) Book value		-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, lin	ne 15.		
(a) Descrip	otion		(b) Book value
(1) SETTLEMENTS FROM 3RD PARTIES			8,119,026
(2) RESTRICTED DONATIONS			608,639
(3) OTHER ASSETS			74,725
(4) INVESTMENT IN COMMUNITY HOSPICE OF TX			7,084,376
(5) INVESTMENT IN ASC JV - FISHPOND			1,593,960
(6) HSD-EXCESS OPERATING FUND			65,519,041
(7) HSD - PENSION PREFUNDING INVESTMENT			4,444,941
(8) DEFERRED COMPENSATION ASSET			5,374,520
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1			141,037,837
Part X Other Liabilities. See Form 990, Part X	l e		
1 (a) Description of Liability	(b) A mount		
Federal Income Taxes			
THIRD PARTY SETTLEMENTS	1,301,835		
Rounding	4		
PENSION & OTHER POST-RETIREMENT BENEFITS	8,631,468		
OTHER NON CURRENT LIABILITIES	3,226,951		
OTHER LIABILITIES	2,643,393		
GENERAL & PROFESSIONAL TRUST FUND LIAB	1,976,888		
DEFERRED COMPENSATION LIABILITY	5,374,520		
	, ,		
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	23,155,059		
((-) since 23)	23,155,059		

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 p	er Re	turn
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		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
С	Recoveries of prior year grants		
d	Other (Describe in Part XIV) 2d		
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	A mounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIV) 4b		
С	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	
	Reconciliation of Expenses per Audited Financial Statements With Expenses	per F	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		
а	Donated services and use of facilities		
b	Prior year adjustments 2b	1	
c	Other losses	1	
d	Other (Describe in Part XIV) 2d	1	
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:		
а	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	
Par	t XIV Supplemental Information		

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

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 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

Ident if ier	Return Reference	Explanation
Part X	Part X FIN48 Footnote	Effective FY07, Providence Health Services of Waco adopted ASC 740 The adoption of ASC 740 did not have a material impact on Providence Health Services of Waco's consolidated financial position or results of operations. The financial statements of Providence Health Services of Waco were audited on a consolidated basis, as part of the consolidated financial statements of Ascension Health. An audit committee has been delegated the responsibility to oversee the audited financial statements and the selection of the independent accountants that audited the financial statements.
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	\$0 DEFERRED PENSION \$649613 OTHER \$118004 EQUITY CONTRIBUTION - PHA \$ -5775000 EQUITY CONTRIBUTION - AH \$ -3797503 OTHER PENSION \$ -7397106 UNREALIZED GAIN/LOSS \$ -7979749 OTHER \$ -0
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	All endowment funds are held by Providence Foundation, a related organization. The funds are administered for the benefit of Providence Health Services of Waco, including the funding of various programs and services. These programs and services are detailed in the narrative provided for Part III, Line 4a, Program Service Accomplishments.

Additional Data

Software ID: 11000144

Software Version: 2011v1.5

EIN: 74-1109636

Name: PROVIDENCE HEALTH SERVICES OF WACO

dba PROVIDENCE HEALTHCARE NETWORK

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

(a) Description	(b) Book value
SETTLEMENTS FROM 3RD PARTIES	8,119,026
RESTRICTED DONATIONS	608,639
OTHER ASSETS	74,725
INVESTMENT IN COMMUNITY HOSPICE OF TX	7,084,376
INVESTMENT IN ASC JV - FISHPOND	1,593,960
HSD-EXCESS OPERATING FUND	65,519,041
HSD - PENSION PREFUNDING INVESTMENT	4,444,941
DEFERRED COMPENSATION ASSET	5,374,520

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493134078183

OMB No 1545-0047

2011

Open to Public Inspection

SCHEDULE G (Form 990 or 990-EZ) Supplemental Information Regarding Fundraising or Gaming Activities

Department of the Treasury Internal Revenue Service

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.

Name of the organization PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK

Employer identification number
74-1109636

Pa	rt I Fundraising Ac	tivities. Complet	e if the o	organiza	tıon	answered "Yes"	to Form 990, Part IV	, line 17.
a b c d 2a	Indicate whether the organ Mail solicitations Internet and e-mail so Phone solicitations In-person solicitations Did the organization have or key employees listed in If "Yes," list the ten higher to be compensated at lease	licitations s a written or oral agre Form 990, Part VII st paid individuals or	eement wi) or entity r entities	e f g th any ind / in conne (fundraise	Hividu	Solicitation of noi Solicitation of gov Special fundraising al (including office with professional	n-government grants vernment grants ig events rs, directors, trustees fundraising services? ents under which the fur	
(or entity (fundraiser)		(iii) DId fundraiser have custody or control of contributions?		(iv) Gross receipts from activity		(v) A mount paid to (or retained by) fundraiser listed in col (i)	(vi) A mount paid to (or retained by) organization
			Yes	No				
			1					
			-					
Tota	1			▶				

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

Pa	rt II	Fundraising Events. Com more than \$15,000 on Form				
			(a) Event #1 JEWELRY SALE (event type)	(b) Event #2 PECAN SALE (event type)	(c) O ther Events	(d) Total Events (Add col (a) through col (c))
Revenue	1 2	Gross receipts Less Charitable contributions	32,039	6,180	, ,	38,219
<u>-</u>	3	Gross income (line 1 minus line 2)	32,039	6,180		38,219
	4	Cash prizes				
မာ	5	Non-cash prizes				
Expenses	6	Rent/facility costs				
	7	Food and beverages				
<u>D</u>	8	Entertainment				
Δ	9	Other direct expenses .	20,057	4,099		24,156
	10	Direct expense summary Add lin	es 4 through 9 ın column	(d)		(24,156)
	11	Net income summary Combine III				14,063
Par	t III	Gaming. Complete if the or \$15,000 on Form 990-EZ, lir		"Yes" to Form 990, Pa	irt IV, line 19, or rep	orted more than
Revenue			(a) Bıngo	(b) Pull tabs/Instant bingo/progressive bingo	(c) O ther gaming	(d) Total gaming (Add col (a) through col (c))
ш.	1	Gross revenue				+
	2	Cash prizes				
Expenses	3	Non-cash prizes				
	4	Rent/facility costs				
Direct	5	Other direct expenses				
	6	Volunteer labor	┌ Yes ┌ No	┌ Yes ┌ No	┌ Yes ┌ No	
	7	Direct expense summary Add lines	s 2 through 5 ın column ((d)		()
	8	Net gaming income summary Com	bine lines 1 and 7 in colu	ımn (d)	🛌	
9 a b	Ist	er the state(s) in which the organization licensed to operate No," Explain	gaming activities in eac	h of these states?		· · 「Yes 「No
10a b		re any of the organization's gaming Yes," Explain			the tax year?	· · Fyes FNo

OMB No 1545-0047

Open to Public **Inspection**

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK **Employer identification number**

	ROVIDENCE HEALTHCARE NETWORK					-1109636			
Pa	rt I Charity Care and	Certain C	Other Comi	munity Benefits a	t Cost				·
1_	Did the organization have a c	harity caro n	olicy2 If "No	" skip to guestion 63				Yes	No
	If "Yes," is it a written policy						1a	Yes	
2	If the organization had multip				describes application	of the charity	1b	Yes	
_	care policy to the various hos		mulcate wind		describes application	or the charity			
	Applied uniformly to all ho	-	als	Applied uniformly	y to most hospitals				
3	Answer the following based o organization's patients during			ty criteria that applies	to the largest number	of the			
а	Did the organization use Fede If "Yes," indicate which of the					care?			
	T 100% T 150%	_	00% 	Other			3a	Yes	
ь	Did the organization use FPG			-					
	"Yes," indicate which of the fo			· -			36	\ ,	
		_	_		_		3b	Yes	
	200% 250%	▼ 3	00%	350% 40	00% Other	<u>%</u>			
c	If the organization did not use determining eligibility for free test or other threshold, regar	or discounte	ed care Inclu	de in the description w	hether the organizatio				
4	Did the organization's policy	provide free	or discounted	I care to the "medically	y indigent"?		4	Yes	
5a	Did the organization budget a the tax year?				er its financial assista • • • • • • •	nce policy during	5a	Yes	
b	If "Yes," did the organization	's charity ca	re expenses e	exceed the budgeted a	mount?		5b	Yes	
c	If "Yes" to line 5b, as a resul care to a patient who was elig						5c		Νο
6a	Did the organization prepare						6a		No
6b	If "Yes," did the organization						6b		No
	Complete the following table worksheets with the Schedule	-	rksheets prov	rided in the Schedule H	I instructions Do not s	ubmit these			
7	Charity Care and Certain O	ther Commu	unity Benefits	at Cost			l		
ı	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 be expense	enefit	(f) Pero total ex	
а	Charity care at cost (from Worksheet 1)			22,048,116		22,04	8,116	9	490 %
	Medicaid (from Worksheet 3, column a)			26,536,963	36,904,407	-10,36	7,444		
	Costs of other means-tested government programs (from Worksheet 3, column b)								
d	Total Charity Care and Means-Tested Government Programs			48,585,079	36,904,407	11,68	0,672	0,672 9 490	
e	Other Benefits Community health improvement services and community benefit operations (from (Worksheet 4)			384,179	98,996	28	0	120 %	
f	Health professions education			,	·				
g	(from Worksheet 5) Subsidized health services			994,707 340,160			04,707 0,160		430 % 150 %
h	(from Worksheet 6) Research (from Worksheet 7)			340,160		34	.0,100	U	130 %
i	Cash and in-kind contributions for community benefit (from Worksheet 8)			5,687,571			37,571		450 %
-	Total Other Benefits			7,406,617	98,996	•	7,621		150 %
k '	Total Add lines 7d and 7i	I	1	55 991 696	37 003 403	19 09	18 293 l	12	640 %

Pa	rt II Community Buildin activities.	ng Activitie	s Complete t	this table if the o	organızat	ion co	nducted any commur	nity t	ouildin	g
		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total communit building expense	y (d) D	rect offs revenue	- 1		(f) Perc total ex	
1	Physical improvements and housing									
2	Economic development			268,8	897		268	,897	0	120 %
3	Community support			8,4	497		8	,497		
4	Environmental improvements									
5	Leadership development and training for community members			1,6	696		1	,696		
6	Coalition building									
7	Community health improvement advocacy									
8	Workforce development									
9	Other									
10 Pai	Total rt IIII Bad Debt, Medicar	e, & Collec	l tion Practic	279,0 es	090		279	,090	0	120 %
Sect	ion A. Bad Debt Expense								Yes	No
1	Did the organization report bac Statement No 15?	•	e ın accordance	with Heathcare F	inancial M	anager	ment Association	1	Yes	
2	Enter the amount of the organi		•			2	6,635,036			
3	Enter the estimated amount of patients eligible under the organism	-		•		3	1,327,007		1	
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portion	the footnote to ng methodolog	the organization yy used in deter	on's financial state rmining the amoun	ements tha					
Sect	ion B. Medicare			,						
5	Enter total revenue received fr	rom Medicare	(including DSH	and IME)		5	83,616,697			
6	Enter Medicare allowable cost	s of care relat	ing to payments	s on line 5		6	80,721,466			
7	Subtract line 6 from line 5 Th	ıs ıs the surplu	ıs or (shortfall)			. 7	2,895,231			
8	Describe in Part VI the extent Also describe in Part VI the concept the box that describes Check the box that describes Cost accounting system	osting method the method us	ology or source	used to determin			•			
Sect	ion C. Collection Practices									
9a	Did the organization have a wr	itten debt coll	ection policy di	uring the tax year?	·			9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part \	ection practice	s to be followed	d for patients who	are known	to qua	lify for financial	9b	Yes	
Pa	rt IV Management Com	panies and	Joint Ventu	i res (see instru	ctions)					
	(a) Name of entity	(I	D) Description of pi activity of entit		(c) Organi profit % o ownersh	r stock	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	pro	e) Physic ofit % or ownershi	stock
1 FP	PSC II LLC	SURGERY CENT	ER		4	46 000 %	0			
2 C	DMMUNITY HOSPICE OF TEXAS	HOSPICE SERVI	CES		;	25 000 %	0			
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
12		ı					I	1		

Part	V Facility Information									
	on A. Hospital Facilities	<u> </u>	ရှ	오	H g	δ	дe	界	9	
	order of size from largest to smallest)	Licensed hospital	General medical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	
How many hospital facilities did the organization operate during the tax year?2			al & surgical	ptal)to	, hospital	ty			
Name	and address									Other (Describe)
2	DePaul Center 301 Londonderry Dr Waco, TX 76712	x								Free Standing Psychiatric Hospital
1	Providence Health Center 6901 Medical Parkway Waco,TX 76712	х	х					х		
		+	-		-					
-										
-										
		1	I	1	1	I	1	1	I	1

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)

DePaul Center

Name of Hospital Facility:	
Line Number of Hospital Facility (from Schedule H, Part V, Section A):_	2

			Yes	No
Co	mmunity 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		No
	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			
	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			
	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			
	Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Cother (describe in Part VI)			
	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		
Fin	ancial 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 0000%			
	If "No," explain in Part VI the criteria the hospital facility used			

P	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	. 10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0000%			
	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 V Income level			
	b Asset level			
	c Medical indigency			
	d V Insurance status			
	e Vninsured discount			
	f Medicaid/Medicare			
	g 🔽 State regulation			
	h Cother (describe in Part VI)			
	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)			
Bil	ling and Collections			
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written fina			
	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	v's		
	FAP	,		
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d F 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 Cother 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 that apply)	: all		
	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 patien	ıts'		
	<u>bills</u>			
	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)			1

Part V Facility Information (continued)

Policy	Delating	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			ĺ
	b The hospital facility's policy was not in writing			ĺ
	The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
	d Cother (describe in Part VI)			ĺ
Inc	dividuals Eligible for Financial Assistance			
19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
	a ▼ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
	b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
	c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	d Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
	If "Yes," explain in Part VI			1
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		Νo
	If "Yes," explain in Part VI			

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)

Providence Health Center

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

			Yes	No
Co	mmunity 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			
	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			
	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			
	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	,		
1	account input from persons who represent the community, and identify the persons the hospital facility consulted Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the	3		
•	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 A vailable 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 「 A doption 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		
Fir	nancial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
	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 0000%			
	If "No," explain in Part VI the criteria the hospital facility used			

P	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	. 10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 0000%			
	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 V Income level			
	b Asset level			
	c Medical indigency			
	d V Insurance status			
	e Vninsured discount			
	f Medicaid/Medicare			
	g 🔽 State regulation			
	h Cother (describe in Part VI)			
	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)			
Bil	ling and Collections			
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written fina			
	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	v's		
	FAP	,		
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d F 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 Cother 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 that apply)	: all		
	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 patien	ıts'		
	<u>bills</u>			
	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)			1

Part V Facility Information (continued)

Policy	Delating	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			ĺ
	b The hospital facility's policy was not in writing			ĺ
	The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
	d Cother (describe in Part VI)			ĺ
Inc	dividuals Eligible for Financial Assistance			
19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
	a ▼ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
	b The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
	c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	d Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		No
	If "Yes," explain in Part VI			1
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		Νo
	If "Yes," explain in Part VI			

schedule H (Form 990) 2011

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)

me and address	Type of Facility (Describe)
Providence Breast Center 6600 Fish Pond Rd Ste 104 Waco,TX 76710	Women's Breast Health Center
Providence Home Care 528 Meadow Lake Center Waco,TX 76622	Full Service Home Care Facility and Durable Medical Equipment Store
Providence Park 300 W State Hwy 6 Waco,TX 76712	Long Term Care Facility

Schedule H (Form 990) 2011

Part VI Supplemental Information

Complete this part to provide the following information

- 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
- 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
- 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.)
- 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
- 5 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
	System Roles and Promotion	Providence Healthcare Network proudly serves as a member of Ascension Health, the nation's largest Catholic and largest nonprofit health system Since being founded by the Daughters of Charity in 1905 as a ministry to the suffering, Providence Healthcare Network and its affiliated Divisions have been dedicated to providing accessible, safe and quality healthcare to all patients regardless of their ability to pay Providence is a comprehensive healthcare network that operates several facilities including the Health Center, DePaul Center, Home Care, Durable Medical Equipment, Providence Park and 13 clinics in Waco, Texas Network wide, in FY12 our Ministry provided more than \$19 million in community health services, professional education, subsidized health care, research, financial contributions and other community building activities

Identifier	ReturnReference	Explanation
	Part VI - Community Information	Providence Healthcare Network is located in Waco, Texas and serves McLennan County (pop 233,378) and the six contiguous counties which include Hill (pop 39,761), Bosque (pop 20,232), Limestone (pop 22,287), Falls (pop 20,452), Bell (pop 294,101) and Coryell (pop 98,538) Waco (pop 126,217), known as the education and consumer center of Texas, is our primary service area and is located along Interstate 35 in Central Texas, equidistant from Dallas/Ft Worth and Austin (90 miles) Waco is served by two not for profit hospitals, Providence Healthcare Network and Hillcrest Baptist Medical Center In McLennan County, 27% of households live at or below federal poverty guidelines, median income is \$43,063, 14 4% of families are on Medicaid or other assistance, uninsured and underinsured persons comprise 24% of the population, and 25 8% of our county's population is minority and 17 4% speak a language other than English at home, with Spanish being the predominant other language In FY12, our Ministry served 18,244 patients and provided \$22 1 mil in traditional charity care, and \$4 8 mil in unpaid costs of public programs

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	Providence Healthcare Network is prepared to educate and qualify patients for financial assistance as needed. Financial assistance counselors meet with all self pay patients and screen them for potential government benefits. They assist them with the charity care applications as well as work with them to establish eligibility for governmental benefits. Our counselors receive extensive training on how to qualify patients for assistance under federal, state or local government programs. They are also bi-lingual in both English and Spanish. A summary of our charity care policy is provided to patients during the intake and discharge process.

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	Our Community Needs Assessment is conducted every three years, most recently in July 2010. Our Ministry collaborates with Hillcrest Baptist Medical Center and the Waco-McLennan County Public Health District (WMCPHD) to provide a comprehensive and unbiased profile of McLennan County. The survey is jointly funded by all three entities. During the months of August and September 2009, our needs assessment survey was administered to the residents of the Waco-McLennan County Public Health District, Texas. The survey was a third citizen survey conducted by the University of North Texas. Survey Research Center (SRC) for the WMCPHD. Many of the questions in the survey were modeled after the Behavioral Risk Factor Surveillance. System Questionnaire (BRFSS). Survey questions included. Perceptions of public health preparedness General physical and emotional health status Health care access is sues Health care awareness of several health conditions Behaviors that affect health Women's health issues. The needs assessment included a random sample of 24 geographic areas within our county and a telephone survey of 1,000 landline households and 211 cell-phone-only households. The SRC provided statistical analysis of the survey data to help identify local health needs, to determine priority health needs for McLennan County and to assist in developing a plan of action. The 2010 Community Needs Assessment of McLennan County revealed that the majority of respondents (77.3%) are in good or better health as compared to CDC national data. Diabetes was identified as a specific need in the 2010 Community Needs Assessment and our Ministry is taking steps to address this need.

Identifier	ReturnReference	Explanation
	Patients	The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance. If a patient qualifies for charity or financial assistance certain collection practices do not apply

Identifier	ReturnReference	Explanation
	Shortfall As Community Benefit	Ascension Health and related health ministries follow the Catholic Health Association ("CHA") guidelines for determining community benefit CHA community benefit reporting guidelines suggest that Medicare shortfall is not treated as community benefit

expense in the 2012 consolidated audit is as follows "The provision for bad debt expense is based upon managemen assessment of expected net collections considering econconditions, historical experience, trends in the health care	Identifier	ReturnReference	Explanation
throughout the year, management assesses the adequacy allowance for uncollectible accounts based upon historica off experience by payor category, including those amounts covered by insurance. The results of this review are then to make any modifications to the provision for bad debt ex to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the System. Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies. "The			consolidated audit. The footnote that references bad debt expense in the 2012 consolidated audit is as follows "The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in the health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the System. Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies." The organization's share of bad debt expense for fiscal year 2012.

I dentifier ReturnReference		Explanation		
	With Physicans Clinics	The organization employs its physicians at physician clinics, so the associated costs and charges relating to those physician services are included in all relevant categories in Part I		

Identifier	ReturnReference	Explanation
	Costing Methodology	The cost of providing charity care, means tested government programs, and community benefit programs is estimated using internal cost data, and is calculated in compliance with Catholic Health Association ("CHA") guidelines. The organization uses a costing accounting system that addresses all patient segments (for example, inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured, or self pay). The best available data was used to calculate the amounts reported in the table. For certain categories in the table, this was a cost accounting system, in other categories, a specific cost-to-charge ratio was applied.

Identifier	ReturnReference	Explanation
	Eligibility Criteria (FPG Is Not Used)	The organization provides medically necessary care to all patients, regardless of race, color, creed, ethnic origin, gender, disability or economic status. The organization uses a percentage of Federal Poverty Level (FPL) to determine free and discounted care. At a minimum, patients with income less than or equal to 200% of the FPL, which may be adjusted for cost of living utilizing the local wage index compared to national wage index, will be eligible for 100% charity care write off of charges for services that have been provided to them. Also, at a minimum, uninsured patients that do not fall within the 200% FPL may be eligible for a charity care adjustment. An assessment of the patient's personal and financial information based on the United Stated Census Bureau and Internal Revenue Service guidelines is performed by Providence.

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

Schedule I (Form 990)

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

DLN: 93493134078183

2011

Open to Public

Department of the Treasury Internal Revenue Service Name of the organization

PROVIDENCE HEALTH SERVICES OF WACO

dba PROVIDENCE HEALTHCARE NETWORK

Employer identification number

74-1109636

1 Does the organization ma the selection criteria used 2 Describe in Part IV the or	intain records to subs I to award the grants	stantiate the amount of the or assistance?					✓ Yes 「
Form 990, Part I	V, line 21 for any i	Governments and recipient that received 0) if additional space	d more than \$5,000.	Check this box if n	o one recipient rece	ived more than \$5,0	000. Use
(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) WACO FOUNDATION 900 AUSTIN AVE 9TH FLOOR WACO,TX 76701	74-6054628	501(C)(3)	25,000	0			SPECIAL EVENT
(2) SOCT2950 50TH STREET LUBBOCK,TX 79413	32-0316424	501(C)(3)	5,658,000	0			COMMUNITY GRANTS
(3) MARCH OF DIMES3000 HERRING AVE STE 4471 WACO,TX 76708	75-1815327	501(C)(3)	15,495	0			SPECIAL EVENT
(4) JUNIOR LEAGUE OF WACO 2600 Austin Ave Waco, TX 76710	74-1255655	501(C)(3)	12,075	0			Special Event
(5) HOTRAC405 LONDONDERRY DR STE 201 Waco,TX 76712	74-2707640	501(C)(3)	9,762	0			Special Event
(6) GREATER WACO CHAMBERPO BOX 1220 Waco,TX 76703	75-2420690	501(C)(3)	45,719	0			SPECIAL EVENTS
(7) FAMILY HEALTH CENTER1600 PROVIDENCE DR Waco,TX 76707	74-2446071	501(C)(3)	11,980	0			SPECIAL EVENT
(8) EXTRACO EVENTS CENTER4601 Bosque Blvd Waco,TX 76710	74-1172561	501(C)(3)	11,590	0			Multiple Special Events
(9) DIO CESE OF AUSTIN 6225 E HWY 290 AUSTIN,TX 78723	74-1542827	501(C)(3)	10,000	0			SPECIAL EVENT
(10) AMERICAN HEART ASSOC10900-B Stonelake Blvd Austin,TX 78759	13-5613797	501(C)(3)	78,694	0			Special Events
(11) AMERICAN CANCER SOCIETYN19 W24350 Riverwood Dr Waukesha, WI 53188	41-0724036	501(C)(3)	18,600	0			SPECIAL EVENT

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

11

	· · ·
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)A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
	•	•	•	•	

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

Ident if ier	Return Reference	Explanation
Grantmaker's Description of How Grants are Used		When grant or sponsorship requests are submitted, each request is reviewed by the marketing team to determine if the request meets one or more of the following criteria - How does the request fit with our mission of providing charity care to our community?-How does the request support health related issues within our community?-Will this request be financially sustainable from year to year?-Is the organization/company making the request a member of the Greater Waco Chamber of Commerce?For approved requests, the appropriate forms are filled out and signed by the Vice President of Marketing. The documents are then forwarded to accounting for processing. Records are maintained of amounts spent and are regularly reviewed to ensure compliance.

Software ID: 11000144

Software Version: 2011v1.5

EIN: 74-1109636

Name: PROVIDENCE HEALTH SERVICES OF WACO

dba PROVIDENCE HEALTHCARE NETWORK

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WACO FOUNDATION900 AUSTIN AVE 9TH FLOOR WACO,TX 76701	74- 6054628	501(C)(3)	25,000	0			SPECIAL EVENT
SOCT2950 50TH STREET LUBBOCK,TX 79413	32- 0316424	501(C)(3)	5,658,000	0			COMMUNITY GRANTS

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MARCH OF DIMES 3000 HERRING AVE STE 4471 WACO,TX 76708	75- 1815327	501(C)(3)	15,495	0			SPECIAL EVENT
JUNIOR LEAGUE OF WACO2600 Austin Ave Waco, TX 76710	74- 1255655	501(C)(3)	12,075	0			Special Event

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
HOTRAC405 LONDONDERRY DR STE 201 Waco,TX 76712	74- 2707640	501(C)(3)	9,762	0			Special Event
GREATER WACO CHAMBERPO BOX 1220 Waco,TX 76703	75- 2420690	501(C)(3)	45,719	0			SPECIAL EVENTS

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV,	(g) Description of non-cash	(h) Purpose of grant or assistance
					appraisal, other)	assistance	
FAMILY HEALTH CENTER1600 PROVIDENCE DR Waco,TX 76707	74- 2446071	501(C)(3)	11,980	0			SPECIAL EVENT
EXTRACO EVENTS CENTER4601 Bosque Blvd Waco,TX 76710	74- 1172561	501(C)(3)	11,590	0			Multiple Special Events

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
DIOCESE OF AUSTIN6225 E HWY 290 AUSTIN,TX 78723	74- 1542827	501(C)(3)	10,000	0			SPECIAL EVENT
AMERICAN HEART ASSOC10900-B Stonelake Blvd Austin, TX 78759	13- 5613797	501(C)(3)	78,694	0			Special Events

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY N19 W24350 Riverwood Dr Waukesha, WI 53188	41- 0724036	I 501(C)(3)	18,600	0			SPECIAL EVENT

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -**Compensation Information**

DLN: 93493134078183

OMB No 1545-0047

Open to Public Inspection

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

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.

Name of the organization PROVIDENCE HEALTH SERVICES OF WACO dba PROVIDENCE HEALTHCARE NETWORK **Employer identification number** 74-1109636

Рd	Questions Regarding Compensation	<u> </u>				
					Yes	Νo
1a	Check the appropriate box(es) if the organization prov 990, Part VII, Section A, line 1a Complete Part III					
	First-class or charter travel	Γ	Housing allowance or residence for personal use			
	▼ Travel for companions	Γ	Payments for business use of personal residence			
	Tax idemnification and gross-up payments	<u> - - - - - - - - - -</u>	Health or social club dues or initiation fees			
	Discretionary spending account	Γ	Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the orgonic reimbursement orprovision of all the expenses descr	-	. , , , ,	1b	Yes	
2	Did the organization require substantiation prior to re officers, directors, trustees, and the CEO/Executive			2	Yes	
3	Indicate which, if any, of the following the organization organization's CEO/Executive Director Check all the		,			
	Compensation committee	<u> </u>	Written employment contract			
	Independent compensation consultant	고	Compensation survey or study			
	Form 990 of other organizations	<u> - </u>	Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Por a related organization	art VII	, Section A, line 1a with respect to the filing organization			
а	Receive a severance payment or change-of-control p	paymen	t?	4a		Νo
ь	Participate in, or receive payment from, a supplemen	ntal non	qualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-ba	sed co	mpensation arrangement?	4c		Νo
	If "Yes" to any of lines 4a-c, list the persons and pro	ovide th	e applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only mus	st comp	olete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, I compensation contingent on the revenues of	lıne 1a,	did the organization pay or accrue any			
а	The organization?			5a		Νo
b	Any related organization?			5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III					
6	For persons listed in form 990, Part VII, Section A, I compensation contingent on the net earnings of	lıne 1a,	did the organization pay or accrue any			
а	The organization?			6a		Νo
ь	Any related organization?			6b		Νο
	If "Yes," to line 6a or 6b, describe in Part III					
7	For persons listed in Form 990, Part VII, Section A, payments not described in lines 5 and 6? If "Yes," do			7	Yes	
8	Were any amounts reported in Form 990, Part VII, p.					
	subject to the initial contract exception described in in Part III	Regs	section 53 4958-4(a)(3)? If "Yes," describe			l <u>.</u> .
				8		Νo
9	If "Yes" to line 8, did the organization also follow the section 53 4958-6(c)?	rebutta	able presumption procedure described in Regulations	9		Νo

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)(1)-(111) 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-MI		(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
See Additional Data Table							

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

Ident if ier	Return Reference	Explanation
Line 7	1 '	Officers of the Providence Health Services of Waco Management Council received a bonus in FY12 A bonus schedule was presented and approved by the board prior to distribution. No formal bonus plan is documented or in use
Line 1a	1a Relevant Information in	Providence Healthcare Network utilizes an Accountable Plan to guide its activities in the reimbursement of business expenses for employees, officers, and board members. The Accountable Plan, in all material respects, conforms to the rules and regulations of the Internal Revenue Service The CEO is eligible for travel reimbursement for companions, as well as reimbursement of health or social club dues or initiations fees. The benefits are treated as taxable compensation to each eligible person pursuant to the organization's accountable plan

Software ID: 11000144

Software Version: 2011v1.5

EIN: 74-1109636

Name: PROVIDENCE HEALTH SERVICES OF WACO

dba PROVIDENCE HEALTHCARE NETWORK

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of	W-2 and/or 1099-MI	SC compensation	(C) Deferred	(F) Compensation		
		(i) Base Compensation	(ii) Bonus & ıncentive compensation	(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
VICKY CAMPBELL	(1) (11)	121,046	6,820	24,031		11,253	163,150	23,795
TONY WELCH	(1) (11)	154,178		878		3,192	158,248	
TIMOTHY BARRETT	(1) (11)	299,792		156	28,500	7,381	335,829	
SAMUEL E ABERNATHY	(1) (11)	163,251		937	2,877	5,928	172,993	
ROBERT BUCK	(1) (11)	164,266	6,798	682	15,000	4,085	190,831	
ODIS NICHOLS	(1) (11)	127,903		1,409		1,500	130,812	30,750
LUCI HANSSON	(1) (11)	151,927		266	2,674	3,192	158,059	
LARRY LEFEVRE	(1) (11)	159,001		230		5,928	165,159	
KRISTIN CRAIG	(1) (11)	155,202		214		10,476	165,892	
KENT A KEAHEY	(1) (11)	465,373	474,934	61,670	4,900	10,852	1,017,729	
KAREN RICHARDSON	(1) (11)		16,995	75	32,297	7,075	281,001	
JONATHAN FORD	(1) (11)	137,515	6,798	28,933	30,907	11,341	215,494	28,417
JOE HOPKINS	(1) (11)	132,593	6,846	14,840	17,295	10,061	181,635	14,340
EVERTT TINDELL	(1) (11)	157,612	6,798		1,539	11,289	177,238	
CHARLES SIVESS	(1) (11)	141,546	7,210	139	17,444	11,214	177,553	
BRETT ESROCK	(ı) (ıı)	224,952	2,832			6,111	233,895	
BRENDA DAVIS	(ı) (ıı)	214,608		75		4,582	219,265	
ANNETTE AYERS	(ı) (ıı)	183,161	9,772	163		10,234	203,330	

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493134078183

OMB No 1545-0047

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. 2011

Open to Public Inspection

PROVIDENCE H	organization EALTH SERVICES OF WACO CE HEALTHCARE NETWORK								mployer i		ation numbe	er
	cess Benefit Trai							organ	ızatıons (only).		
	mplete if the organizat (a) Name of disq				m 990, I					Part V, I		orrected?
1	(a) Name of disq	uanneu	person			(b) Desc	ription	or trans	action		Yes	No
2 Enterth	e amount of tax ımpos	ed on t	he orgai	nization man	lagers of	disqualified pers	ons duri	na the	vear unde	r	l	
section	4958								•	· \$		
3 Enter th	e amount of tax, if any	, on line	e 2, abo	ve, reimburs	ed by th	ie organization .		• •	•	*		
	Loans to and/or I						_					
	Complete if the organiz			d "Yes" on F 	orm 990), Part IV, line 26	, or Forr	n 990-	EZ, Part V (f)	, line 38	Ba	
(a) Name of	interested person and	1 ' '	oan to om the	(c)0 rig	ınal	(1) 5	(e) I defau		Approv		(g)Writt	
	purpose	organı	zation?	principala		(d)Balance due	uelau	וני	by boar commit		agreeme	III. r
		То	From				Yes	No	Yes	No	Yes	No
Total					▶ \$	l		1		ı		l
	Grants or Assistar Complete if the orga						/. line 2	27.				
	ame of interested pers			b) Relationsh	nıp betw	een interested pei ganization			nount of g	rant or t	ype of assis	stance

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	(c) A mount of transaction	(d) Description of transaction	organi	arıng of zatıon's nues?
	organization			Yes	No
(1) JANA WHITAKER	FAMILY MEMBER	83,327	EMPLOYMENT		Νo

Part V Supplemental Information

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

Ident if ier	Return Reference	Explanation
		PART IV COLUMN (b) FAMILY MEMBER OF HAL M WHITAKER, BOARD TREASURER

Schedule L (Form 990 or 990-EZ) 2011

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493134078183

SCHEDULE 0

(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	Employer identifi	cation number
PROVIDENCE HEALTH SERVICES OF WACO		
dba PROVIDENCE HEALTHCARE NETWORK	74-1109636	

ldentifier	Return Reference	Explanation
	Schedule H, Pt V Sec B Ln16 Billing & Collections	Providence Health Center and DePaul Center The following steps were followed and considered reasonable efforts for purposes of Question 16 Notified each individual of the Hospital's Financial Assistance Policy (FAP). This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual individuals were notified of the FAP by methods noted in Question 13. This includes, but is not limited to, the following -A brief description of eligibility requirements and assistance provided-Direct individuals to our website and physical location of application forms-Provided instructions to obtain free copy of FAP and application by mail-Provided contact information for an individual/nonprofit organization to assist if the individual has questions-Provided statement of translations of FAP as well as plain language summaries-Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGBFor individuals who submitted an incomplete FAP, we provided that individual with information relevent to assist them with completion of the FAP For individuals that submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 11)

ldentifier	Return Reference	Explanation
	Schedule H, Pt V Sec B Ln15e Billing & Collections	Providence Health Center and DePaul Center The following steps were followed and considered reasonable efforts for purposes of Question 15 Notified each individual of the facility's Financial Assistance Policy (FAP). This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual Individuals were notified of the FAP as noted in Question 13. This includes, but is not limited to, providing the following -A brief description of eligibility requirements and assistance provided-Directions on how to access the FAP and application on our website and physical location of application forms-Instructions to obtain free copy of FAP and application by mail-Contact information for an individual/nonprofit organization to assist if the individual has questions-Statement of translations of FAP as well as plain language summaries-Statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGBFor individuals who submitted an incomplete FAP, we provided that individual with information relevent to assist them with completion of the FAP For individuals that submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 11)

ldentifier	Return Reference	Explanation
	Schedule H Pt V Sec B Ln 21 Individuals Eligible for Financial Asst	Providence Health Center and DePaul Center The following steps were followed and considered reasonable efforts followed for purposes of identifying patients eligible for assistance under the facility's FAP Notified each individual of the Hospital's Financial Assistance Policy (FAP) as noted in Question 13. This includes, but is not limited to, the following -Brief description of eligibility requirements and assistance provided-Direct individuals to our website and physical location of application forms-Provided instructions to obtain free copy of FAP and application by mail-Provided contact information for an individual/nonprofit organization to assist if the individual has questions-Provided statement of translations of FAP as well as plain language summaries-Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGBThis notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual. For individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP For individuals that submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 11)

ldentifier	Return Reference	Explanation
	Schedule H Pt V Sec B Ln 20 Individuals Eligible for Financial Asst	Providence Health Center and DePaul Center The following steps were followed and considered reasonable efforts followed for purposes of identifying patients eligible for assistance under the facility's FAP Notified each individual of the Hospital's Financial Assistance Policy (FAP). This notification began on the date care was provided and ended on the 120th day after the first billing statement was provided to the individual. Individuals were notified of the FAP by methods noted in Question 13. This includes, but is not limited to, the following -A brief description of eligibility requirements and assistance provided-Direct individuals to our website and physical location of application forms-Provided instructions to obtain free copy of FAP and application by mail-Provided contact information for an individual/nonprofit organization to assist if the individual has questions-Provided statement of translations of FAP as well as plain language summaries-Provided statement that no FAP-eligible individual will be charged more for emergency/medically necessary care than AGBFor individuals who submitted an incomplete FAP, we provided that individual with information relevant to assist them with completion of the FAP For individuals that submitted a complete FAP, we made and documented a determination as to whether that person was eligible under the facility's FAP We determined eligibility based on other means such as establishing that the individual is eligible under one or more means tested programs (as noted in Question 11)

ldentifier	Return Reference	Explanation
	PHSW dba continued	Providence Health Services of Waco, Inc dba's Providence Healthcare NetworkProvidence Health CenterDePaul CenterProvidence ParkProvidence Home CareProvidence Breast Health Center

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	Organization provides governing documents, conflict of interest policy, and financial statements to the public upon request

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	POLICY The executive Compensation Committee of the Board of Trustees of Ascension Health has been delegated the responsibility and authority to oversee the Executive Compensation Program, in accordance with the Committee Charter and the Board approved Executive Compensation Responsibility/Authority Matrix. The Committee is charged with overseeing the Program in a manner designed to assure independence, avoid conflicts of interest, ensure reasonableness and market comparability of total compensation, and to otherwise abide by pertinent laws and regulations. The Providence Healthcare Network Wage Plan is reviewed and appropriately revised at least annually, and is maintained as required between reviews A salary survey is completed in the market for positions at points over the complete range of the wage scale for all levels of employment including key personnel. The proposed wage plan shall be approved by the President and distributed by the Human Resources Department and to Network Administration.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	PROCEDURES Duty to Disclose In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Trustees, or to the members of a committee with board delegated powers, considering the proposed transaction or arrangement. Such disclosure shall be made either through the annual questionnaire required under "Annual Statements" or when a conflict not disclosed on the questionnaire otherwise arises. The annual statements are reviewed by the compliance department to ensure no conflicts of interest exist.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	The review process for the 990 Informational Return Management, including certain officers, works diligently to complete the Form 990 and attached schedules in a thorough manner Management presents the Form to the Board, or a designated committee, to review Prior to filing the return, all Board Members are provided the Form 990 and management team members are available to answer any Board Members questions

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 7b		All actions of the Board of Directors are subject to the review and approval by Ascension Health as the sole corporate member

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	Providence Health Services of Waco has a single corporate member, Ascension Health, who has the ability to elect members to the governing body of the Providence Health Services of Waco

ldentifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	Providence Health Services of Waco has a single corporate member, Ascension Health

ldentifier	Return Reference	Explanation
		Client Note 1 - PROVIDENCE HEALTH SERVICES OF WACO 74-1109636FORM 990 - RETURN OF ORGANIZA TION EXEMPT FROM INCOME TAXSUPPORTING STATEMENT FYE 6/30/2012PART III, STATEMENT OF PROGRA M SERVICE ACCOMPLISHMENTS Providence Healthcare Network provides a full range of care, including outpatient care, impatient care, emergency services, long-term care, mental health care, chemical dependency treatment, pediatric care and senior adult care services and mor e Providence Health Alliance Inc. is the part of Providence Healthcare Network that opera tes thirteen physician clinics that serve Waco and the six surrounding counties. The Provi dence Clinics accept all payors to provide complete health care for individuals and families. The clinics team of dedicated health professionals provides a diverse range of service is, from routine physicals and preventive medicine, to more complex matters of iliness and injury. The clinic specialties incliude Family Practice, internal Medicine, Obstetrics/Gyn ecology, Psychiatry, Psychotherapy and Geriatric (senior adult) Medicine. Providence Health care Network also includes Providence Health Services of Waco inc. (74-109633) in which operates Providence Health Care Network also includes Providence Health Services of Waco. Inc. (74-2683112), which is the fundraising division of Providence Health Services of Waco, Inc. and Providence Foundation, inc. (74-2683112), which is the fundraising division of Providence Healthcare Network and is responsible for the acquisit ion of capital equipment and advanced technology. Providence Health Services of Waco, Inc. and Providence Foundation, inc. file separate IRS Forms 990. The follow ing information per trains to Providence Healthcare Network This report illustrates the significant degree to which Providence Healthcare Network occurring the status of the communities at services. As a member of Ascension Health, the nation's largest Catholic healthcare system, Providence Healthcare Network occurring the subject of the advance of the ability to pay

ldentifier	Return Reference	Explanation
		intual health status of its surrounding community. In addition to providing health care is ervices to all individuals who require medical attention, our Ministry has developed the following programs to help achieve its mission. Expanding Awareness, Education, and Health PromotionProvidence Healthcare Network believes that it is essential to educate people regar dring the types of behavior that improve their chances of living a healthy life. Providence Healthcare Network has invested significantly in unique, top quality health education programs and materials to accomplish its goals such as Bariatric Support GroupCancer Support GroupCardiac Support GroupCommunity Cancer Screenings Community Health Screenings DePaul Mental Health and Addiction Support GroupDeDates Export GroupPulmonary Support GroupWorksite Wellness ProgramtWebsite Educational Materials All of the above listed support groups are posted on our website www providence net Additionally, we have several service lines that have dedicated websites in order to provide a convenient way to better educate their patients. Also, several of our service lines highlight preventative educational materials Providence Surgical Weight Loss Center- We post support groups on the dedicated website www providencebits committed in the dedicated website with weight of the above littles with the deficient of the avesurgery and outlines lifestyle changes that must occur when you do Providence Breast Health Center-This website www providencebits committed in the surface and explored in the advisery and outlines lifestyle changes that must occur when you do Providence Breast Health Center-This website www providencebits committed and surface and explored in the providence Breast Health Center-This website www providencebits committed and surface and explored in the providence Breast Health Center-This website www providences of the providence surface and explored in the providence Breast health the includes such information as Facts and Figures and credible links to national

DLN: 93493134078183

OMB No 1545-0047

2011

Open to Public Inspection

SCHEDULE R (Form 990)

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.

Department of the Treasury Internal Revenue Service

Name of the organization
PROVIDENCE HEALTH SERVICES OF WACO
dba PROVIDENCE HEALTHCARE NETWORK

Employer identification number
74-1109636

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public chanty status (if section 501(c)(3))	(f) Direct controlling entity	contr	g) 12(b)(13) rolled ızatıon
						Yes	No
(1) Ascension Health							
PO Box 45998	Healthcare	МО	501(c)(3)	11 a Type 1	N/A		No
St Louis, MO 63145 31-1662309							
(2) Providence Health Alliance							
6901 Medical Parkway	Physician Practices	тх	501(c)(3)	3 Hospital	Providence Health Services of Waco	Yes	
Waco, TX 76712 74-2696970							
(3) Providence Foundation Inc							
6901 Medical Parkway	Support charitable purpose of PHSW	тх	501(c)(3)	11 a Type I	Providence Health Services of Waco	Yes	
Waco, TX 76712 74-2683112	parpose or rinovi						

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)	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 Disprop allocat	rtionate	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j Gene mana part	ral or nging	(k) Percentage ownership
							Yes	No		Yes	No	

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
			•	•			

Note. Complete line 1 if any entity is listed in Parts II, III or IV				Y	es	No						
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related org	anızatıons lısted ın Part	s II-IV?										
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity			1	La		No						
b Gift, grant, or capital contribution to related organization(s)												
c Gift, grant, or capital contribution from related organization(s)												
d Loans or loan guarantees to or for related organization(s)												
e Loans or loan guarantees by related organization(s)												
f Sale of assets to related organization(s)												
g Purchase of assets from related organization(s)			1	Lg		No						
h Exchange of assets with related organization(s)			3	Lh		No						
i Lease of facilities, equipment, or other assets to related organization(s)			3	1i Y	es							
j Lease of facilities, equipment, or other assets from related organization(s)			1	1j		No						
k Performance of services or membership or fundraising solicitations for related organization(s)			1	Lk		No						
l Performance of services or membership or fundraising solicitations by related organization(s)			1	11		No						
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)												
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) n Sharing of paid employees with related organization(s)												
• Reimbursement paid to related organization(s) for expenses			1	Lo Y	es							
p Reimbursement paid by related organization(s) for expenses			1	Lр		No						
q Other transfer of cash or property to related organization(s)			1	Lq Y	es							
r Other transfer of cash or property from related organization(s)			1	1r		No						
			_									
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line,	ıncludıng covered relat	ıonships and transacti	ion thresholds									
	(b)	(c)	(d									
Name of other organization	Transaction type(a-r)	Amount involved	Method of deten		amou	nt						
(1) Ascension Health	0	3,797,503	COST									
(2) Providence Health Alliance	q	5,775,000	COST									
(3) Providence Health Alliance	1											
	I	823,537	COST									
(4) Providence Foundation Inc	o	309,271	COST									
(5)												
(6)												

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

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)	5	(e) Are all partners section 601(c)(3) ianizations?	(f) Share of end-of-year total income assets		(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man		(k) Percentage ownership
			311)	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)

Ident if ier	Return Reference	Explanation	

Schedule R (Form 990) 2011

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Ascension Health Alliance Years Ended June 30, 2012 and 2011 With Reports of Independent Auditors

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2012 and 2011

Contents

Report of Independent Auditors	1
r	
Consolidated Financial Statements	
Consolidated Balance Sheets	
Consolidated Statements of Operations and Changes in Net Assets	
Consolidated Statements of Cash Flows	
Notes to Consolidated Financial Statements	ى
rotes to Consolidated Financial Statements	C
Supplementary Information	
supplementary minimum	
Report of Independent Auditors on Supplementary Information	59
Schedule of Net Cost of Providing Care of Persons Living in Poverty	
and Community Benefit Programs	60
Details of Consolidated Balance Sheet:	
June 30, 2012	61
June 30, 2011	63
Details of Consolidated Statement of Operations and Changes in Net Assets:	
Year Ended June 30, 2012	65
Year Ended June 30, 2011	67



Report of Independent Auditors

The Board of Directors
Ascension Health Alliance

We have audited the accompanying consolidated balance sheets of Ascension Health Alliance (as identified in Note 1) as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Ascension Health Alliance'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Ascension Health Alliance's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ascension Health Alliance's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ascension Health Alliance at June 30, 2012 and 2011, and the consolidated results of its operations and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

September 12, 2012

1202-1331175

Ernst & Young LLP

Consolidated Balance Sheets

(Dollars in Thousands)

	June 30,			0,
		2012		2011
Assets				
Current assets:				
Cash and cash equivalents	\$	306,469	\$	1,107,846
Short-term investments		216,914		237,461
Accounts receivable, less allowances for uncollectible accounts		,		,
(\$1,145,935 and \$1,079,706 at June 30, 2012 and 2011,				
respectively)		1,962,549		1,687,189
Inventories		223,647		190,514
Due from brokers (see Notes 4 and 5)		789,271		_
Estimated third-party payor settlements		159,871		89,747
Other (see Notes 4 and 5)		756,216		438,063
Total current assets		4,414,937		3,750,820
Long-term investments (see Notes 4 and 5)		10,468,457		8,117,951
Property and equipment, net		6,603,603		5,987,804
Other assets:				
Investment in unconsolidated entities		946,971		889,077
Capitalized software costs, net		645,112		486,842
Other		696,814		720,565
Total other assets		2,288,897		2,096,484
Total assets	r	22 775 904	¢	10.052.050
Tutal assets		23,775,894	\$	19,953,059

2 1202-1331175

	June 30,		
	2012		2011
Liabilities and net assets			
Current liabilities:			
Current portion of long-term debt	\$ 45,30	53 \$	29,563
Long-term debt subject to short-term remarketing arrangements*	1,094,42	25	1,662,950
Accounts payable and accrued liabilities	2,009,22	29	1,814,600
Estimated third-party payor settlements	457,0.	30	276,810
Due to brokers (see Notes 4 and 5)	880,6	. 3	_
Current portion of self-insurance liabilities	206,0	5 7	191,551
Other (see Notes 4 and 5)	435,8	14	103,093
Total current liabilities	5,128,59)1	4,078,567
Noncurrent liabilities:			
Long-term debt (senior and subordinated)	3,655,40	16	2,546,785
Self-insurance liabilities	518,99)5	448,624
Pension and other postretirement liabilities	492,30	56	396,058
Other (see Notes 4 and 5)	1,057,64		676,648
Total noncurrent liabilities	5,724,4		4,068,115
Total liabilities	10,853,00		8,146,682
Net assets:			
Unrestricted			
Controlling interest	11,836,4	4	11,332,631
Noncontrolling interests	647,2.	36	42,739
Unrestricted net assets	12,483,65	50	11,375,370
Temporarily restricted	336,02	27	331,563
Permanently restricted	103,2		99,444
Total net assets	12,922,89)2	11,806,377
Total liabilities and net assets	\$ 23,775,89	94 \$	19,953,059

^{*}Consists of variable rate demand bonds with put options that may be exercised at the option of the bondholders with stated repayment installments through 2047 as well as certain serial mode bonds with scheduled remarketing mandatory tender dates occurring prior to June 30–2013. In the event that bonds are not remarketed upon the exercise of put options or the scheduled mandatory tenders management would utilize other sources to access the necessary liquidity. Potential sources include liquidating investments drawing upon the \$1,000,000 line of credit, and issuing commercial paper. The commercial paper program is supported by the \$1,000,000 line of credit, as discussed in the Long-Term Debt note.

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Statements of Operations and Changes in Net Assets

(Dollars in Thousands)

	Year Ended June 30, 2012 2011			
Operating revenue				
Net patient service revenue	\$	15,620,035	\$	14,565,006
Other revenue		990,613		841,521
Total operating revenue		16,610,648		15,406,527
Operating expenses				
Salaries and wages		6,671,985		6,188,630
Employee benefits		1,450,458		1,444,867
Purchased services		771,953		771,836
Professional fees		1,042,327		889,375
Supplies		2,309,541		2,261,568
Insurance		102,917		92,168
Bad debts		1,005,844		991,974
Interest		135,563		129,014
Depreciation and amortization		674,178		656,859
Other		1,827,002		1,556,110
Total operating expenses before impairment, restructuring and				
nonrecurring gains (losses), net		15,991,768		14,982,401
Income from operations before self-insurance trust fund investment				
return and impairment, restructuring and nonrecurring gains (losses), net		618,880		424,126
Self-insurance trust fund investment return		17,197		90,402
Impairment, restructuring, and nonrecurring gains (losses), net		297,548		(92,387)
Income from operations		933,625		422,141
Nonoperating gains (losses)				
Investment return		(137,383)		1,129,859
Loss on extinguishment of debt		(2,828)		(1,007)
(Loss) gain on interest rate swaps		(74,773)		30,879
Income from unconsolidated entities		8,802		11,915
Contributions from business combinations		326,333		_
Other		(69,510)		(68,999)
Total nonoperating gains, net		50,641		1,102,647
Excess of revenues and gains over expenses and losses		984,266		1,524,788
Less noncontrolling interests		15,840		27,484
Excess of revenues and gains over expenses and losses attributable to controlling interest		968,426		1,497,304

Continued on next page

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

(Dollars in Thousands)

		une 30,	
Unrestricted net assets, controlling interest		2012	2011
Excess of revenues and gains over expenses and losses	\$	968,426 \$	1,497,304
Transfers to sponsors and other affiliates, net	.p	(19,947)	(14,495)
Contributed net assets		(400)	(374)
Net assets released from restrictions for property acquisitions		68,940	70,555
Pension and other postretirement liability adjustments		(451,555)	793,897
Change in unconsolidated entities' net assets		(15,890)	1,175
Other		9,207	(2,778)
Increase in unrestricted net assets, controlling interest, before (loss) gain from discontinued operations and cumulative effect of change in		<u> </u>	
accounting principle		558,781	2,345,284
(Loss) gain from discontinued operations		(54,998)	19,421
Cumulative effect of change in accounting principle		_	(45,993)
Increase in unrestricted net assets, controlling interest		503,783	2,318,712
Unrestricted net assets, noncontrolling interests			
Excess of revenues and gains over expenses and losses		15,840	27,484
Distributions of capital		(578,445)	(33,854)
Contributions of capital		1,167,102	7,973
Increase in unrestricted net assets, noncontrolling interests		604,497	1,603
Temporarily restricted net assets, controlling interest			
Contributions and grants		100,880	100,679
Net change in unrealized gains/losses on investments		(5,333)	15,714
Investment return		4,695	8,295
Net assets released from restrictions		(104,028)	(103,654)
Other		8,250	496
Increase in temporarily restricted net assets, controlling interest		4,464	21,530
Permanently restricted net assets, controlling interest			
Contributions		5,082	8,030
Net change in unrealized gains/losses on investments		(25)	1,692
Investment return		(217)	(62)
Other		(1,069)	(87)
Increase in permanently restricted net assets, controlling interest		3,771	9,573
Increase in net assets		1,116,515	2,351,418
Net assets, beginning of year		11,806,377	9,454,959
Net assets, end of year	\$	12,922,892 \$	11,806,377

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Statements of Cash Flows

(Dollars in Thousands)

	Year Ended June 30,		
		2012	2011
Operating activities			
Increase in net assets	\$	1,116,515 \$	2,351,418
Adjustments to reconcile increase in net assets to net cash (used in)			
provided by operating activities			
Depreciation and amortization		674,178	656,859
Amortization of bond premiums		(10,663)	(9,951)
Loss on extinguishment of debt		2,828	1,007
Provision for bad debts		1,005,844	991,974
Pension and other postretirement liability adjustments		451,555	(793,897)
Contributed net assets		400	374
Contributions from business combinations		(305,162)	_
Interest, dividends, and net losses (gains) on investments		122,323	(1,245,900)
Change in market value of interest rate swaps		77,568	(25,257)
Deferred gain on interest rate swaps		(303)	(303)
Gain on sale of assets, net		(13,950)	(21,373)
Cumulative effect of change in accounting principle		_	45,993
Impairment and nonrecurring expenses		45,956	35,384
Contribution of noncontrolling interest in CHIMCO Alpha Fund, LLC		(440,015)	-
Transfers to sponsor and other affiliates, net		19,947	14,495
Restricted contributions, investment return, and other		(117,621)	(117,351)
Other restricted activity		(7,537)	(1,393)
Nonoperating depreciation expense		308	311
(Increase) decrease in			
Short-term investments		35,298	(9,496)
Accounts receivable		(1,173,282)	(1,105,326)
Inventories and other current assets		245,684	18,530
Due from brokers		(83,976)	_
Investments classified as trading		(985,261)	(293,254)
Other assets		(8,752)	(218,609)
Increase (decrease) in			
Accounts payable and accrued liabilities		51,319	105,184
Estimated third-party payor settlements, net		28,121	53,294
Due to brokers		(277,720)	_
Other current liabilities		(281,300)	36,331
Self-insurance liabilities		(45,390)	(9,846)
Other noncurrent liabilities		(365,398)	235,877
Net cash (used in) provided by continuing operating activities		(238,486)	695,075
Net cash provided by (used in) and adjustments to reconcile change in net			
assets for discontinued operations		107,776	(15,718)
Net cash (used in) provided by operating activities		(130,710)	679,357

Continued on next page

Consolidated Statements of Cash Flows (continued)

(Dollars in Thousands)

	Year Ended June 30,			
		2012	2011	
Investing activities				
Property, equipment, and capitalized software additions, net	\$	(853,144) \$	(728,610)	
Proceeds from sale of property and equipment		2,104	25,701	
Net cash used in investing activities		(851,040)	(702,909)	
Financing activities				
Issuance of long-term debt		1,832,269	691,240	
Repayment of long-term debt		(1,779,632)	(804,536)	
Decrease in assets under bond indenture agreements		17,513	467	
Transfers to sponsors and other affiliates, net		(7,398)	(34,246)	
Restricted contributions, investment return, and other		117,621	117,351	
Net cash provided by (used in) financing activities		180,373	(29,724)	
Net decrease in cash and cash equivalents		(801,377)	(53,276)	
Cash and cash equivalents at beginning of year		1,107,846	1,161,122	
Cash and cash equivalents at end of year	\$	306,469 \$	1,107,846	

The accompanying notes are an integral part of the consolidated financial statements

Notes to Consolidated Financial Statements (Dollars in Thousands)

June 30, 2012

1. Organization and Mission

Organizational Structure

Ascension Health Alliance is a Missouri nonprofit corporation formed on September 13, 2011. Ascension Health Alliance is the sole corporate member and parent organization of Ascension Health, a Catholic national health system consisting primarily of nonprofit corporations that own and operate local healthcare facilities, or Health Ministries, located in 21 of the United States and the District of Columbia.

In addition to serving as the sole corporate member of Ascension Health, Ascension Health Alliance serves as the member or shareholder of various other subsidiaries, including Ascension Health Global Mission; Ascension Health Insurance, Ltd.; Edessa Insurance Company, Ltd.; the Resource Group, LLC; Clinical Holdings Corporation; Catholic Healthcare Investment Management Company (CHIMCO); Ascension Health Ventures, LLC; Ascension Health Leadership Academy, LLC; and AH Holdings, LLC. Ascension Health Alliance and its member organizations are referred to collectively as the System.

Sponsorship

Ascension Health Alliance is sponsored by Ascension Health Ministries, a Public Juridic Person. The Participating Entities of Ascension Health Ministries are the Daughters of Charity of St. Vincent de Paul in the United States, St. Louise Province, the Congregation of St. Joseph, the Congregation of the Sisters of St. Joseph of Carondelet, and the Congregation of Alexian Brothers of the Immaculate Conception Province – American Province. As more fully described in the Organizational Changes note, Alexian Brothers Health System, which was previously sponsored by the Congregation of Alexian Brothers of the Immaculate Conception Province – American Province, became part of Ascension Health on January 1, 2012.

Mission

The System directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing, and dedicates its resources to spiritually centered care which sustains and improves the health of the individuals and communities it serves. In accordance with the System's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay. The

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

System uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs:

- Traditional charity care includes the cost of services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured.
- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.
- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.
- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the persons living in poverty, including health promotion and education, health clinics and screenings, and medical research.

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs. The cost of providing care to persons living in poverty and community benefit programs is estimated using each facility's internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service.

The amount of traditional charity care provided, determined on the basis of net cost, excluding the provision for bad debt expense, was \$468,970 and \$408,894 for the years ended June 30, 2012 and 2011, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost is reported in the accompanying supplementary information.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by Ascension Health Alliance or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the System does not have operating control are recorded under the equity or cost method of accounting. Income from unconsolidated entities is included in consolidated excess of revenues and gains over expenses and losses in the accompanying Consolidated Statements of Operations and Changes in Net Assets as follows:

	,	Year Ended June 30,			
		2012		2011	_
Other revenue Nonoperating gains, net	\$	82,473 8,802	\$	138,469 11,915	-

Use of Estimates

Management has made estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Carrying values of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of other financial instruments are disclosed in the Fair Value Measurements note.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits with original maturities of three months or less.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Short-Term Investments

Short-term investments consist of investments with original maturities exceeding three months and up to one year, as well as assets limited as to use of approximately \$148,000 and \$146,000, at June 30, 2012 and 2011, respectively, which represent assets to be used for payment of the current portion of self-insurance liabilities.

Long-Term Investments and Investment Return

As further discussed in the Organizational Changes and Pooled Investment Fund notes, a significant portion of the System's investments historically held in the Ascension Legacy Portfolio (formerly the Health System Depository, or HSD) were transferred to the CHIMCO Alpha Fund, LLC (Alpha Fund), a limited liability company organized in the state of Delaware, in April 2012. Certain System investments continue to be held in the Ascension Legacy Portfolio. Additional System investments include those held and managed by the Health Ministries' consolidated foundations.

Investments, excluding investments in unconsolidated entities, are measured at fair value, are classified as trading securities, and include pooled short-term investment funds; U.S. government, state, municipal and agency obligations; asset-backed securities; corporate and foreign fixed income securities; and equity securities, including private equity securities. Investments also include alternative investments, including investments in hedge funds and private equity and other funds, which are valued based on the net asset value of the investments, as further discussed in the Fair Value Measurements note. Investments also include derivatives held by the Alpha Fund, also measured at fair value, as discussed in the Pooled Investment Fund note.

Long-term investments include assets limited as to use of approximately \$916,000 and \$848,000, at June 30, 2012 and 2011, respectively, comprised primarily of investments placed in trust and held by captive insurance companies for the payment of self-insured claims and investments which are limited as to use, as designated by donors.

Purchases and sales of investments are accounted for on a trade-date basis. Investment returns consist of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. Investment returns on investments, excluding returns

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

of self-insurance trust funds, are reported as nonoperating gains (losses) in the Consolidated Statements of Operations and Changes in Net Assets, unless the return is restricted by donor or law. Investment returns of self-insurance trust funds are reported as a separate component of income from operations in the Consolidated Statements of Operations and Changes in Net Assets.

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value using first-in, first-out (FIFO) or a methodology that closely approximates FIFO.

Intangible Assets

Intangible assets primarily consist of goodwill and capitalized computer software costs, including internally developed software. Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Intangible assets are included in the Consolidated Balance Sheets as presented in the table that follows. Capitalized software costs in the table below include software in progress of \$363,347 and \$199,137 at June 30, 2012 and 2011, respectively:

	June 30,				
		2012	2011		
Goodwill	\$	126,666 \$			
Other, net		26,688	29,404		
		153,354	148,275		
Capitalized software costs		1,216,876	972,317		
Less accumulated amortization		571,764	485,475		
		645,112	486,842		
Total intangible assets, net	\$	798,466 \$	635,117		

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs, are amortized over their expected useful lives. Amortization expense for these intangible assets in 2012 and 2011 was \$90,685 and \$86,490, respectively.

During the year ended June 30, 2010, the System began a significant multi-year, System-wide enterprise resource planning project, including information technology and process standardization (Symphony), which is expected to continue through December 2014. The project is anticipated to result in a transition to a common software product for various finance, information technology, procurement, and human resources management processes, including standardization of those processes throughout the System. Capitalized costs of Symphony were approximately \$279,000 and \$162,000 at June 30, 2012 and 2011, respectively, and are included in capitalized software costs in the preceding table. Certain costs of this project were also expensed. See the Impairment, Restructuring, and Nonrecurring Gains (Losses) discussion below for additional information about costs associated with Symphony.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. A summary of property and equipment at June 30, 2012 and 2011, is as follows:

	June 30,					
		2012		2011		
Land and improvements	\$	673,292	\$	619,465		
Building and equipment		13,107,833		12,329,647		
		13,781,125		12,949,112		
Less accumulated depreciation		7,463,388		7,110,865		
		6,317,737		5,838,247		
Construction in progress		285,866		149,557		
Total property and equipment, net	\$	6,603,603	\$	5,987,804		

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2012 and 2011 was \$581,032 and \$567,070, respectively.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$179,000.

Noncontrolling Interests

The consolidated financial statements include all assets, liabilities, revenues and expenses of entities that are controlled by the System and therefore consolidated. Noncontrolling interests in the Consolidated Balance Sheets represent the portion of net assets owned by entities outside the System, for those entities in which the System's ownership interest is less than 100%.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, which include endowment funds. Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donors' wishes, primarily to purchase equipment and to provide charity care and other health and educational services. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted.

Temporarily and permanently restricted net assets consist solely of controlling interests of the System.

Performance Indicator

The performance indicator is the excess of revenues and gains over expenses and losses. Changes in unrestricted net assets that are excluded from the performance indicator primarily include pension and other postretirement liability adjustments, transfers to or from sponsors and other affiliates, net assets released from restrictions for property acquisitions, change in unconsolidated entities' net assets, cumulative effect of a change in accounting principle, discontinued operations, and contributions received of property and equipment.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Operating and Nonoperating Activities

The System's primary mission is to meet the healthcare needs in its market areas through a broad range of general and specialized healthcare services, including inpatient acute care, outpatient services, long-term care, and other healthcare services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the System's primary mission are considered to be nonoperating.

Net Patient Service Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided excluding the provision for bad debt expense and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by \$149,931 and \$70,973 for the years ended June 30, 2012 and 2011, respectively.

During both 2012 and 2011, approximately 36% of net patient service revenue was earned under the Medicare program and 11% under various states' Medicaid programs. The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of net accounts receivable at June 30, 2012 and 2011, include Medicare (20%) and various states' Medicaid programs (10%).

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in healthcare coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the System. Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies.

Impairment, Restructuring, and Nonrecurring Gains (Losses)

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on future discounted net cash flows or other estimates of fair value.

During the year ended June 30, 2012, the System recorded total impairment, restructuring and nonrecurring gains, net of \$297,548. This amount was comprised primarily of pension curtailment gains of \$414,294, as discussed in the Retirement Plans note, partially offset by long-lived asset impairments and restructuring charges of \$61,151, and \$55,595 of nonrecurring expenses associated with Symphony.

For the year ended June 30, 2011, the System recorded total impairment, restructuring and nonrecurring losses, net of \$92,387, comprised of long-lived asset impairments of approximately \$21,834 and restructuring and nonrecurring expenses of approximately \$70,553. The restructuring and nonrecurring expenses for the year ended June 30, 2011, included approximately \$44,355 of nonrecurring expenses associated with Symphony. Symphony nonrecurring expenses include project management and process reengineering costs, as well as costs to establish a shared service center and develop a business intelligence data warehouse.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Amortization

Bond issuance costs, discounts, and premiums are amortized over the term of the bonds using a method approximating the effective interest method.

Income Taxes

The member healthcare entities of Ascension Health Alliance are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or Section 501(c)(2), and their related income is exempt from federal income tax under Section 501(a).

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by certain members of the System. The investigations are in various stages of discovery, and the ultimate resolution of these matters, including the liabilities, if any, cannot be readily determined; however, in the opinion of management, the results of the investigations will not have a material adverse impact on the consolidated financial statements of Ascension Health Alliance.

Reclassifications

Certain reclassifications were made to the 2011 accompanying consolidated financial statements to conform to the 2012 presentation.

Subsequent Events

The System evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the balance sheet date. For the year ended June 30, 2012, the System evaluated subsequent events through September 12, 2012, representing the date on which the accompanying audited consolidated financial statements were issued. During this period, there were no material subsequent events that required recognition or disclosure in the accompanying consolidated financial statements.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes

Business Combinations

Effective January 1, 2012, Ascension Health, a subsidiary of Ascension Health Alliance, became sole corporate member of Alexian Brothers Health System (Alexian Brothers), a Catholic healthcare system that operates acute and specialty care hospitals, ambulatory care clinics, physician practices and senior living facilities in Illinois, Missouri, Tennessee, and Wisconsin. This transaction resulted in a net increase to unrestricted net assets of \$326,333, reflected as contributions from business combinations in the Consolidated Statement of Operations and Changes in Net Assets during the year ended June 30, 2012. Furthermore, this addition resulted in a contribution of restricted net assets of \$16,337, included in other changes in net assets in the Consolidated Statement of Operations and Changes in Net Assets for the year ended June 30, 2012.

Pooled Investment Fund

For the year ended June 30, 2011, and prior to April 2012, the System held a significant portion of its investments in the Ascension Legacy Portfolio, an investment pool of funds in which the System and a limited number of nonprofit healthcare providers participated. In April 2012, a significant portion of the assets in the Ascension Legacy Portfolio was transferred to the Alpha Fund, a separate legal entity created during the year ended June 30, 2012. Certain System assets continue to be held through the Ascension Legacy Portfolio, and subsequent to April 2012, the Ascension Legacy Portfolio no longer holds assets for unrelated entities.

Prior to April 2012, CHIMCO, a wholly owned subsidiary of Ascension Health Alliance, managed the investment portfolio of Ascension Health Alliance held in the Ascension Legacy Portfolio. CHIMCO provides expertise in the areas of asset allocation, selection and monitoring of outside investment managers, and risk management. The System did not consolidate the Ascension Legacy Portfolio prior to April 2012. Accordingly, the System's investments recorded in the consolidated financial statements consisted only of the System's pro-rata share of the Ascension Legacy Portfolio's investments held for participants prior to April 2012.

The Alpha Fund includes the investment interests of Ascension Health Alliance and other Alpha Fund members. CHIMCO manages and serves as the manager and primary investment advisor of the Alpha Fund, overseeing the investment strategies offered to the Alpha Fund's members. Ascension Health Alliance began consolidating the Alpha Fund in April 2012.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

The portion of the Alpha Fund's net assets representing interests held by entities other than Ascension Health Alliance are reflected in noncontrolling interests in the Consolidated Balance Sheet at June 30, 2012, which amount to \$589,493 at June 30, 2012.

The consolidation of the Alpha Fund by the System in April 2012 resulted in an increase of net assets of \$440,015, representing the noncontrolling interests of the Alpha Fund as of the date investments were transferred into the Alpha Fund. Additional information about the Alpha Fund is included in the Pooled Investment Fund note.

Divestitures and Discontinued Operations

Effective October 1, 2011, Seton Health System, Inc. (Seton Health) in Troy, New York, separated from the System and became part of a newly formed nonprofit healthcare organization that operates in the state of New York. The operations of Seton Health are reflected in the System's consolidated financial statements as discontinued operations.

Ascension Health Alliance reported a decrease in net assets from discontinued operations of \$54,998 for the year ended June 30, 2012, representing the contribution of net assets related to the separation of Seton Health and the deficit of revenues over expenses for previously discontinued lines of business in Michigan. These entities had recorded operating revenues totaling \$39,659 during the period that they were operational during the year ended June 30, 2012.

Ascension Health Alliance reported an increase in net assets from discontinued operations of \$19,421 for the year ended June 30, 2011, representing the excess of revenues over expenses for previously discontinued lines of business in Michigan, New York, and Tennessee. These entities had recorded operating revenues totaling \$186,902 during the period that they were operational during the year ended June 30, 2011.

Other

In March 2012, Ascension Health Alliance and Daughters of Charity Health System (DCHS) entered into a non-binding memorandum of understanding to explore having DCHS join Ascension Health, a subsidiary of Ascension Health Alliance. Completion of the proposed transaction is subject to the execution of final agreements and obtaining all necessary approvals.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

In June 2012, Ascension Health Alliance and Marian Health System, Inc. (Marian) entered into a non-binding memorandum of understanding to explore having Marian join Ascension Health Alliance. Completion of the proposed transaction is subject to the execution of final agreements and obtaining all necessary approvals.

4. Pooled Investment Fund

As discussed in the Organizational Changes note, in April 2012, substantially all of the System's investments previously held in the Ascension Legacy Portfolio were transferred to the Alpha Fund, in which Ascension Health Alliance and certain other entities are members. At June 30, 2012, a significant portion of the System's investments consist of Ascension Health Alliance's interest in the Alpha Fund.

The Alpha Fund invests in a diversified portfolio of investments including alternative investments, such as real asset funds, hedge funds, private equity funds, commodity funds and private credit funds. Collectively, these funds have liquidity terms ranging from weekly to annual with notice periods ranging from 1 to 93 days. Due to redemption restrictions, investments in certain of these funds, whose fair value was approximately \$683,000 at June 30, 2012, cannot currently be redeemed. However, the potential for the Alpha Fund to sell its interest in these funds in a secondary market prior to the end of the fund term does exist.

The Alpha Fund's investments in certain alternative investment funds also include contractual commitments to provide capital contributions during the investment period which is typically five years and can extend to the end of the fund term. During these contractual periods, investment managers may require the Alpha Fund to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2012, contractual agreements of the Alpha Fund expire between July 1, 2012 and March 31, 2018. The remaining unfunded capital commitments of the Alpha Fund total approximately \$729 million for 51 individual funds as of June 30, 2012. Due to the uncertainty surrounding whether the contractual commitments will require funding during the contractual period, future minimum payments to meet these commitments cannot be reasonably estimated. These committed amounts are expected to be primarily satisfied by the liquidation of existing investments in the Alpha Fund.

In the normal course of operations and within established Alpha Fund guidelines, the Alpha Fund may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, option and forward contracts as well as warrants and swaps.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Pooled Investment Fund (continued)

These instruments are used primarily to adjust the portfolio duration, restructure term structure exposure, change sector exposure, and arbitrage market inefficiencies. See the Fair Value Measurements note for a discussion of how fair value for the Alpha Fund's derivatives is determined.

At June 30, 2012, the notional value of Alpha Fund derivatives outstanding was approximately \$2,071,000. The fair value of Alpha Fund derivatives in an asset position was \$71,936 at June 30, 2012, while the fair value of Alpha Fund derivatives in a liability position was \$36,266 at June 30, 2012. These derivatives are included in long-term investments in the Consolidated Balance Sheet at June 30, 2012.

The Alpha Fund also participates in a securities lending program, whereby a portion of the Alpha Fund's investments are loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned, usually on a short-term basis. The fair value of collateral held by the Alpha Fund associated with such lending agreements amounts to approximately \$320,000 and is included in other current assets in the Consolidated Balance Sheet at June 30, 2012, while the liability associated with the obligation to repay such collateral is also approximately \$320,000, and is included in other current liabilities in the Consolidated Balance Sheet at June 30, 2012. In addition, the Alpha Fund has liabilities for investments sold, not yet purchased, representing obligations of the Alpha Fund to purchase investments in the market at prevailing prices. The fair value of this Alpha Fund liability is approximately \$160,000 and is included in other noncurrent liabilities in the Consolidated Balance Sheet at June 30, 2012.

Due from brokers and due to brokers on the Consolidated Balance Sheet at June 30, 2012, represent the Alpha Fund's positions and amounts due from or to various brokers, primarily amounts for security transactions not yet settled, as well as cash held by brokers for securities sold, not yet purchased.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments

The System's cash and investments are reported in the June 30, 2012, Consolidated Balance Sheet as presented in the table that follows. Total cash and investments, net, includes both the System's membership interest in the Alpha Fund as well as the noncontrolling interests held by other Alpha Fund members. System unrestricted cash and investments, net, represent the System's cash and investments excluding the noncontrolling interests held by other Alpha Fund members and assets limited as to use.

	<u>Ju</u>	ne 30, 2012
Cash and cash equivalents	\$	306,469
Short-term investments		216,914
Long-term investments		10,468,457
Subtotal		10,991,840
Other Alpha Fund and Ascension Legacy Portfolio assets and liabilities:		
In other current assets		360,999
In other long-term assets		2,924
In accounts payable and accrued liabilities		(12,779)
In other current liabilities		(322,873)
In other noncurrent liabilities		(157,073)
Due from (to) brokers, net		(91,342)
Total cash and investments, net		10,771,696
Less noncontrolling interests of Alpha Fund		589,493
System cash and investments, including assets limited as to use		10,182,203
Less assets limited as to use		1,064,385
System unrestricted cash and investments, net	\$	9,117,818

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

At June 30, 2012, the composition of cash and cash equivalents, short-term investments and long-term investments, which include certain assets limited as to use, is summarized as follows.

	June 30, 2012
Cash and cash equivalents and short-term investments	\$ 498,902
Pooled short-term investment funds	416,087
U.S. government, state, municipal and agency obligations	3,271,474
Corporate and foreign fixed income securities	980,322
Asset-backed securities	1,057,735
Equity securities	1,574,188
Private equity, alternative investments and other investments	3,193,132
Total cash and cash equivalents, short-term investments	
and long-term investments	\$10,991,840

At June 30, 2011, the System's investments consisted of its pro rata share of the Ascension Legacy Portfolio's funds held for participants and certain other investments such as those investments held and managed by foundations. The System's June 30, 2011 investments are reported in the accompanying Consolidated Balance Sheet as presented in the table that follows. Assets limited as to use are discussed in the Short-Term Investments and Long-Term Investments and Investment Return sections of the Significant Accounting Policies note. Long-term investments include investments designated for a specific purpose by resolution of the System Board or local Health Ministry Boards which were approximately \$601,000 at June 30, 2011.

	June 30, 2011
Cash and cash equivalents	\$ 1,107,846
Short-term investments	237,461
Long-term investments	8,117,951
System cash and investments	9,463,258
Less assets limited as to use	994,297
System unrestricted cash and investments	\$ 8,468,961

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

At June 30, 2011, the composition of cash and investments classified as cash and cash equivalents, short-term investments, assets limited as to use and other long-term investments is summarized as follows:

	June 30, 2011
Cash and cash equivalents	\$ 450,436
Short-term investments	60,559
U.S. government, state, municipal and agency obligations	49,958
Corporate and foreign fixed income securities	50,762
Asset-backed securities	60,280
Equity securities	314,672
Private equity and other investments	164,895
Subtotal, included in cash and cash equivalents, short-term investments, and long-term investments	1,151,562
Ascension Health Alliance's pro rata share of Ascension Legacy Portfolio funds held for participants	8,311,696
Total cash and cash equivalents, short-term investments and long-term investments	\$ 9,463,258

The System's pro rata share of the Ascension Legacy Portfolio's funds held for participants was \$8,311,696 at June 30, 2011, representing approximately 76.6% of the funds held for participants in the Ascension Legacy Portfolio.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

The following is a condensed balance sheet of the Ascension Legacy Portfolio at June 30, 2011, including the interests of the System and all other participating entities:

Assets \$ 26,757 Loans, interest, and other receivables 88,180 Due from brokers 799,869 Securities lending collateral 378,877 Derivative asset 33,208 Investments, at fair value: \$ 747,955 Short-term investments 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$ 12,470,645 Liabilities and funds held for participants \$ 1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437 Total liabilities and funds held for participants \$ 12,470,645		June 30, 2011
Loans, interest, and other receivables 88,180 Due from brokers 799,869 Securities lending collateral 378,877 Derivative asset 33,208 Investments, at fair value: 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$12,470,645 Liabilities and funds held for participants \$1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Assets	
Due from brokers 799,869 Securities lending collateral 378,877 Derivative asset 33,208 Investments, at fair value: 33,208 Short-term investments 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$12,470,645 Liabilities and funds held for participants \$1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Cash	\$ 26,757
Securities lending collateral 378,877 Derivative asset 33,208 Investments, at fair value: 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$ 12,470,645 Liabilities and funds held for participants \$ 1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Loans, interest, and other receivables	88,180
Derivative asset 33,208 Investments, at fair value: 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$ 12,470,645 Liabilities and funds held for participants \$ 1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Due from brokers	799,869
Investments, at fair value: 747,955 Short-term investments 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$ 12,470,645 Liabilities and funds held for participants \$ 1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Securities lending collateral	378,877
Short-term investments 747,955 U.S. government obligations 3,056,988 Corporate and foreign fixed income securities 1,260,685 Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$12,470,645 Liabilities and funds held for participants \$1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 1,621,208 Funds held for participants 10,849,437	Derivative asset	33,208
U.S. government obligations Corporate and foreign fixed income securities Asset-backed securities I.260,685 Asset-backed securities I.764,404 Equity, private equity, and other investments Equity method investments 2,026,142 Total assets Liabilities and funds held for participants Due to brokers Due to brokers Derivative liability 34,768 Investments sold, not yet purchased Other payables Other payables Total liabilities Investments Total liabilities Investments Investm	Investments, at fair value:	
Corporate and foreign fixed income securities Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments Total assets 2,026,142 Total assets Liabilities and funds held for participants Due to brokers Derivative liability 34,768 Investments sold, not yet purchased Other payables Payable under securities lending program Total liabilities Total liabilities Total liabilities 1,621,208 Funds held for participants 1,260,685 1,764,404 1,764,404 2,287,580	Short-term investments	747,955
Asset-backed securities 1,764,404 Equity, private equity, and other investments 2,287,580 Equity method investments 2,026,142 Total assets \$12,470,645 Liabilities and funds held for participants Due to brokers \$1,032,350 Derivative liability 34,768 Investments sold, not yet purchased 166,663 Other payables 6,743 Payable under securities lending program 380,684 Total liabilities 10,849,437	U.S. government obligations	3,056,988
Equity, private equity, and other investments2,287,580Equity method investments2,026,142Total assets\$ 12,470,645Liabilities and funds held for participants\$ 1,032,350Due to brokers\$ 1,032,350Derivative liability34,768Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Corporate and foreign fixed income securities	1,260,685
Equity method investments Total assets 2,026,142 \$ 12,470,645 Liabilities and funds held for participants Due to brokers Derivative liability Sold, not yet purchased Other payables Payable under securities lending program Total liabilities Funds held for participants 2,026,142 \$ 12,470,645	Asset-backed securities	1,764,404
Total assets Liabilities and funds held for participants Due to brokers Derivative liability Investments sold, not yet purchased Other payables Payable under securities lending program Total liabilities Total held for participants \$ 1,032,350 \$ 1,032,350 \$ 166,663 \$ 6,743 \$ 2,084 \$ 1,621,208	Equity, private equity, and other investments	2,287,580
Liabilities and funds held for participantsDue to brokers\$ 1,032,350Derivative liability34,768Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Equity method investments	2,026,142
Due to brokers\$ 1,032,350Derivative liability34,768Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Total assets	\$ 12,470,645
Due to brokers\$ 1,032,350Derivative liability34,768Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Liabilities and funds held for participants	
Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Due to brokers	\$ 1,032,350
Investments sold, not yet purchased166,663Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	Derivative liability	34,768
Other payables6,743Payable under securities lending program380,684Total liabilities1,621,208Funds held for participants10,849,437	· · · · · · · · · · · · · · · · · · ·	166,663
Payable under securities lending program Total liabilities 1,621,208 Funds held for participants 10,849,437		6,743
Total liabilities 1,621,208 Funds held for participants 10,849,437		380,684
	• • • • • • • • • • • • • • • • • • • •	1,621,208
	Funds held for participants	10,849,437
		\$ 12,470,645

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Cash and Investments (continued)

Net investments under CHIMCO management and held in the Ascension Legacy Portfolio at March 31, 2012, yet not included in the Alpha Fund or the Ascension Legacy Portfolio while still managed by CHIMCO at April 1, 2012, were approximately \$1,820,000. As of June 30, 2012, the System's membership interest in the Alpha Fund as well as the noncontrolling interest (see Note 2) in the Alpha Fund, representing interests held by entities other than Ascension Health Alliance, total \$8,840,551 and \$589,493, respectively.

Investment return recognized by the System for the years ended June 30, 2012 and 2011, is summarized in the following table. Total investment return includes the System's return in the Ascension Legacy Portfolio as well as the investment return of the Alpha Fund. System investment return represents the System's total investment return, net of the investment return earned by the noncontrolling interests of other Alpha Fund members.

	Year Ended June 30,						
		2012	2011				
Investment return in Ascension Legacy Portfolio	\$	57,921 \$	1,142,327				
Interest and dividends		51,453	17,001				
Net losses on investments reported at fair value		(233,826)	80,409				
Restricted investment income		3,386	6,163				
Total investment return		(121,066)	1,245,900				
Less return earned by noncontrolling interests of							
Alpha Fund		(9,264)	_				
System investment return	\$	(111,802) \$	1,245,900				

6. Fair Value Measurements

The System categorizes, for disclosure purposes, assets and liabilities measured at fair value in the consolidated financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs that are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The System follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values. Level inputs are defined as follows:

Level 1 – Quoted prices (unadjusted) that are readily available in active markets or exchanges for identical assets or liabilities on the reporting date.

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 pricing inputs include prices quoted for similar assets and liabilities in active markets or exchanges or prices quoted for identical or similar assets and liabilities in markets that are not active. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Significant pricing inputs that are unobservable for the asset or liability, including assets or liabilities for which there is little, if any market activity for such asset or liability. Inputs to the determination of fair value for Level 3 assets and liabilities require management judgment and estimation.

As of June 30, 2012 and 2011, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables below use the following valuation techniques and inputs:

Cash and cash equivalents and short-term investments

Cash and cash equivalents and certain short-term investments include certificates of deposit, whose fair value is based on cost plus accrued interest. Significant observable inputs include security cost, maturity, and relevant short-term interest rates. Other short-term investments designated as Level 2 investments primarily consist of commercial paper, whose fair value is based on the income approach. Significant observable inputs include security cost, maturity, and credit rating, interest rate and par value.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

U S government, state, municipal and agency obligations

The fair value of investments in U.S. government, state, municipal and agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate and foreign fixed income securities

The fair value of investments in U.S. and international corporate bonds, including commingled funds that invest primarily in such bonds, and foreign government bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

Asset-backed securities

The fair value of U.S. agency and corporate asset-backed securities is primarily determined using techniques consistent with the income approach. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes.

Equity securities

The fair value of investments in U.S. and international equity securities is primarily determined using techniques consistent with the income approach. The values for underlying investments are fair value estimates determined by external fund managers based on quoted market prices, operating results, balance sheet stability, growth, dividend, dividend yield, and other business and market sector fundamentals.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

Private equity, alternative investments and other investments

The fair value of private equity investments is primarily determined using techniques consistent with both the market and income approaches, based on the System's estimates and assumptions in the absence of observable market data. The market approach considers comparable company, comparable transaction, and company-specific information, including but not limited to restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, and current financial position and operating results. The income approach considers the projected operating performance of the portfolio company.

Alternative investments consist of hedge funds, private equity funds, commodity funds, and real estate partnerships. Alternative investments are valued using net asset values, which approximate fair value, as determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth and other business and market sector fundamentals.

Other investments include derivative assets and derivative liabilities of the Alpha Fund, whose fair value is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity and recovery rates.

Securities lending collateral

The fair value of collateral received under the Alpha Fund's securities lending program is valued using the calculated net asset value for the commingled fund in which the collateral is invested. The underlying investments in the commingled fund are valued using techniques consistent with the market approach, which uses significant observable market inputs such as available trade, quotes, benchmark curves, sector groupings, and matrix pricing.

Benefit plan assets

The fair value of benefit plan assets is based on original investment into a guaranteed pooled fund, plus guaranteed, annuity contract-based interest rates. Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying annuity contract, the contract value, and the annualized weighted-average yield to maturity of the underlying investment portfolio.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

Interest rate swap assets and liabilities

The fair value of interest rate swaps is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates.

Investments sold, not yet purchased

The fair value of investments sold, not yet purchased is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark, constant maturity curves, and spreads.

The following table summarizes fair value measurements, by level, at June 30, 2012, for all financial assets and liabilities measured at fair value on a recurring basis in the System's consolidated financial statements:

	Level 1	Level 2	Level 3	Total
June 30, 2012				
Cash and cash equivalents	\$ 78,301	\$ 3,419	\$ _	\$ 81,720
Short-term investments	14,567	79,321	_	93,888
Pooled short-term investment funds	416,087	_	_	416,087
U S government, state, municipal and agency				
obligations	_	3,264,037	7.437	3,271,474
Corporate and foreign fixed income securities	_	859,904	120,418	980,322
Asset-backed securities	_	1,042,438	15.297	1.057.735
Equity securities	1.546.579	14,491	13,118	1.574.188
Private equity, alternative investments and				
other investments	8,699	3,327	3.096.973	3.108.999
Assets not at fair value				407.427
Cash and investments				\$ 10,991,840
Securities lending collateral, in other current assets	\$ -	\$ 321.937	\$ -	\$ 321.937
Benefit plan assets. in other noncurrent assets	136,435	_	36,932	173.367
Interest rate swaps, in other noncurrent assets	_	94.082	_	94.082
Investments sold, not yet purchased, in other noncurrent liabilities	-	157.073	-	157.073
Interest rate swaps, included in other noncurrent liabilities	_	248.511	-	248.511

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

For the year ended June 30, 2012, the changes in the fair value of the assets and liabilities measured using significant unobservable inputs (Level 3) consisted of the following. Level 3 investments of the Alpha Fund are included in transfers in the table below.

	Gove S Mu and	U.S. ernment, state, micipal Agency igations	Fo	rporate and reign Fixed Income Securities	set-Backed ecurities				Alternative Investments and Other		nefit Plan Assets	
June 30, 2012												
Beginning balance	\$	442	\$	5,024	\$	1,924	\$	15,515	\$	86,166	\$	31,795
Total realized and unrealized gains												
(losses)												
Included in income from operations		21		192		(7)		886		(391)		_
Included in nonoperating gains												
(losses)		6		904		(149)		(69)		(33,994)		_
Included in changes in net assets		-		_		_		_		1,290		20
Purchases		_		77,943		2,919		_		458,171		8,716
Settlements		_		_		_		_		_		(91)
Issuances		_		_		_		_		_		35
Sales		-		(57,768)		(2,700)		(3.588)		(90,500)		(5.408)
Transfers into Level 3		6,968		94,201		15,012		374		2,676,231		2,649
Transfers out of Level 3		-		(78)		(1.702)		_		-		(784)
Ending balance	\$	7,437	\$	120,418	\$	15,297	\$	13,118	\$	3,096,973	\$	36,932

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur.

As discussed in the Organizational Changes and Pooled Investment Fund notes, the System recognized its pro rata share of the Ascension Legacy Portfolio's investments held for participants in the Consolidated Balance Sheet at June 30, 2011, which represented 76.6% of the net asset value of the Ascension Legacy Portfolio as of June 30, 2011. The Ascension Legacy Portfolio's investments at June 30, 2011, included equities, various fixed income securities, and alternative investments.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2011, for Ascension Legacy Portfolio's financial assets and liabilities, measured at fair value on a recurring basis in Ascension Legacy Portfolio's financial statements:

	Level 1	1 Lev		Level 3	Total
June 30, 2011					
Assets included in:					
Securities lending collateral	\$ _	\$	378,877	\$ _	\$ 378,877
Derivative asset	19,649		2,303	11,256	33,208
Short-term investments	689,742		58,213	_	747,955
U.S. government obligations	_		3,046,822	10,166	3,056,988
Corporate and foreign fixed					
income securities	_		1,144,643	116,042	1,260,685
Asset-backed securities	_		1,719,704	44,700	1,764,404
Equity, private equity, and					
other investments	2,240,360		_	47,220	2,287,580
Liabilities included in:					
Derivative liability	1,162		3,116	30,490	34,768
Investments sold, not yet	,		,	,	,
purchased	_		166,663	_	166,663

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

For the year ended June 30, 2011, the changes in the fair value of Ascension Legacy Portfolio's assets measured using significant unobservable inputs (Level 3) consisted of the following:

		U.S.		Corporate Id Foreign Fixed			E	Equity, Private quity, and		
	Gov	ernment		Income	As	set-Backed				Net
	Ob	ligations	S	Securities	5	Securities	ies Investment			erivatives
June 30, 2011										
Beginning balance	\$	7,340	\$	167,473	\$	26,069	\$	423,575	\$	(40,449)
Total realized and unrealized gains included in nonoperating gains (losses)		202		8,209		1,514		99,730		180,214
Purchases, issuances, and settlements		1,199		(42,171)		19,814		(476,085)		(158,999)
Transfers into (out of) Level 3		1,425		(17,469)		(2,697)				_
Ending balance	\$	10,166	\$	116,042	\$	44,700	\$	47,220	\$	(19,234)
The amount of total gains (losses) for the period included in nonoperating gains (losses) attributable to the change in unrealized gains or losses relating to assets still held at June 30, 2011	S	107	\$	(1,948)	\$	781	\$	5,872	\$	(146,992)
~~	4	107		(1,5710)	*	701	<u> </u>	2,072	-	(1.0,772)

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2011, for all other financial assets and liabilities, measured at fair value on a recurring basis in the System's consolidated financial statements:

	Level 1	Level 2	Level 3		Total
June 30, 2011					
Cash and cash equivalents	\$ 86,946	\$ 6,954	\$ _	\$	93,900
Short-term investments	15,592	44,768	_		60,360
U S government, state, municipal					
and agency obligations	_	49,516	442		49,958
Corporate and foreign fixed					
income securities	_	45,738	5,024		50,762
Asset-backed securities	_	58,356	1,924		60,280
Equity securities	284,701	14,456	15,515		314,672
Private equity, alternative	_0 1,7 0 1	1 1,100	1-,-1-		,
investments and other					
investments	594	3,423	86,166		90,183
Assets not at fair value	3,.	2,122	00,100		431,447
Cash and investments				•	1,151,562
Cash and myestments				Ф	1,131,302
Benefit plan assets, in other					
noncurrent assets	\$ 137,391	\$ -	\$ 31,795	\$	169,186
Interest rate swaps, included in					
other noncurrent assets	_	64,426	_		64,426
Interest rate swaps, included in					
other noncurrent liabilities	_	141,287	_		141,287

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Fair Value Measurements (continued)

During the year ended June 30, 2011, the changes in the fair value of the foregoing assets measured using significant unobservable inputs (Level 3) consisted of the following:

	Gove S Mu and	J.S. rnment, tate, nicipal Agency gations	orporate and oreign Fixed Income Securities	 set-Backed ecurities	S	Equity Securities	A I	ivate Equity, Alternative nvestments and Other nvestments	e ts · Benefit P		
June 30, 2011											
Beginning balance	\$	442	\$ 4,845	\$ 189	\$	6,164	\$	68,171	\$	28,369	
Total realized and unrealized gains (losses)											
Included in income from operations		_	412	(16)		231		445		_	
Included in nonoperating gains											
(losses)		_	_	_		_		(73)		_	
Included in changes in net assets		_	_	_		_		315		_	
Purchases, issuances, and settlements		_	(233)	1,463		9,120		18,373		2,611	
Transfers into (out of) Level 3		-		288		_		(1.065)		815	
Ending balance	\$	442	\$ 5,024	\$ 1,924	\$	15,515	\$	86,166	\$	31,795	

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur.

7. Significant Investments in Unconsolidated Entities

The System has a 50% membership interest in Via Christi Health, Inc. (VCH). The System accounts for this membership interest under the equity method of accounting. The System's investment in VCH is \$493,105 and \$499,910 at June 30, 2012 and 2011, respectively, and is reported in the Consolidated Balance Sheets in investment in unconsolidated entities. The System's investment in VCH reflects the financial performance of VCH one month in arrears.

At June 30, 2012 and 2011, the difference between the amount at which the System's investment in VCH is carried in the accompanying Consolidated Balance Sheets and its interest in the underlying net assets of VCH is \$30,321 and \$30,568, respectively. This difference relates primarily to the excess of the fair value of VCH property and equipment and long-term debt over their carrying values at the date the System received the interest in VCH. The difference is being amortized over the remaining life of the property and equipment and term of the long-term debt.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Significant Investments in Unconsolidated Entities (continued)

Condensed financial information of VCH as of and for the years ended June 30, 2012 and 2011, is summarized below:

	June 30,						
		2012		2011			
Current assets	\$	752,074	\$	748,221			
Noncurrent assets		954,184		932,313			
Total assets	\$	1,706,258	\$	1,680,534			
Current liabilities	\$	131,366	\$	120,335			
Noncurrent liabilities		581,391		555,415			
Total liabilities		712,757		675,750			
Net assets		993,501		1,004,784			
Total liabilities and net assets	\$	1,706,258	\$	1,680,534			
Total revenues	\$	1,096,449	\$	1,094,925			
Total expenses		(1,063,364)		(1,072,680)			
Total investment return		(16,482)		97,573			
Excess of revenues over expenses	\$	16,603	\$	119,818			

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt

Long-term debt at June 30, 2012 and 2011, is comprised of the following, and is presented in accordance with the specific master trust indenture to which the debt relates. As further discussed below, certain portions of long-term debt are secured under the Alexian Brothers Health System Master Trust Indenture.

),	
		2012	2011
Tax-exempt hospital revenue bonds – secured under Ascension Health Alliance Senior Credit Group Master Trust Indenture Variable rate demand bonds, subject to a put provision that provides			
for a cumulative 7-month notice and remarketing period, payable			
through November 2047, interest (0 27% at June 30, 2012) fied to	Φ	200 (05 6	220 400
a market index plus a spread	\$	308,605 \$	320,480
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2039, interest (0 15% to 0 16% at			
June 30, 2012) set at prevailing market rates		225,665	246,730
Variable rate demand bonds, subject to a 7-day put provision,		223,003	240,730
payable through November 2033, interest (0.15% to 0.16% at			
June 30, 2012) set at prevailing market rates, swapped to fixed			
rates of 5 454 and 5 544% through maturity		307,300	150,325
Indexed put bonds subject to weekly rate resets based on a taxable		207,200	100,020
ındex, payable through November 2046, ınterest (1 505% at			
June 30, 2012) swapped to a variable rate tied to a tax-exempt			
market index plus a spread through November 2016		153,800	153,800
Fixed rate put bonds (converted from an indexed put bond mode			
based on a taxable index in May 2009) payable through			
November 2046, interest (4 10% at June 30, 2012) swapped to a			
variable rate tied to a market index plus a spread through			
November 2016		153,690	153,690
Fixed rate serial and term bonds payable in installments through			
November 2051, interest at 4 125% to 5 75%		1,308,105	984,635
Fixed rate serial and term bonds payable in installments through			
November 2039, interest at 5 00% swapped to variable rates over		505.260	500 400
the life of the bonds		587,360	599,490
Fixed rate serial mode bonds payable through 2047 with purchase			
dates ranging from April 2013 through May 2018, interest at		004.195	922 560
0 90% to 5 00% through the purchase dates Fixed rate serial mode bonds payable through 2033 with purchase		904,185	823,560
dates through May 2012, interest at 1 25%, swapped to fixed rates			
of 5 454% to 5 544% through maturity		_	156,975
of 5 454 % to 5 544 % through maturity		_	130,773

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt (continued)

	June	30,	
	 2012		2011
Tax-exempt hospital revenue bonds – unsecured under Ascension Health Alliance Subordinate Master Trust Indenture Variable rate demand bonds, subject to a 7-day put provision, payable through November 2027, interest (0 16% at June 30,			
2012) set at prevailing market rates Fixed rate serial mode bonds payable through 2027 with purchase dates through November 2012, interest at 5 00%, swapped to	\$ 56,060	\$	57,815
variable mode through the purchase dates Fixed rate serial mode bonds payable through 2027 with purchase	49,810		149,470
dates through May 2018, interest at 1 50% to 5 00%	396,705		303,270
Total hospital revenue bonds under Senior Master Trust Indenture and Subordinate Master Trust Indenture	4,451,285		4,100,240
Tax-exempt hospital revenue bonds – secured under Alexian Brothers Health System Master Trust Indenture Fixed rate term bonds payable in installments through February 2038, interest at 3 50% to 5 50%	161,565		_
Total hospital revenue bonds under the Alexian Brothers Health System Master Trust Indenture	161,565		_
Total hospital revenue bonds under the Ascension Health Alliance Senior Master Trust Indenture, Ascension Health Alliance Subordinate Master Trust Indenture, and the Alexian Brothers Health System Master Trust Indenture	4,612,850		4,100,240
Other debt Obligations under capital leases Other	33,221 37,936 4,684,007		34,865 36,960 4,172,065
Unamortized premium, net Less current portion Less long-term debt subject to short-term remarketing arrangements	111,187 (45,363) (1,094,425)	,	67,233 (29,563) (1,662,950)
Long-term debt, less current portion and long-term debt subject to short-term remarketing arrangements	\$ 3,655,406	\$	2,546,785

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt (continued)

	Jun	ie 30.	,
	 2012		2011
Ascension Health Alliance Senior Master Trust Indenture long-term			_
debt obligations, including unamortized premium, net	\$ 2,919,702	\$	1,953,354
Ascension Health Alliance Subordinate Master Trust Indenture long-			
term debt obligations, including unamortized premium, net	515,278		528,917
Alexian Brothers Health System Master Trust Indenture long-term			
debt obligations, including unamortized premium, net	167,257		_
Other	 53,169		64,514
Long-term debt, less current portion, and long-term debt subject to			
short-term remarketing arrangements	\$ 3,655,406	\$	2,546,785

Tun a 20

Scheduled principal repayments of long-term debt, considering obligations subject to short-term remarketing as due according to their long-term amortization schedule, as of June 30, 2012, are as follows:

	1	Ascension Health Alliance MTIs	Alexian Brothers Health ystem MTI	o	ther Debt	Total
Year ending June 30:						
2013	\$	22,810	\$ 4,565	\$	17,989	\$ 45,364
2014		57,785	3,290		5,978	67,053
2015		61,180	340		5,072	66,592
2016		51,650	7,485		2,787	61,922
2017		67,620	13,130		15,853	96,603
Thereafter		4,190,240	132,755		23,479	4,346,474
Total	\$	4,451,285	\$ 161,565	\$	71,158	\$ 4,684,008

The carrying amounts of variable rate bonds and other notes payable approximate fair value. The fair values of the unsecured fixed rate serial and term bonds are estimated based on discounted cash flow analyses that consider current incremental borrowing rates for similar types of borrowing arrangements. The fair value of both Ascension Health Alliance and Alexian Brothers fixed rate serial and term bonds, including the component of variable rate demand bonds subject to long-term fixed interest rates, approximates carrying value at June 30, 2012 and 2011. During the years ended June 30, 2012 and 2011, interest paid was approximately \$148,300 and \$146,000, respectively. Capitalized interest was approximately \$2,000 and \$7,100 for the years ended June 30, 2012 and 2011, respectively.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt (continued)

Certain members of Ascension Health Alliance formed the Ascension Health Alliance Credit Group (Senior Credit Group). Each Senior Credit Group member is identified as either a senior obligated group member, a senior designated affiliate or a senior limited designated affiliate. Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Health Alliance. Senior designated affiliates and senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI. Ascension Health Alliance may cause each senior designated affiliate to transfer such amounts as are necessary to enable the obligated group to comply with the terms of the Senior MTI, including payment of the outstanding obligations. Additionally, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health Alliance with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation.

Pursuant to a Supplemental Master Indenture dated February 1, 2005, senior obligated group members, which are operating entities, have pledged and assigned to the Master Trustee a security interest in all of their rights, title, and interest in their pledged revenues and proceeds thereof.

A Subordinate Credit Group, which is comprised of subordinate obligated group members, subordinate designated affiliates, and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension Health Alliance. Subordinate designated affiliates and subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI. Ascension Health Alliance may cause each subordinate designated affiliate to transfer such amounts as are necessary to enable the obligated group members to comply with the terms of the Subordinate MTI, including payment of the outstanding obligations. Additionally, each subordinate limited designated affiliate has an independent subordinate limited designated affiliate agreement and promissory note with Ascension Health Alliance, with stipulated repayment terms and conditions, each subject to the governing law of the subordinate limited designated affiliate's state of incorporation.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt (continued)

The unsecured variable rate demand bonds of both the Senior and Subordinate Credit Groups, while subject to long-term amortization periods, may be put to Ascension Health Alliance at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after June 30, 2012, the principal amount of such bonds has been classified as a current liability in the accompanying Consolidated Balance Sheets. Management believes the likelihood of a material amount of bonds being put to Ascension Health Alliance to be remote. However, to address this possibility, management has taken steps to provide various sources of liquidity in the event any bonds would be put, including the line of credit, commercial paper program, and maintaining unrestricted assets as a source of self-liquidity.

On January 1, 2012, Alexian Brothers became part of Ascension Health Alliance. Subsequently, Ascension Health Alliance redeemed or refinanced a portion of Alexian Brothers' debt; however, a portion of the bonds previously issued for the benefit of Alexian Brothers remains outstanding (the Alexian Brothers' Bonds). The Alexian Brothers' Bonds continue to be secured by the Alexian Brothers Health System Master Trust Indenture (As Amended and Restated), dated October 1, 1992, between the Members of the Alexian Brothers Health System Obligated Group established under this document and the Alexian Brothers Health System Master Trustee.

In May 2012, Ascension Health Alliance issued a total of \$435,370 of tax-exempt bonds, Series 2012A through 2012E, through four different issuing authorities in four different states. The proceeds of the bonds, including original issue premium, were used to reimburse Ascension Health Alliance for previous capital expenditures.

Due to aggregate financing activity during the fiscal years ended June 30, 2012 and 2011, losses on extinguishment of debt of \$2,828 and \$1,007 were recorded, which are included in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Ascension Health Alliance is a party to multiple interest rate swap agreements that convert the variable or fixed rates of certain debt issues to fixed or variable rates, respectively. See the Derivative Instruments note for a discussion of these derivatives.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Long-Term Debt (continued)

As of June 30, 2012, the Senior Credit Group has a line of credit of \$1,000,000 which may be used as a source of funding for unremarketed variable debt (including commercial paper) or for general corporate purposes, towards which bank commitments totaling \$1,000,000 extend to November 9, 2014. As of June 30, 2012 and 2011, there were no borrowings under the line of credit.

As of June 30, 2012, the Subordinate Credit Group has a \$50,000 revolving line of credit related to its letters of credit program toward which a bank commitment of \$50,000 extends to December 27, 2012. The revolving line of credit may be accessed solely in the form of Letters of Credit issued by the bank for the benefit of the members of the Credit Groups. Of this \$50,000 revolving line of credit, letters of credit totaling \$26,067 have been issued as of June 30, 2012. No borrowings were outstanding under the letters of credit as of June 30, 2012 and 2011.

9. Derivative Instruments

The System uses interest rate swap agreements to manage interest rate risk associated with its outstanding debt. These swaps have historically been used to effectively convert interest rates on variable rate bonds to fixed rates and rates on fixed rate bonds to variable rates. At June 30, 2012 and 2011, the notional values of outstanding interest rate swaps were \$2,189,232 and \$2,310,187, respectively.

The System recognizes the fair value of its interest rate swaps in the Consolidated Balance Sheets as assets, recorded in other noncurrent assets, or liabilities, recorded in other noncurrent liabilities, as appropriate. At June 30, 2012 and 2011, the fair value of interest rate swaps in an asset position was \$94,082 and \$64,426, respectively, while the fair value of interest rate swaps in a liability position was \$248,511 and \$141,287, respectively.

Prior to July 1, 2006, the System designated certain of its interest rate swaps as cash flow hedges, for accounting purposes, and accordingly deferred gains or losses associated with those swaps in net assets. As of June 30, 2012, the deferred net gain associated with these interest rate swaps was \$4,660. The portion of this gain that will be reclassified into nonoperating gains (losses) over the next 12 months is immaterial.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Derivative Instruments (continued)

Beginning July 1, 2006, previously designated cash flow hedging relationships were dedesignated for accounting purposes. Accordingly, all changes in the fair value of interest rate swaps have been recognized in nonoperating gains (losses) in the accompanying Consolidated Statements of Operations and Changes in Net Assets. A net nonoperating loss of \$77,568 was recognized for the year ended June 30, 2012, while a net nonoperating gain of \$25,257 was recognized for the year ended June 30, 2011.

The System's interest rate swap agreements include collateral requirements for each counterparty under such agreements, based upon specific contractual criteria. The System's collateral requirements are based upon Ascension Health Alliance's Senior Credit Group long-term debt credit ratings (Senior Debt Credit Ratings), as obtained from each of two major credit rating agencies, as well as the net liability position of total interest rate swap agreements outstanding with each counterparty. At June 30, 2012 and 2011, based upon the System's net liability positions and Senior Debt Credit Ratings, no collateral on interest rate swap agreements was required to be posted. The aggregate net fair value of interest rate swap agreements with credit-risk-related contingent features on June 30, 2012 and 2011, was a liability of \$154,429 and \$76,861, respectively.

10. Retirement Plans

Defined-Benefit Plans

Certain System entities participate in defined-benefit pension plans (the System Plans), which are noncontributory, defined-benefit pension plans covering substantially all eligible employees of certain System entities. Benefits are based on each participant's years of service and compensation. Substantially all of the System Plans' assets are invested in a master trust (the Trust) consisting of cash and cash equivalents, equity, fixed income funds, and alternative investments. Contributions to the System Plans are based on actuarially determined amounts sufficient to meet the benefits to be paid to participants.

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

10. Retirement Plans (continued)

During the year ended June 30, 2012, the System approved and communicated to employees a redesign of associate retirement benefits, which affects certain System Plans, as well as provides an enhanced comprehensive defined contribution plan. These changes will become effective January 1, 2013. This redesign resulted in the recognition of one-time curtailment gains of \$415,834, of which \$414,294 was recognized in total impairment, restructuring and nonrecurring gains for the year ended June 30, 2012, with the remaining amount recognized in nonoperating losses for the year ended June 30, 2012. This redesign also resulted in a one-time decrease to the projected benefit obligation as of December 31, 2011. The projected benefit obligation is included in pension and other postretirement liabilities in the Consolidated Balance Sheets.

The assets of the System Plans are available to pay the benefits of eligible employees and retirees of all participating entities. In the event entities participating in the System Plans are unable to fulfill their financial obligations under the System Plans, the other participating entities are obligated to do so.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

The following table sets forth the combined benefit obligations and assets of the System Plans at June 30, 2012 and 2011, components of net periodic benefit costs for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements:

	Year Ende	d June 30,
	2012	2011
Change in projected benefit obligation:		_
Projected benefit obligation at beginning of year	\$ 5,734,449	\$ 5,618,553
Service cost	194,906	208,253
Interest cost	311,981	304,365
Amendments	(5,463)	(476)
Assumption change	873,252	(154,944)
Actuarial loss (gain)	1,051	(29,136)
Acquisitions	131,174	_
Curtailment	(561,854)	_
Benefits paid	(242,250)	(212,166)
Projected benefit obligation at end of year	6,437,246	5,734,449
Accumulated benefit obligation at end of year	6,341,693	5,140,261
Change in plan assets:		
Fair value of plan assets at beginning of year	5,397,593	4,624,393
Actual return on plan assets	711,555	848,439
Employer contributions	14,421	136,927
Acquisitions	111,358	_
Benefits paid	(242,250)	(212,166)
Fair value of plan assets at end of year	5,992,677	5,397,593
Net amount recognized at end of year and funded status	\$ (444,569)	

The System Plans' funded status as a percentage of the projected benefit obligation at June 30, 2012 and 2011, was 93.1% and 94.1%, respectively. The System Plans' funded status as a percentage of the accumulated benefit obligation at June 30, 2012 and 2011, was 94.5% and 105.0%, respectively.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

Included in unrestricted net assets at June 30, 2012 and 2011, are the following amounts that have not yet been recognized in net periodic pension cost for the System Plans:

	Year Ended June 30,				
		2012	2011		
Unrecognized prior service credit Unrecognized actuarial loss	\$	(16,230) \$ 433,352	(69,548) 33,874		
Cinceognized detainin 1033	\$	417,122 \$	(35,674)		

Changes in plan assets and benefit obligations recognized in unrestricted net assets for System Plans during 2012 and 2011, include:

	Year Ended	June 30,
	 2012	2011
Current year actuarial loss (gain)	\$ 48,601 \$	(671,223)
Amortization of actuarial loss (gain)	350,877	(130,321)
Current year prior service credit	(5,463)	(476)
Amortization of prior service credit	58,781	11,855
	\$ 452,796 \$	(790,165)
	Year Ended . 2012	June 30, 2011
Components of not poviodic banefit cost	 2012	2011
Components of net periodic benefit cost Service cost	\$ 194,906 \$	208,253
Interest cost	311,981	304,365
Expected return on plan assets	(447,703)	(361,295)
Amortization of prior service credit	(10,646)	(11,855)
Amortization of actuarial loss	16,931	130,321
Curtailment gain	(415,834)	_
Settlement gain	 (111)	
Net periodic benefit cost	\$ (350,476) \$	269,789

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending June 30, 2013, are approximately \$6,500 and \$63,900, respectively.

The assumptions used to determine the benefit obligation and net periodic benefit cost for the System Plans are set forth below:

	June 30,		
	2012	2011	
Weighted-average discount rate	4.42%	5.63%	
Weighted-average rate of compensation increase	4.00%	4.00%	
Weighted-average expected long-term rate of			
return on plan assets	8.43%	8.50%	

The System Plans' assets are invested in a portfolio designed to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. Diversification is achieved by allocating to funds and managers that correlate to one of three economic strategies: growth, deflation and inflation. Growth strategies include U.S. equity, emerging market equity, global equity, international equity, directional hedge funds, private equity, high yield and private credit. Deflation strategies include core fixed income, absolute return hedge funds and cash. Inflation strategies include inflation-linked bonds, commodity-related investments, and real assets. The System Plans use multiple investment managers with complementary styles, philosophies, and approaches. In accordance with the System Plans' objectives, derivatives may also be used to gain market exposure in an efficient and timely manner.

In accordance with the System Plans' asset diversification targets, as presented in the table that follows, the Trust holds certain alternative investments, consisting of various hedge funds, real asset funds, private equity funds, commodity funds, private credit funds and certain other private funds. These investments do not have observable market values. As such, each of these investments is valued at net asset value as determined by each fund's investment manager, which approximates fair value. The fair value of the System Plans' alternative investments as of June 30, 2012, is reported in the fair value measurement table that follows. Collectively, these

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

funds have liquidity terms ranging from weekly to annual with notice periods ranging from 1 to 93 days. Due to redemption restrictions, investments of certain private funds, whose fair value was approximately \$515,000 at June 30, 2012, cannot be redeemed. However, the potential for the System Plans to sell their interest in real asset funds and private equity funds in a secondary market prior to the end of the fund term does exist.

The investments in these alternative investment funds may also include contractual commitments to provide capital contributions during the investment period, which is typically five years, and may extend to the end of the fund term. During these contractual periods, investment managers may require the System Plans to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2012, investment periods expire between July 2012 and March 2018. The remaining unfunded capital commitments of the Trust total approximately \$528,000 for 50 individual contracts as of June 30, 2012.

The weighted-average asset allocation for the System Plans at the end of fiscal 2012 and 2011 and the target allocation for fiscal 2013, by asset category, are as follows:

	Target Allocation	Percentage of Plan Assets at Year-End			
Asset Category	2013	2012	2011		
Growth	50%	49%	52%		
Deflation	30	32	32		
Inflation	20	19	16		
Total	100%	100%	100%		

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

The following tables summarize fair value measurements at June 30, 2012 and 2011, by asset class and by level, for the System Plans' assets and liabilities. As also discussed in the Fair Value Measurements note, the System follows the three-level fair value hierarchy to categorize plan assets and liabilities recognized at fair value, which prioritizes the inputs used to measure such fair values. The inputs and valuation techniques discussed in the Fair Value Measurements note also apply to the System Plans' assets and liabilities as presented in the following tables.

	Level 1	Level 2	Level 3	Total
June 30, 2012				
Short-term investments	\$ 192,025	\$ 5,392	\$ _	\$ 197,417
Derivative assets –				
interest rate	53,054	92,049	757	145,860
Derivative assets – other	10,937	653	13,472	25,062
U.S. government obligations	_	2,189,580	1,903	2,191,483
Corporate and foreign fixed				
income securities	70,238	387,734	28,308	486,280
Asset-backed securities	_	194,201	14,243	208,444
Equity securities	782,558	_	23,200	805,758
Alternative investments	_	_	1,993,923	1,993,923
Assets not at fair value				874,681
Total				6,928,908
Derivative liabilities – interest				
rate	1,990	51,180	33	53,203
Derivative liabilities – other	3,859	134	6,022	10,015
Investments sold,				
not yet purchased	_	29,342	_	29,342
Liabilities not at fair value				843,671
Total				936,231
Fair value of plan assets				\$ 5,992,677

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Short-term investments	\$ 433,526	\$ 12,682	\$ _	\$ 446,208
Derivative assets –				
interest rate	717	3	65,727	66,447
Derivative assets – other	74	2,939	1,159	4,172
U.S. government obligations	_	1,734,828	2,129	1,736,957
Corporate and foreign fixed				
income securities	_	406,793	19,462	426,255
Asset-backed securities	_	265,277	4,427	269,704
Equity securities	1,186,520	_	1,701	1,188,221
Alternative investments	_	_	1,591,483	1,591,483
Assets not at fair value				221,405
Total				5,950,852
Derivative liabilities – interest				
rate	17	283	258,882	259,182
Derivative liabilities – other	307	1,067	16,371	17,745
Investments sold,				
not yet purchased	_	56,451	_	56,451
Liabilities not at fair value				219,881
Total				553,259
Fair value of plan assets				\$ 5,397,593

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

For the years ended June 30, 2012 and 2011, the changes in the fair value of the System Plans' assets measured using significant unobservable inputs (Level 3) consisted of the following:

	D	Net erivatives		U.S. overnment bligations	an	orporate d Foreign Fixed Income ecurities	S	Asset- Backed Securities		Equity Securities		.lternative ivestments
June 30, 2012 Beginning balance Total actual return on plan assets Purchases, issuances, and settlements Transfers (out of) into Level 3	\$	(208,367) 167,900 48,641 –	s	2,129 48 (274)	S	19,462 1,431 9,662 (2,247)	s	4,427 (211) 10,517 (490)	S	1,701 (196) 21,690 5	s	1,591,483 (14,183) 416,623
Ending balance	\$	8,174	\$	1,903	\$	28,308	\$	14,243	\$	23,200	\$	1,993,923
Actual return on plan assets relating to plan assets still held at June 30, 2012	<u>s</u>	9,095	\$	11	S	(820)	\$	(477)	\$	_	\$	(49,802)
	D	Net erivatives		U.S. overnment bligations	an	orporate d Foreign Fixed Income ecurities	5	Asset- Backed Securities		Equity Securities		.lternative ivestments
June 30, 2011 Beginning balance Total actual return on plan assets Purchases, issuances, and settlements Transfers out of Level 3 Ending balance	D \$			overnment	an	d Foreign Fixed Income	\$	Backed	\$		S S	

The Trust has entered into a series of interest rate swap agreements with a net notional amount of \$948,150. The combined targeted duration of these swaps and the Trust's fixed income investments approximates the duration of the liabilities of the Trust. Currently, 60% of the dollar duration of the liability is subject to this economic hedge. The purpose of this strategy is to economically hedge the change in the net funded status for a significant portion of the liability that can occur due to changes in interest rates.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

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

Information about the expected cash flows for the System Plans follows:

Expected employer contributions 2013	\$ 32,500
Expected benefit payments:	
2013	371,100
2014	364,200
2015	371,800
2016	384,900
2017	396,900
2018–2022	2,065,000

The contribution amount above includes amounts paid to the Trust. The benefit payment amounts above reflect the total benefits expected to be paid from the Trust.

Other Postretirement Benefit Plans

In addition to the retirement plan described above, certain Health Ministries sponsor postretirement benefit plans that provide healthcare benefits to qualified retirees who meet certain eligibility requirements. The total benefit obligation of these plans at June 30, 2012 and 2011, is \$47,428 and \$44,446, respectively. The net obligation included in pension and other postretirement liabilities in the accompanying Consolidated Balance Sheets at June 30, 2012 and 2011, is \$12,423 and \$10,086, respectively. The change in the plans' assets and benefit obligations recognized in unrestricted net assets during the year ended June 30, 2012, was \$6.551.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Retirement Plans (continued)

Defined-Contribution Plans

System entities participate in contributory and noncontributory defined-contribution plans covering all eligible associates. There are three primary types of contributions to these plans: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary and, for certain entities, increases over specified periods of employee service. These benefits are funded annually and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period and participants become fully vested in these employer contributions immediately. Expenses for the defined-contribution plans were \$128,250 and \$113,337 during 2012 and 2011, respectively.

11. Self-Insurance Programs

Certain System hospitals and other entities participate in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Trust funds and two captive insurance companies, Ascension Health Insurance, Ltd. (AHIL) and Edessa Insurance Company, Ltd. (Edessa) are established for the self-insurance programs. Edessa was acquired as part of the Alexian Brothers business combination, as discussed in the Organizational Changes note. Actuarially determined amounts, discounted at 6% for the System, excluding Alexian Brothers which are discounted at 3%, are contributed to the trusts and the captive insurance companies to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported, which are discounted at 6% in 2012 and 2011 for the System, except for Alexian Brothers, which are not discounted. Those entities not participating in the self-insured programs are insured under separate policies.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Self-Insurance Programs (continued)

Professional and General Liability Programs

Professional and general liability coverage is provided on a claims-made basis through a wholly owned onshore trust and through AHIL and Edessa.

AHIL has a self-insured retention of \$10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to \$185,000. AHIL retains \$5,000 per occurrence and \$5,000 annual aggregate for professional liability. AHIL also retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers.

Edessa has a self-insured retention of \$1,000 per occurrence with no aggregate. Excess coverage is provided through Edessa with limits up to \$110,000. Edessa retains \$10,000 per occurrence and \$20,000 annual aggregate for professional liability. The remaining excess coverage is reinsured by commercial carriers.

Self-insured entities in the states of Indiana and Wisconsin are provided professional liability coverage on an occurrence basis with limits in compliance with participation in the Patient Compensation Funds. The Patient Compensation Funds apply to claims in excess of the primary self-insured limit.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is professional and general liability expense of \$71,687 and \$69,073 for the years ended June 30, 2012 and 2011, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are professional and general liability loss reserves of approximately \$596,381 and \$522,489 at June 30, 2012 and 2011, respectively.

AHIL and Edessa also offer physician professional liability coverage through insurance or reinsurance arrangements to nonemployed physicians practicing at the System's various facilities, primarily in Michigan, Indiana and Illinois. Coverage is offered to physicians with limits ranging from \$100 per claim to \$1,000 per claim with various aggregate limits.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Self-Insurance Programs (continued)

Workers' Compensation

Workers' compensation coverage is provided on an occurrence basis through a grantor trust. The self-insured trust provides coverage up to \$1,000 per occurrence with no aggregate. The trust provides a mechanism for funding the workers' compensation obligations of its members. Workers' compensation coverage for Alexian Brothers is self-insured up to \$400 per occurrence with no aggregate. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and represent claims reported and claims incurred but not reported.

Included in operating expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets is workers' compensation expense of \$40,256 and \$41,973 for the years ended June 30, 2012 and 2011, respectively. Included in current and long-term self-insurance liabilities on the accompanying Consolidated Balance Sheets are workers' compensation loss reserves of \$110,657 and \$98,867 at June 30, 2012 and 2011, respectively.

12. Lease Commitments

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

Year ending June 30:	
2013	\$ 208,072
2014	191,994
2015	152,166
2016	117,939
2017	96,213
Thereafter	250,031
Total	\$ 1,016,415

Certain System entities are lessees under operating lease agreements for the use of space in buildings owned by third parties, including medical office buildings (MOBs), and medical and information technology equipment. In addition, certain System entities have subleased space within buildings where the entity has a current operating lease commitment. Certain System entities are also lessors under operating lease agreements, primarily ground leases related to third-party-owned MOBs on land owned by the System entity.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

12. Lease Commitments (continued)

The System's future minimum noncancelable payments associated with operating leases where a System entity is the lessee, as well as future minimum noncancelable receipts associated with operating leases where a System entity is the sublessor or lessor, are presented in the table that follows. Future minimum payments and receipts relate to noncancelable leases with terms of one year or more.

	Future Payments Where the System is Lessee			uture Receipts Where the System is Sublessor/ Lessor	Net Future Payments (Receipts)		
Year ending June 30:							
2013	\$	208,072	\$	32,929	\$ 175,143		
2014		191,994		27,783	164,211		
2015		152,166		21,691	130,475		
2016		117,939		17,004	100,935		
2017		96,213		13,398	82,815		
Thereafter		250,031		275,190	(25,159)		
Total	\$	1,016,415	\$	387,995	\$ 628,420		

Rental expense under operating leases amounted to \$341,918 and \$290,692 in 2012 and 2011, respectively.

13. Contingencies and Commitments

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. Regulatory investigations also occur from time to time. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the System's Consolidated Balance Sheet.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

13. Contingencies and Commitments (continued)

In September 2010, Ascension Health received a letter from the U.S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, identified System hospitals are reviewing applicable medical records and responding to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. Through September 12, 2012, the DOJ has not asserted any claims against any System hospitals. The System continues to fully cooperate with the DOJ in its investigation.

The System enters into agreements with nonemployed physicians that include minimum revenue guarantees. The terms of the guarantees vary. The carrying amounts of the liability for the System's obligation under these guarantees were \$26,675 and \$15,395 at June 30, 2012 and 2011, respectively, and are included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheets. The maximum amount of future payments that the System could be required to make under these guarantees is approximately \$26,300 and is included in the table that follows.

The System entered into agreements with sponsors for support through January 2017. The System's obligation under these agreements totals \$65,808 at June 30, 2012, and is included in other current and noncurrent liabilities in the accompanying Consolidated Balance Sheets.

Guarantees and other commitments represent contingent commitments issued by Ascension Health Alliance Senior and Subordinate Credit Groups, generally to guarantee the performance of an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and other transactions. The terms of guarantees are equal to the terms of the related debt, which can be as long as 28 years.

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

13. Contingencies and Commitments (continued)

The following summary represents the maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under its guarantees and other commitments at June 30, 2012:

Hospital de la Concepción 2000 Series A debt guarantee	\$ 31,075
St. Vincent de Paul Series 2000A debt guarantee	28,300
Rehab Hospital of Indiana, Inc. guarantee	8,210
Advantage Health Solution	5,272
Mercy Care Plan guarantee	5,000
Physician revenue guarantees	26,300
Information technology commitments	39,622
Other	27,054
Total guarantees and other commitments	\$ 170,833

Supplementary Information



Report of Independent Auditors on Supplementary Information

The Board of Directors
Ascension Health Alliance

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs, the details of consolidated balance sheets, and the details of consolidated statements of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

September 12, 2012

59

Ernst & Young LLP

Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs

(Dollars in Thousands)

Years Ended June 30, 2012 and 2011

The net cost, excluding the provision for bad debt expense, of providing care to persons living in poverty and community benefit programs is as follows:

	Jun	e 30	0,
	 2012		2011
Traditional charity care provided	\$ 468,970	\$	408,894
Unpaid cost of public programs for persons living in poverty	406,057		374,083
Other programs for persons living in poverty and other vulnerable persons	75,724		71,267
Community benefit programs	 335,436		372,644
Care of persons living in poverty and community benefit programs	\$ 1,286,187	\$	1,226,888

1202-1331175

Details of Consolidated Balance Sheet

(Dollars in Thousands)

June 30, 2012

	onsolidated Ascension Health Alliance	Al	onsolidated Ascension Health Iiance Less Health Ministries Presented	F	Reclassification	 solidated iltimore	 isolidated mingham
Assets							
Current assets							
Cash and cash equivalents	\$ 306,469	\$	223,306	\$	_	\$ 13,229	\$ 13,338
Short-term investments	216,914		198,848		_	=	_
Interest in investments held by							
Ascension Health Alliance	_		_		(90.702)	1.114	1.536
Accounts receivable, less allowances							
for uncollectable accounts							
(\$1.145.935 in 2012)	1,962,549		1,390,097		_	50,344	62,608
Inventories	223,647		154.791		_	5.677	9,464
Due from brokers	789,271		789.271		_	_	_
Estimated third-party payor							
settlements	159.871		126,378		_	_	5,404
Other	756,216		643.027		-	8.737	9.868
Total current assets	4.414.937		3,525,718		(90,702)	79,101	102,218
Long-term investments	10,468,457		8.808.328		1,531,352	16.889	15,394
Interest in investments held by							
Ascension Health Alliance	_		_		(1.440.650)	180.177	156.874
Property and equipment, net	6,603,603		4.225.270		_	216,705	369.969
Other assets							
Investment in unconsolidated entities	946.971		748.948		_	17.409	5.437
Capitalized software costs, net	645,112		529,227		_	1,699	1.770
Other	 696,814		580.357		=	9.011	7.939
Total other assets	2.288.897		1.858,532		_	28,119	15,146
Total assets	\$ 23,775,894	\$	18,417,848	\$		\$ 520,991	\$ 659.601

 onsolidated ansas City	onsolidated Iilwaukee	_	onsolidated Nashville	Consolidated aginaw and Tawas	(Consolidated Tucson	C	onsolidated Waco	onsolidated Vashington D.C.
\$ 3.845 3.853	\$ 4.663	\$	20.770 603	\$ 6.697 9.094	\$	12.362 4.516	\$	3.588	\$ 4.671 -
5.772	14.229		30.632	4.629		17.961		10.705	4.124
35.328 5.049	87.310 9.631		148.817 14.197 -	41.401 6.801		69,569 10,984 -		41.201 3.990	35.874 3.063
 166 4.098 58.111	3.696 32.631 152.160		3.758 28.166 246.943	9.837 5.216 83.675		961 17.052 133,405		8.119 1.696 69,299	1.552 5.725 55,009
16.935	18.902		30.230	5.753		20.995		303	3.376
76.249 129.685	74.110 664.628		473.140 484.636	287.265 113.007		4.636 241.399		124.253 107.722	63.946 50.582
3.224 2.516 15.189	21.657 39.124 13.275		34.862 38.578 35.304	12.501 7.182 7.736		90.675 14.572 8.947		8.678 2.275 12.348	3.580 8.169 6.708
\$ 20.929 301.909	\$ 74.056 983.856	\$	108,744 1,343,693	\$ 27.419 517.119	\$	114,194 514.629	\$	23,301 324,878	\$ 18.457 191.370

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance Less Health Ministries Presented	Reclassification	Consolidated Baltimore	Consolidated Birmingham
Liabilities and net assets					
Current liabilities					
Current portion of long-term debt	\$ 45,363	\$ 30,943	\$	\$ 626	\$ 926
Long-term debt subject to short-term					
remarketing arrangements	1,094,425	1,094,425	_	_	_
Accounts payable and accrued					
liabilities	2,009,229	1.567.819	_	43,391	59.832
Estimated third-party payor					
settlements	457.030	330,573	-	_	19.675
Due to brokers	880,613	880,613	_	_	_
Current portion of self-insurance					
liabilities	206.057	185,439	_	2,106	1.733
Other	435.874	357,621		18,498	2,777
Total current liabilities	5,128,591	4.447.433	_	64,621	84.943
Noncurrent liabilities					
Long-term debt (senior and					
subordinated)	3,655,406	2,222,312	_	79,381	117.478
Self-insurance liabilities	518.995	497.591	_	1.913	3,428
Pension and other postretirement					
liabilities	492,366	439,028	_	3,493	6.230
Other	1.057.644	888,409	-	6,677	66,482
Total noncurrent liabilities	5,724,411	4.047.340	-	91,464	193,618
Total liabilities	10.853.002	8.494.773	=	156.085	278.561
Net assets					
Unrestricted					
Controlling interest	11.836,414	8.958.191	_	349,251	365.048
Noncontrolling interests	647,236	636,962	_	_	1,302
Unrestricted net assets	12,483,650	9.595.153	_	349,251	366,350
Temporarily restricted	336,027	239.002	_	15,199	13,315
Permanently restricted	103,215	88.920	_	456	1,375
Total net assets	12,922,892	9,923,075	-	364,906	381,040
Total liabilities and net assets	\$ 23,775,894	\$ 18.417.848	\$ -	\$ 520.991	\$ 659,601

63

	nsolidated Consolidated nsas City Milwaukee					onsolidated aginaw and Tawas	Consolidated Tucson		Consolidated Waco		Consolidated Washington D.C.		
\$	2.459	\$	2.532	\$	3.750	\$	1.206	\$	2.001	\$	414	\$	506
	_		_		_		_		_		_		_
	30.084		62,633		81.337		30,315		78.462		19.969		35,387
	294		1.738		17.614		7.617		74.337		1,302		3,880
	575 907		3.008 5.176		7.919 41.048		1.250 343		2.307 3.286		465 4,742		1.255 1.476
	34.319		75.087		151.668		40.731		160,393		26,892		42.504
	107.825 2.046		321.189 1		413.371 2.864		129.452 1.627		147.583 5.143		52.571 1.977		64.244 2.405
	2.250 3.133		17.589 16.565		13,531 15,560		783 5.368		40.796		9.462 8.600		6.054
	115.254 149.573		355,344 430,431		445.326 596.994		137.230 177.961		193,522 353,915		72.610 99.502		72.703 115.207
	143,352 6,390		534,523		710.751 2.582		332.826		148,264		222.595		71,613
-	149.742		534.523		713.333		332.826		148.264		222.595		71.613
	2.594 -		13.152 5.750		31.229 2.137		5.747 585		9.187 3.263		2.052 729		4.550 -
-	152,336		553,425	0	746.699	0	339,158	•	160.714	0	225,376	0	76,163
\$	301,909	\$	983,856	\$	1,343,693	\$	517,119	\$	514,629	\$	324,878	\$	191,370

Details of Consolidated Balance Sheet

(Dollars in Thousands)

June 30, 2011

	_	Consolidated Ascension Health Alliance		onsolidated Ascension Health Iliance Less Health Ministries Presented	 nsolidated Baltimore	Consolidated Birmingham		
Assets								
Current assets								
Cash and cash equivalents	\$	1.107.846	\$	833,991	\$ 15.076	\$	44.289	
Short-term investments		237,461		200,256	_		_	
Accounts receivable, less allowances for uncollectible								
accounts (\$1.079.706 in 2011)		1,687,189		1.227.240	47.922		51.681	
Inventories		190.514		137.671	4.775		7.773	
Estimated third-party payor settlements		89.747		68.968	_		3.304	
Other		438.063		366,603	4.846		7.021	
Total current assets		3,750,820		2,834,729	72,619		114.068	
Long-term investments		8,117,951		6,708,408	192,942		128,626	
Property and equipment, net		5,987,804		3,833,731	212.917		369,331	
Other assets								
Investment in unconsolidated entities		889.077		790,683	16,525		5.598	
Capitalized software costs, net		486,842		415.099	1.068		368	
Other		720,565		610,285	11.378		6,938	
Total other assets		2,096,484		1.816.067	28.971		12.904	
Total assets	\$	19,953,059	\$	15,192,935	\$ 507,449	\$	624,929	

Consolidated Kansas City	Consolidated Milwaukee	•	Consolidated Nashville	(Consolidated Saginaw				Consolidated Waco	Consolidated shington D.C.
\$ 19.936 6.048	\$ 52.383	\$	90.214 9.860	\$	23.865 13.706	\$	19.476 -	\$ 8.616 7.591		
38.974 5.136 462	90.391 10.029 2.993		125.712 11.146 1.602		35.233 7.093 5.657		37.686 4.046 5.560	32,350 2,845 1,201		
5.279 75.835	22.914 178.710		19.448 257.982		6.578 92.132		2.103 68.871	3.271 55.874		
97.076 127.837	62.789 687.080		449.547 487.098		302.536 110.158		112.325 108.014	63.702 51.638		
2.080 1.452 12.123 15.655	20.160 34.499 15.188 69.847		32.477 27.946 34.722 95.145		10.607 2.288 8.303 21,198		7.448 1.271 12.441 21,160	3.499 2.851 9.187		
\$ 316.403	\$ 998.426	\$	1.289.772	\$	526.024	\$	310.370	\$ 186.751		

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

June 30, 2011

Linkilisin and any annua	A	Consolidated Ascension Health Alliance		Consolidated Ascension Health Alliance Less Health Ministries Presented		Consolidated Baltimore		nsolidated ·mingham
Liabilities and net assets Current habilities								
Current portion of long-term debt	\$	29,563	\$	16,789	\$	580	\$	1,080
Long-term debt subject to short-term remarketing								
arrangements		1.662.950		1.662.950		_		_
Accounts payable and accrued liabilities		1,814,600		1,398,196		49,799		55,306
Estimated third-party payor settlements		276,810		236,440		_		10,343
Current portion of self-insurance liabilities		191.551		171.369		2,190		1,353
Other		103,093		74.409		15,055		2,841
Total current liabilities		4.078.567		3,560,153		67.624		70.923
Noncurrent liabilities								
Long-term debt (senior and subordinated)		2,546,785		1,246,322		80,007		120,909
Self-insurance liabilities		448.624		431.876		1.961		3,479
Pension and other postretirement liabilities		396,058		337,704		410		5,508
Other		676,648		558.549		6,444		65,622
Total noncurrent liabilities		4.068.115		2.574.451		88,822		195.518
Total liabilities		8.146.682		6,134,604		156,446		266,441
Net assets								
Unrestricted								
Controlling interest		11,332,631		8,695,161		336,406		338,102
Noncontrolling interests		42,739		34.264		_		1.219
Unrestricted net assets		11.375.370		8.729.425		336,406		339,321
Temporarily restricted		331,563		240,743		14,168		17.800
Permanently restricted		99,444		88.163		429		1.367
Total net assets		11.806.377		9.058.331		351.003		358.488
Total liabilities and net assets	\$	19.953.059	\$	15,192,935	\$	507.449	\$	624,929

Consolidated Kansas City	Consolidated Milwaukee	•	Consolidated Nashville	(Consolidated Saginaw	(Consolidated Waco	onsolidated shington D.C.
\$ 2.982	\$ 2.346	\$	3.601	\$	1.332	\$	384	\$ 469
- 26.858	- 76.015		- 118.205		- 38.434		20.743	- 31,044
20.838 427	2.025		118,205		11,039		20.7 4 3 961	4,183
808	3,184		9.244		11,039		673	1,262
738	1,320		2,386		365		5,030	949
31.813	84.890		144.828		52,638		27.791	37.907
110,350	323.721		417.083		130,658		52.985	64,750
2.058	323.721		2,809		1.682		2.196	2,562
1,163	24,316		16,565		787		9,605	2,302
3.288	16,904		11.016		4,262		4.817	5,746
116.859	364.942		447,473		137,389		69,603	73.058
148.672	449.832		592.301		190.027		97.394	110.965
160,759	526.516		662,093		329,814		210.808	72,972
4,804	_		2,452					
165.563	526.516		664.545		329.814		210.808	72.972
2.168	15.654		30,789		5,953		1,474	2.814
_	6,424		2.137		230		694	_
167,731	548,594		697.471		335,997		212,976	75.786
\$ 316,403	\$ 998.426	\$	1,289,772	\$	526,024	\$	310,370	\$ 186,751

1202-1331175

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

Year Ended June 30, 2012

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance Less Health Ministries Presented	Consolidated Baltimore	Consolidated Birmingham
Operating revenue	0 15 (20 025	0. 10.000 (3)	0 412.002	0 (53 450
Net patient service revenue Other revenue	\$ 15,620,035	\$ 10.990.636	\$ 413,223	\$ 653,472
	990.613	717.549	9,909	30.667
Total operating revenue	10.010.048	11.708.185	423,132	684.139
Operating expenses				
Salaries and wages	6,671,985	4,821,577	200,322	209,474
Employee benefits	1,450,458	1,090,365	32,560	41,773
Purchased services	771,953	309,803	20,812	77,901
Professional fees	1.042.327	752,589	18.033	11,150
Supplies	2,309,541	1,536,027	64,639	129,966
Insurance	102.917	74,724	962	4.717
Bad debts	1.005.844	761,830	13,599	49,146
Interest	135,563	77.876	2.966	7.808
Depreciation and amortization	674.178	451,077	17.996	33,620
Other	1.827.002	1.268.760	29.359	87.659
Total operating expenses before impairment.				
restructuring, and nonrecurring gains (losses), net	15,991,768	11,144,628	401,248	653,214
Income (loss) from operations before self-insurance trust fund investment return and impairment, restructuring, and nonrecurring gains (losses), net	618.880	563.557	21.884	30.925
Self-insurance trust fund investment return	17,197	17,197	_	_
Impairment, restructuring, and nonrecurring gains	17.157	17.177		
(losses), net	297.548	166,713	21,547	10.819
Income (loss) from operations	933,625	747,467	43,431	41,744
meome (1033) from operations	955.025	717,107	157, 157 1	11,711
Nonoperating gains (losses)				
Investment return	(137,383)	(110.412)	(3.289)	(1.456)
Loss on extinguishment of debt	(2.828)	(2.727)	_	(12)
(Loss) gain on interest rate swaps	(74,773)	(75.687)	56	82
Income from unconsolidated entities	8.802	3.785	4.889	_
Contributions from business combinations	326,333	326,333	_	_
Other	(69.510)	(63,557)	(1.176)	(364)
Total nonoperating gains, net	50,641	77.735	480	(1,750)
Excess (deficit) of revenues and gains over expenses				
and losses	984,266	825,202	43,911	39,994
Less noncontrolling interests	15.840	3,802	-	462
Excess (deficit) of revenues and gains over expenses	10.010	5,002		102
and losses attributable to controlling interest	968.426	821.400	43.911	39,532

Consolidated Kansas City							nsolidated ginaw and Tawas	Co	Consolidated Tucson		Consolidated Waco		Consolidated Washington D.C.	
\$	322,476	\$	658,781	\$	1,213,068	\$	341,003	\$	476,761	\$	305,501	\$	245,114	
	23,369		43,747		101.037		6.978		31,212		11.610		14,535	
	345,845		702.528		1,314,105		347.981		507.973		317,111		259,649	
	127.246		267,331		424,213		134,261		244,570		114,672		128,319	
	23,750		55.922		93,645		23,467		43,711		24,633		20,632	
	37,561		57.116		125,016		38,604		74,182		12,579		18.379	
	20.745		68.831		65.537		27.205		45,481		14.089		18.667	
	48.654		69.448		231,069		56,600		93,039		49,962		30,137	
	2.083		2.723		4.975		1.695		6.452		732		3,854	
	31,694		30.375		48.871		8,541		35,523		25,909		356	
	4.253		11.785		15.562		4.978		5.973		1.972		2.390	
	11.819		47.469		56.945		12,125		24,023		12,113		6.991	
	47.114		78.699		182,137		25,527		41.087		41.550		25,110	
	354.919		689.699		1.247.970		333.003		614.041		298.211		254.835	
	(9.074)		12.829		66.135		14.978		(106.068)		18.900		4.814	
	11.502				41.100		21.410		/21.997)		Z 171		10.703	
	11.502 2.428		21.381 34.210		41.199 107.334		21.410 36.388		(21.887)		6.171 25.071		18.693	
	2.428		34,210		107,334		30,388		(127.955)		25.071		23,507	
	(1.722) (15)		(1.077)		(9.495) (2)		(6.369) (72)		(352)		(2.021)		(1.190)	
	73		225		289		87		110		37		(45)	
	-		_		_		47		-				81	
	(590)		- (575)		- (784)		(287)		(1.776)		- (487)		- 86	
	(2,254)		(1.427)		(9.992)		(6,594)		(2.018)		(2.471)		(1.068)	
	174 2.686		32.783		97.342 8.890		29.794 -		(129.973) -		22.600		22,439	
	(2.512)		32.783		88.452		29.794		(129.973)		22.600		22.439	

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

(Dollars in Thousands)

Year Ended June 30, 2012

	onsolidated Ascension alth Alliance	He I	onsolidated Ascension ealth Alliance Less Health Ministries Presented	onsolidated Baltimore	nsolidated mingham
Unrestricted net assets, controlling interest					
Excess (deficit) of revenues and gains over expenses					
and losses Transfer (to) from sponsors and other affiliates, net	\$ 968,426 (19,947)	\$	821,400 38,017	\$ 43,911	\$ 39,532 (7,371)
Contributed net assets	(400)		(400)	(5.111)	(7.571)
Net assets released from restrictions for property	(400)		(400)		
acquisitions	68,940		49,189	1,824	6.801
Pension and other postretirement liability adjustments	(451.555)		(302,473)	(27.779)	(12.027)
Change in unconsolidated entities' net assets	(15.890)		(11.623)	=	_
Other	 9.207		9.891	_	11
Increase (decrease) in unrestricted net assets.					
controlling interest, before (loss) gain from	EE0 701		(04.001	12.045	26.046
discontinued operations (Loss) gain from discontinued operations	558.781 (54.998)		604.001 (54.998)	12.845	26,946
Cumulative effect of change in accounting principle	(34.998)		(34.998)	_	_
Increase (decrease) in unrestricted net assets, controlling					
interest	503,783		549.003	12.845	26,946
Unrestricted net assets, noncontrolling interests					
Excess of revenues and gains over expenses and losses	15.840		3,802	_	462
Distributions of capital Contributions of capital	(578.445)		(566.545)	_	(358)
Increase in unrestricted net assets, noncontrolling interests	 1,167,102 604,497		1,165,441		(21)
merease in unrestricted net assets, noncontrolling interests	004.427		002.078		0.5
Temporarily restricted net assets, controlling interest					
Contributions and grants	100.880		73,484	4,313	3,536
Net change in unrealized gains/losses on investments	(5,333)		(4.148)	16	(57)
Investment return	4.695		4.240	34	106
Net assets released from restrictions Other	(104.028)		(74.094)	(3.332)	(8.026)
Increase (decrease) in temporarily restricted net assets.	 8,250		7.852		(44)
controlling interest	4,464		7,334	1.031	(4.485)
			,		(11100)
Permanently restricted net assets, controlling interest					
Contributions	5.082		4.687	33	8
Net change in unrealized gains/losses on investments	(25)		(27)	(6)	_
Investment return Other	(217)		(225)	_	_
Increase in permanently restricted net assets, controlling	 (1.069)		(365)		
interest	3,771		4.070	27	8
	-/,//1		4.070	-1	
Increase in net assets	1,116,515		1,163,105	13,903	22,552
Net assets, beginning of year	 11,806,377		8.759.970	 351,003	358.488
Net assets, end of year	\$ 12,922,892	\$	9.923.075	\$ 364.906	\$ 381.040

Consolidated Kansas City		Consolidated Milwaukee		Consolidated Nashville	onsolidated aginaw and Tawas	C	onsolidated Tucson	Co	onsolidated Waco	nsolidated ashington D.C.
\$	(2.512) (4.081)	S	32.783 (8.856)	\$ 88.452 (15.145)	\$ 29.794 (6.046)	\$	(129.973) (5.430)	\$	22.600 (3.798)	\$ 22.439 (2.126)
	48 (10.862)		3.592 (19.512)	3.729 (28.378)	1,505 (22,236)		2.016 - (4.267)		209 (7.133)	27 (21.155)
	_		_		(5)		(55)		(91)	(544)
	(17.407) - -		8.007 - -	48.658 - -	3.012		(137,709)		11.787	(1.359)
	(17.407)		8.007	48.658	3.012		(137.709)		11.787	(1.359)
	2.686 (2.828) 1.728		- - -	8.890 (8.714) (46)	- -		- -		-	- -
	1.586		_	130	_		_		_	_
	846 - - (90)		187 - - (3.592)	6.541 (842) 190 (4.926)	1.705 (140) 70 (1.825)		3.964 (111) 19 (3.821)		975 (51) 36 (472)	5.329 - - (3.850)
	(330)		903	(523)	(1.823)		61		90	(5.850)
	426		(2.502)	440	(206)		112		578	1.736
	- - -		- - -	- - -	316 8 8		- - -		38 - -	- - -
	_		(674)		23		(50)		(3)	_
			(674)		355		(50)		35	
	(15.395) 167.731		4,831 548,594	49,228 697,471	 3,161 335,997		(137.647) 298.361		12.400 212.976	377 75.786
\$	152,336	\$	553,425	\$ 746.699	\$ 339,158	\$	160.714	\$	225,376	\$ 76,163

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

Year Ended June 30, 2011

	Consolidated Ascension Health Alliance	Consolidated Ascension Health Alliance Less Health Ministries Presented	Consolidated Baltimore
Operating revenue			
Net patient service revenue	\$ 14,565,006	\$ 10,423,552	\$ 393,245
Other revenue	841,521	654,383	7,101
Total operating revenue	15,406,527	11.077.935	400.346
Operating expenses			
Salaries and wages	6,188,630	4.588,121	180.514
Employee benefits	1.444.867	1.075.172	34,220
Purchased services	771.836	398.856	17.242
Professional fees	889,375	669,160	17.218
Supplies	2,261,568	1.562.016	68,143
Insurance	92,168	68.915	2,464
Bad debts	991.974	734.139	18.500
Interest	129,014	80.004	373
Depreciation and amortization	656,859	465,604	15,006
Other	1,556,110	1.089.707	26,615
Total operating expenses before impairment, restructuring, and		_	
nonrecurring gains (losses), net	14,982,401	10,731,694	380,295
Income (loss) from operations before self-insurance trust fund investment			
return and impairment, restructuring, and nonrecurring (losses) gains, net	424,126	346,241	20,051
Self-insurance trust fund investment return	90,402	90,402	_
Impairment, restructuring, and nonrecurring (losses) gains, net	(92.387)	(60.019)	(365)
Income (loss) from operations	422,141	376.624	19.686
Nonoperating gains (losses)			
Investment return	1,129,859	916,471	30,740
Loss on extinguishment of debt	(1.007)	(1.007)	_
Gain (loss) on interest rate swaps	30.879	29,231	116
Income from unconsolidated entities	11,915	5,905	4,714
Contributions from business combinations	_	_	_
Other	(68.999)	(65,700)	(1,168)
Total nonoperating gains, net	1.102.647	884.900	34,402
Excess (deficit) of revenues and gains over expenses and losses	1,524,788	1.261.524	54.088
Less noncontrolling interests	27,484	15,154	=
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest	1.497.304	1.246.370	54.088

Consolidated Birmingham		Consolidated Kansas City		Consolidated Milwaukee		onsolidated Nashville	nsolidated Saginaw	Co	nsolidated Waco	Consolidated Washington D.C.		
\$ 605.768	\$	358,727	\$	702.872	\$	1.220.810	\$ 328.492	\$	290,637	\$	240,903	
 23,600		12.447		41,492		71.337	7,235		10,286		13,640	
629,368		371.174		744.364		1.292.147	335.727		300,923		254,543	
198.508		145,205		288.741		429.485	129.748		106.521		121.787	
46,540		28.788		72,668		111.289	29,707		22,719		23,764	
73.935		36.032		62.033		118.737	39.018		8.099		17.884	
8.355		17.874		68.755		58.685	15.804		14.526		18.998	
124.895		57.485		78.756		224.977	57.569		55.071		32.656	
4.253		2.264		3,660		4.087	1,617		838		4.070	
47.164		27.827		36.594		78.234	12.612		29,151		7.753	
8.542		4.699		9,363		16,127	5,366		2,123		2,417	
33.384		11.595		39,125		58.862	15.270		11.425		6.588	
 80,505		42,669		87.019		145,362	25,419		36.619		22,195	
 626,081		374,438		746.714		1,245,845	332,130		287.092		258,112	
3.287		(3,264)		(2.350)		46,302	3,597		13.831		(3,569)	
(1,704)		(362)		(5,499)		(22.178)	(1,151)		(126)		(983)	
1.583		(3.626)		(7.849)		24.124	2.446		13.705		(4.552)	
16.623		17.472		6,662		64.812	49.740		17.661		9,678	
- 171		- 152		- 447		601	- 180		- 77		- (96)	
-		-		——————————————————————————————————————		-	99		-		1.197	
_		_		_		_	_		_		_	
(303)		(521)		(239)		(446)	(153)		(566)		97	
16.491		17.103		6.870		64.967	49.866		17.172		10.876	
18.074		13,477		(979)		89.091	52,312		30.877		6.324	
 487		1.848				9,995						
17.587		11.629		(979)		79,096	52.312		30.877		6.324	

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

(Dollars in Thousands)

Year Ended June 30, 2011

Health Alliance		Baltimore
Unrestricted net assets, controlling interest		
Excess (deficit) of revenues and gains over expenses and losses \$ 1.497.304	\$ 1.246,370	\$ 54.088
Transfer (to) from sponsors and other affiliates, net (14.495)	57.472	(7.433)
Contributed net assets (374)	(374)	_
Net assets released from restrictions for property acquisitions 70.555	45.746	1.517
Pension and other postretirement liability adjustments 793.897	579.620	36,593
Change in unconsolidated entities' net assets 1.175	1.175	-
Other (2.778)	(3,701)	561
Increase in unrestricted net assets, controlling interest, before gain (loss) from discontinued operations and cumulative effect of change in		
accounting principle 2.345.284	1.926.308	85,326
Gain (loss) from discontinued operations 19.421	19,298	_
Cumulative effect of change in accounting principle (45.993)	(28.381)	
Increase (decrease) in unrestricted net assets, controlling interest 2.318.712	1.917.225	85,326
Unrestricted net assets, noncontrolling interests		
Excess of revenues and gains over expenses and losses 27.484	15,154	_
Distributions of capital (33.854)	(20.643)	_
Contributions of capital 7.973	6,511	
Increase (decrease) in unrestricted net assets, noncontrolling interests 1.603	1.022	_
Temporarily restricted net assets, controlling interest		
Contributions and grants 100.679	71.653	2,235
Net change in unrealized gains/losses on investments 15.714	12,442	662
Investment return 8.295	7.480	20
Net assets released from restrictions (103.654)	(71.053)	(2.726)
Other 496	(2.918)	_
Increase (decrease) in temporarily restricted net assets, controlling interest 21.530	17.604	191
Permanently restricted net assets, controlling interest		
Contributions 8.030	7.935	5
Net change in unrealized gains/losses on investments 1.692	1,639	6
Investment return (62)	(80)	_
Other (87)	(95)	
Increase in permanently restricted net assets, controlling interest 9.573	9,399	11
Increase in net assets 2.351.418	1.945.250	85,528
Net assets, beginning of year 9.454,959	7,113,081	265,475
Net assets, end of year \$ 11.806.377	\$ 9,058,331	\$ 351,003

Consolidated Birmingham		nsolidated ansas City	Consolidated Milwaukee	onsolidated Nashville	C	onsolidated Saginaw	C	onsolidated Waco	Consolidated Washington D.C.		
\$	17.587 (9.862)	\$ 11.629 (3.763)	\$ (979) (12.666)	\$ 79.096 (18.046)	\$	52.312 (9.678)	\$	30.877 (6.517)	\$	6.324 (4.002)	
	2.251 16.354	742 13,520	3.287 49.607	13.662 37.435		1.236 27.641		1.776 9.347		338 23.780	
	184	27	255	(119)		(5)		(1)		21	
	26.514 -	22,155	39.504	112.028 123		71.506 -		35.482 -		26.461	
	26,514	(8.583) 13.572	(9.029) 30.475	112,151		71.506		35,482		26.461	
	487 (618)	1.848 (2.572)	_ _	9.995 (10.021)				- -		- -	
	208 77	1.729		(501)							
	10,139 281 64	1.235	(10) - -	8.590 2.083 540		2.112 190 125		460 56 66		4.265	
	(3.314) (29)	(816) (301)	(3.287) 3.369	(14.351) 408		(2.056)		(2.251) (30)		(3.800)	
	7.141	118	72	(2.730)		368		(1.699)		465	
	- 26	<u> </u>	_	= -		57 21		33		- -	
	13 -	_ 	2	_ 		5 9		(3)		_ 	
	33.771	14.695	30.549	108.920		92 71.966		33.813		26.926	
\$	324.717 358.488	\$ 153,036 167,731	\$ 518.045 \$ 548.594	\$ 588,551 697,471	\$	264.031 335.997	\$	179,163 212,976	\$	48,860 75,786	

Software ID: 11000144 **Software Version:** 2011v1.5

EIN: 74-1109636

Name: PROVIDENCE HEALTH SERVICES OF WACO

dba PROVIDENCE HEALTHCARE NETWORK

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

(A) Name and Title	(B) Average hours	Posi		C) (che	cka			(D) Reportable compensation	(E) Reportable compensation	(F) Estimated amount of other	
	per week	Individual trustée or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	from the organization (W- 2/1099-MISC)	from related organizations (W- 2/1099- MISC)	compensation from the organization and related organizations	
KENNETH HAMPTON Trustee	1 00	х						0	0	0	
DENNIS MICHAELIS Secretary	1 00	х						0	0	0	
MS DEBORAH K KEEL Trustee	1 00	х						0	0	0	
HAL M WHITAKER Treasurer	1 00	Х						0	0	0	
STEVEN T CATES Trustee	1 00	Х						0	0	0	
TODD MOFFATT MD Trustee	1 00	Х						0	0	0	
SR JOANNE M VASA DC Trustee	1 00	Х						0	0	0	
SR DOROTHEA MOLL DC Trustee	1 00	х						0	0	0	
SR MARIE THERESE SEDGWICK DC Chairman	40 00	х						0	0	0	
DR RONALD J EPPS VICE CHAIR	1 00	Х						0	0	0	
KENT A KEAHEY President & CEO	40 00	Х		х				1,001,977	0	15,752	
BRETT ESROCK SR VP / COO	40 00			х				227,784	0	6,111	
KAREN RICHARDSON Sr V P/CFO	40 00			х				241,629	0	39,372	
SR CECILE MATUSHEK VP MISSION AFFAIRS	40 00				х			108,594	0	565	
JANA WHITAKER VP MARKETING & VOLUNTEER SERVICES	40 00				x			83,327	0	10,909	
CHARLES SIVESS VP HUMAN RESOURCES	40 00				х			148,895	0	28,658	
MICHAEL OLMSTEAD VP LONG TERM CARE	40 00				х			111,949	0	12,907	
VICKY CAMPBELL VP HOME CARE	40 00				х			151,897	0	11,253	
JOE HOPKINS VP MENTAL HEALTH	40 00				х			154,279	0	27,356	
ROBERT BUCK VP CLINICAL SUPPORT SVC	40 00				х			171,746	0	19,085	
EVERTT TINDELL VP CLINIC OPS	40 00				х			164,410	0	12,828	
JONATHAN FORD VP WORKPLACE SPIRITUALITY	40 00				Х			173,246	0	42,248	
ANNETTE AYERS SR VP NRSG SVCS	40 00				х			193,096	0	10,234	
BRENDA DAVIS VP CLINICAL SUPPORT SERVICES	40 00				х			214,683	0	4,582	
TIMOTHY BARRETT SVP - CMO	40 00				Х			299,948	0	35,881	

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

(A) Name and Title	(B) Average hours		(tion that a		П		(D) Reportable compensation	(E) Reportable compensation	(F) Estimated amount of other compensation from the organization and related organizations	
	per week	Individual trustae or director	Institutional Trustee	Key employee	Highest compensated employee	Former	from the organization (W- 2/1099-MISC)	from related organizations (W- 2/1099- MISC)		
LUCI HANSSON PHARMACISTS	40 00				х		152,193	0	5,866	
LARRY LEFEVRE PHARMACISTS	40 00				Х		159,231	0	5,928	
SAMUEL E ABERNATHY PHARMACIST	40 00				х		164,188	0	8,805	
KRISTIN CRAIG CRNA	40 00				х		155,416	0	10,476	
TONY WELCH CRNA	40 00				Х		155,056	0	3,192	
ODIS NICHOLS FORMER COO / SR VP	0 00					х	129,312	0	1,500	