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|  |  |   |
|--|--|---|
| Form <b>990</b><br><br>Department of the Treasury<br>Internal Revenue Service | <b>Return of Organization Exempt From Income Tax</b><br><br><b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b> | OMB No 1545-0047  |
|  | <b>The organization may have to use a copy of this return to satisfy state reporting requirements</b>  | <div> <div>2011</div> <div>Open to Public Inspection</div> </div> |

|  |  |  |   |
|--|--|--|---|
| <b>A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012</b>  |  | <b>D Employer identification number</b><br>35-0211370  |   |
| <b>B</b> Check if applicable<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C Name of organization</b><br>CAMERON MEMORIAL COMMUNITY HOSPITAL INC                         |  | <b>E Telephone number</b><br>(260) 665-2141 |
|  | Doing Business As  |  | <b>G Gross receipts \$</b> 52,440,958       |
|  | Number and street (or P O box if mail is not delivered to street address)<br>416 E MAUMEE STREET | Room/suite   |   |
|  | City or town, state or country, and ZIP + 4<br>ANGOLA, IN 46703                                  |  |   |
| <b>F Name and address of principal officer</b><br>GREG BURNS CEO<br>416 E MAUMEE STREET<br>ANGOLA, IN 46703  |  | <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><br><b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list (see instructions)<br><br><b>H(c)</b> Group exemption number ▶ |   |
| <b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527  |  |  |   |
| <b>J Website:</b> ▶ www.cameronmch.com   |  |  |   |
| <b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶   |  | <b>L Year of formation</b> 1972  | <b>M State of legal domicile</b> IN         |

| Part I                  |   | Summary  |  |  |
|-------------------------|---|--|--|--|
| Activities & Governance | <b>1</b> Briefly describe the organization's mission or most significant activities<br>cameron memorial community hospital is an independent, not for profit, critical access hospital offering health & wellness services<br>_____<br>_____<br>_____   |  |  |  |
|                         | <b>2</b> Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets  |  |  |  |
|                         | <b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .  | <b>3</b>   | 13   |  |
|                         | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .  | <b>4</b>   | 12   |  |
|                         | <b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . .   | <b>5</b>   | 460  |  |
|                         | <b>6</b> Total number of volunteers (estimate if necessary) . . . . .   | <b>6</b>   | 64   |  |
|                         | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .<br><b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .   | <b>7a</b><br><b>7b</b>   | 0<br>0   |  |
| Revenue                 | <b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .<br><b>9</b> Program service revenue (Part VIII, line 2g) . . . . .<br><b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .<br><b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)<br><b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .  | <b>Prior Year</b><br>369,969<br>39,234,018<br>535,149<br>608,438<br>40,747,574   | <b>Current Year</b><br>736,177<br>45,342,525<br>367,580<br>381,711<br>46,827,993 |  |
|                         | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .<br><b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .<br><b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)<br><b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .<br><b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input checked="" type="checkbox"/> 0<br><b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .<br><b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)<br><b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . . | 0<br>0<br>19,080,523<br>0<br>21,081,432<br>40,161,955<br>585,619   | 0<br>0<br>20,393,639<br>0<br>24,798,870<br>45,192,509<br>1,635,484               |  |
|                         | Net Assets or Fund Balances   | <b>20</b> Total assets (Part X, line 16) . . . . .<br><b>21</b> Total liabilities (Part X, line 26) . . . . .<br><b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . . | <b>Beginning of Current Year</b><br>46,487,972<br>20,723,095<br>25,764,877       | <b>End of Year</b><br>49,412,724<br>20,397,189<br>29,015,535 |

**Part II Signature Block**

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

|                                 |  |  |      |   |  |
|---------------------------------|--|--|------|---|--|
| <b>Sign Here</b>                | *****<br>Signature of officer  |  |      | 2013-08-15<br>Date  |  |
|                                 | DOUGLAS C BOMBA CFO<br>Type or print name and title  |  |      |   |  |
| <b>Paid Preparer's Use Only</b> | Preparer's signature  Joyce A Dulworth  |  | Date | Check if self-employed   | Preparer's taxpayer identification number (see instructions) |
|                                 | Firm's name (or yours if self-employed), address, and ZIP + 4  BKD LLP<br>200 E Main St Suite 700<br>Fort Wayne, IN 46802 |  |      | EIN                      |  |
|                                 |  |  |      | Phone no  (260) 460-4000 |  |

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

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

THE MISSION OF CAMERON MEMORIAL COMMUNITY HOSPITAL IS TO PROVIDE A WIDE RANGE OF HEALTH CARE SERVICES TO THE PEOPLE OF STEUBEN COUNTY AND THE SURROUNDING AREA, IN A SPIRIT OF CHARITY, CONCERN, AND EXCELLENCE

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O





















Cameron Memorial Community Hospital, Inc. (Hospital), a not-for profit organization, is a general acute care facility in Angola, Indiana with 25 licensed beds and associated ancillary service departments including outpatient services, home health care and an urgent care center in Angola, Indiana. The Hospital provides health care services primarily in the northeast portion of Indiana. Expenses relate to the provision of medical care and related general and administrative costs. RADIOLOGY IS THE LARGEST PROGRAM OFFERED TO PATIENTS AT CMCH. ANNUALLY THE HOSPITAL PERFORMS OVER 26,000 PROCEDURES, INCLUDING GENERAL RADIOLOGY SERVICES, CT SCANS, PET SCANS AND AN OPEN BORE MRI. RADIOLOGY GROSS REVENUE IS \$20,800,000 BEFORE CONTRACTUAL ALLOWANCES AND CHARITY CARE. SURGERY IS THE SECOND LARGEST PROGRAM OFFERED TO PATIENTS AT CMCH. OVER 6,100 PROCEDURES ARE PERFORMED ANNUALLY, WITH 93% OF THE PROCEDURES BEING OUTPATIENT RELATED. SURGERY GROSS REVENUE IS \$13,100,000 BEFORE CONTRACTUAL ALLOWANCES AND CHARITY CARE. ER IS THE THIRD LARGEST PROGRAM OFFERED TO PATIENTS AT CMCH. OVER 14,500 PATIENTS CAME THROUGH CAMERON'S ER. ER GROSS REVENUE IS \$11,200,000 BEFORE CONTRACTUAL ALLOWANCES AND CHARITY CARE. LAB IS THE FOURTH LARGEST PROGRAM OFFERED TO PATIENTS AT CMCH. OVER 153,000 ARE DONE WITH 90% BEING OUTPATIENT RELATED. LAB GROSS REVENUE IS \$10,700,000 BEFORE CONTRACTUAL ALLOWANCES AND CHARITY CARE.

[illegible][illegible]

|           |                                       |                      |
|-----------|---------------------------------------|----------------------|
| <b>4e</b> | <b>Total program service expenses</b> | <b>\$ 39,067,223</b> |
|-----------|---------------------------------------|----------------------|

Part IV

Checklist of Required Schedules

|     |  | Yes | No  |
|-----|--|-----|-----|
| 1   | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>   | 1   | Yes |
| 2   | Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</i>    | 3   | No  |
| 4   | <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>   | 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? <i>If "Yes," complete Schedule C, Part III.</i>                              | 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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i>   | 7   | No  |
| 8   | Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>   | 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? <i>If "Yes," complete Schedule D, Part IV.</i>     | 9   | No  |
| 10  | Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>    | 10  | No  |
| 11  | If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable   |     |     |
| a   | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>   | 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? <i>If "Yes," complete Schedule D, Part VII.</i>    | 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? <i>If "Yes," complete Schedule D, Part VIII.</i>    | 11c | Yes |
| 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? <i>If "Yes," complete Schedule D, Part IX.</i>    | 11d | Yes |
| e   | Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>   | 11e | No  |
| 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)? <i>If "Yes," complete Schedule D, Part X.</i>        | 11f | No  |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>   | 12a | No  |
| b   | Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>                 | 12b | Yes |
| 13  | Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>  | 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? <i>If "Yes," complete Schedule F, Part I.</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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i> . . . . .  | 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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i> . . . . .  | 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? <i>If "Yes," complete Schedule G, Part I.</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? <i>If "Yes," complete Schedule G, Part II.</i> . . . . .   | 18  | No  |
| 19  | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> . . . . .   | 19  | No  |
| 20a | Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>   | 20a | Yes |
| b   | If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements . . . . .                                   | 20b | Yes |

Part IV

Checklist of Required Schedules (continued)

|     |  |     |     |    |
|-----|--|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .  | 21  |     | No |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .   | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .                | 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? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . . | 24a | Yes |    |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .  | 24b |     | No |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .   | 24c |     | No |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .  | 24d |     | No |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .  | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                    | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .            | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)  |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .   | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .  | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .   | 28c |     | No |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .  | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .  | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .  | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .  | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .   | 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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   | 35b | Yes |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   | 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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .   | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .   | 38  | Yes |    |

|   |  |            |           |
|---|--|------------|-----------|
| <b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>                  |  |            |           |
| Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/> |  |            |           |
|   |  | <b>Yes</b> | <b>No</b> |
| <b>1a</b>   | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.<br>.   | <b>1a</b>  | 64        |
| <b>b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.   | <b>1b</b>  | 0         |
| <b>c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | <b>1c</b>  |           |
| <b>2a</b>   | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.   | <b>2a</b>  | 460       |
| <b>b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).  | <b>2b</b>  | Yes       |
| <b>3a</b>   | Did the organization have unrelated business gross income of \$1,000 or more during the year?  | <b>3a</b>  | No        |
| <b>b</b>  | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.  | <b>3b</b>  |           |
| <b>4a</b>   | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?   | <b>4a</b>  | No        |
| <b>b</b>  | If "Yes," enter the name of the foreign country: _____<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |            |           |
| <b>5a</b>   | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  | <b>5a</b>  | No        |
| <b>b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   | <b>5b</b>  | No        |
| <b>c</b>  | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?  | <b>5c</b>  |           |
| <b>6a</b>   | 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?  | <b>6a</b>  | No        |
| <b>b</b>  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  | <b>6b</b>  |           |
| <b>7</b>  | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |            |           |
| <b>a</b>  | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  | <b>7a</b>  | No        |
| <b>b</b>  | If "Yes," did the organization notify the donor of the value of the goods or services provided?  | <b>7b</b>  |           |
| <b>c</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   | <b>7c</b>  | No        |
| <b>d</b>  | If "Yes," indicate the number of Forms 8282 filed during the year.   | <b>7d</b>  |           |
| <b>e</b>  | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  | <b>7e</b>  | No        |
| <b>f</b>  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   | <b>7f</b>  | No        |
| <b>g</b>  | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   | <b>7g</b>  |           |
| <b>h</b>  | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   | <b>7h</b>  |           |
| <b>8</b>  | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?   | <b>8</b>   |           |
| <b>9</b>  | <b>Sponsoring organizations maintaining donor advised funds.</b>   |            |           |
| <b>a</b>  | Did the organization make any taxable distributions under section 4966?  | <b>9a</b>  |           |
| <b>b</b>  | Did the organization make a distribution to a donor, donor advisor, or related person?   | <b>9b</b>  |           |
| <b>10</b>   | <b>Section 501(c)(7) organizations.</b> Enter  |            |           |
| <b>a</b>  | Initiation fees and capital contributions included on Part VIII, line 12.  | <b>10a</b> |           |
| <b>b</b>  | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.   | <b>10b</b> |           |
| <b>11</b>   | <b>Section 501(c)(12) organizations.</b> Enter   |            |           |
| <b>a</b>  | Gross income from members or shareholders.   | <b>11a</b> |           |
| <b>b</b>  | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).   | <b>11b</b> |           |
| <b>12a</b>  | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | <b>12a</b> |           |
| <b>b</b>  | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.   | <b>12b</b> |           |
| <b>13</b>   | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |            |           |
| <b>a</b>  | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> 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. | <b>13a</b> |           |
| <b>b</b>  | Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.   | <b>13b</b> |           |
| <b>c</b>  | Enter the aggregate amount of reserves on hand.  | <b>13c</b> |           |
| <b>14a</b>  | Did the organization receive any payments for indoor tanning services during the tax year?   | <b>14a</b> | No        |
| <b>b</b>  | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.   | <b>14b</b> |           |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

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

Section B. Policies

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

|     |  |     |    |
|-----|--|-----|----|
|     |  | Yes | No |
| 10a | Did the organization have local chapters, branches, or affiliates?   |     | No |
| 10b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?   |     |    |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?  | Yes |    |
| 11b | 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  | Yes |    |
| 12b | Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?   | Yes |    |
| 12c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done   | Yes |    |
| 13  | Did the organization have a written whistleblower policy?  | Yes |    |
| 14  | Did the organization have a written document retention and destruction policy?   | 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?   |     |    |
| 15a | The organization's CEO, Executive Director, or top management official   | Yes |    |
| 15b | Other officers or key employees of the organization  | Yes |    |
|     | If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)  |     |    |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  | Yes |    |
| 16b | 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? | Yes |    |

Section C. Disclosure

|    |   |   |
|----|---|---|
| 17 | List the States with which a copy of this Form 990 is required to be filed  | IN  |
| 18 | Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request |   |
| 19 | Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.   |   |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization.   | GREG BURNS<br>416 E MAUMEE STREET<br>Angola, IN 46703<br>(260) 665-2141 |

Part VII

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization’s tax year

- List all of the organization’s **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization’s **current** key employees, if any See instructions for definition of “key employee ”
- List the organization’s five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization’s **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization’s **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

| (A)<br>Name and Title                         | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) TERRY VANETTE<br>IMMEDIATE PAST CHAIR     | 2 0  | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| (2) CHARLES NEDELE<br>BOARD MEMBER            | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (3) BERRY MILLER MD<br>SECRETARY              | 2 0  | X   |                       | X       |              |                              |        | 875  | 0   | 0   |
| (4) KEN DUNLAP<br>CHAIRMAN                    | 2 0  | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| (5) BARBARA SHORT<br>TREASURER                | 2 0  | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| (6) OREN SKINNER<br>VICE CHAIR                | 2 0  | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| (7) DAVID GOODWIN<br>BOARD MEMBER/VICE CHAIR  | 2 0  | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| (8) JEFF POSENDEK<br>BOARD MEMBER             | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (9) WILLIAM SMITH MD<br>BOARD MEMBER          | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (10) LARRY WATKINS MD<br>BOARD MEMBER         | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (11) TOM MILLER MD<br>CHIEF OF STAFF          | 2 0  | X   |                       | X       |              |                              |        | 144,125  | 0   | 0   |
| (12) TODD BRANDON MD<br>BOARD MEMBER          | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (13) MARLA TOIGO<br>BOARD MEMBER              | 2 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| (14) ELLEN BISSON<br>COO                      | 28 0   |   |                       | X       |              |                              |        | 118,075  | 0   | 14,535  |
| (15) DARRYL FAYE<br>CFO - LEFT 1/27/12        | 36 0   |   |                       | X       |              |                              |        | 131,198  | 0   | 10,199  |
| (16) GREG BURNS<br>CEO                        | 36 0   |   |                       | X       |              |                              |        | 220,160  | 0   | 19,404  |
| (17) DOUGLAS C BOMBA<br>CFO - STARTED 5/21/12 | 2 0  |   |                       | X       |              |                              |        | 0  | 0   | 0   |



## Part VII

|           |  |         |   |        |
|-----------|--|---------|---|--------|
| <b>1b</b> | <b>Sub-Total . . . . .</b>   |         |   |        |
| <b>c</b>  | <b>Total from continuation sheets to Part VII, Section A . . . . .</b> |         |   |        |
| <b>d</b>  | <b>Total (add lines 1b and 1c) . . . . .</b>                           | 716,971 | 0 | 50,472 |

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. ▶ 5

|   |   | Yes | No |
|---|---|-----|----|
| 3 | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .  |     | No |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . . | Yes |    |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .                       |     | No |

## Section B. Independent Contractors

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

| (A)<br>Name and business address  | (B)<br>Description of services | (C)<br>Compensation |
|---|--------------------------------|---------------------|
| CHUPP MEDICAL<br>PO BOX 982<br>FREMONT, IN 46737  | URGENT CARE DIRECTOR           | 594,341             |
| STEUBEN CO ANESTHESIA PC<br>301 E MAUMEE STREET<br>ANGOLA, IN 46703   | ANESTH SERVICES                | 509,831             |
| ANESTHESIOLOGY ASSOC PC<br>712 NORTH EARL AVENUE SUITE B<br>LAFAYETTE, IN 47904   | ANESTH DIRECTOR                | 570,725             |
| SOUTH BEND MEDICAL FOUNDATION<br>PO BOX 2030<br>MISHAWAKA, IN 46546   | LAB SERVICES                   | 468,383             |
| JIM INGLEDUE CONSTRUCTION<br>319 POKAGON TRAIL SUITE A<br>ANGOLA, IN 46703  | CONSTRUCTION SVCS              | 373,165             |
| <b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization <b>11</b> |                                |                     |

Part VIII

Statement of Revenue

|   |  |   |                | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |  |
|---|--|---|----------------|----------------------|--|---|---|--|
| Contributions, gifts, grants<br>and other similar amounts | 1a   | Federated campaigns . . .   | 1a             |                      |  |   |   |  |
|   | b  | Membership dues . . . . .   | 1b             |                      |  |   |   |  |
|   | c  | Fundraising events . . . . .  | 1c             |                      |  |   |   |  |
|   | d  | Related organizations . . . .   | 1d             | 50,470               |  |   |   |  |
|   | e  | Government grants (contributions)   | 1e             | 460,350              |  |   |   |  |
|   | f  | All other contributions, gifts, grants, and<br>similar amounts not included above   | 1f             | 225,357              |  |   |   |  |
|   | g  | Noncash contributions included in<br>lines 1a-1f \$ _____   |                |                      |  |   |   |  |
|   | h  | Total. Add lines 1a-1f . . . . .  |                | 736,177              |  |   |   |  |
| Program Service Revenue                                   |  |   | Business Code  |                      |  |   |   |  |
|   | 2a   | NET PATIENT SERVICE   | 621400         | 45,111,366           | 45,111,366   |   |   |  |
|   | b  | CAFETERIA   | 900099         | 148,037              |  |   | 148,037   |  |
|   | c  | COMMUNITY HEALTH  | 624200         | 6,920                | 6,920  |   |   |  |
|   | d  | MEALS ON WHEELS   | 624200         | 12,423               | 12,423   |   |   |  |
|   | e  | PHARMACY  | 624200         | 63,779               | 63,779   |   |   |  |
|   | f  | All other program service revenue   |                |                      |  |   |   |  |
|   | g  | Total. Add lines 2a-2f . . . . .  |                | 45,342,525           |  |   |   |  |
| Other Revenue   | 3  | Investment income (including dividends, interest<br>and other similar amounts) . . . . .  |                | 300,959              |  |   | 300,959   |  |
|   | 4  | Income from investment of tax-exempt bond proceeds . .  |                | 0                    |  |   |   |  |
|   | 5  | Royalties . . . . .   |                | 0                    |  |   |   |  |
|   | 6a   | Gross rents   | (i) Real       | (ii) Personal        |  |   |   |  |
|   |  |   | 234,409        |                      |  |   |   |  |
|   |  |   | 29,940         |                      |  |   |   |  |
|   |  |   | 204,469        |                      |  |   |   |  |
|   | d  | Net rental income or (loss) . . . . .   |                | 204,469              |  |   | 204,469   |  |
|   | 7a   | Gross amount<br>from sales of<br>assets other<br>than inventory   | (i) Securities | (ii) Other           |  |   |   |  |
|   |  |   | 5,649,646      |                      |  |   |   |  |
|   |  |   | 5,583,025      |                      |  |   |   |  |
|   |  |   | 66,621         |                      |  |   |   |  |
|   | d  | Net gain or (loss) . . . . .  |                | 66,621               |  |   | 66,621  |  |
|   | 8a   | Gross income from fundraising<br>events (not including<br>\$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a              |                      |  |   |   |  |
|   | b  | Less direct expenses . . . . .  | b              |                      |  |   |   |  |
|   | c  | Net income or (loss) from fundraising events . .  |                | 0                    |  |   |   |  |
|   | 9a   | Gross income from gaming activities<br>See Part IV, line 19 . . . . .   | a              |                      |  |   |   |  |
|   | b  | Less direct expenses . . . . .  | b              |                      |  |   |   |  |
|   | c  | Net income or (loss) from gaming activities . .   |                | 0                    |  |   |   |  |
|   | 10a  | Gross sales of inventory, less<br>returns and allowances . . . . .  | a              |                      |  |   |   |  |
| b   | Less cost of goods sold . . . . .                | b   |                |                      |  |   |   |  |
| c   | Net income or (loss) from sales of inventory . . |   | 0              |                      |  |   |   |  |
| Miscellaneous Revenue                                     |  | Business Code   |                |                      |  |   |   |  |
| 11a   | VENDING MACHINES                                 | 900099  | 29,961         |                      |  | 29,961                                  |   |  |
| b   | MISCELLANEOUS                                    | 900099  | 147,281        | 147,281              |  |   |   |  |
| c   |  |   |                |                      |  |   |   |  |
| d   | All other revenue . . . . .                      |   |                |                      |  |   |   |  |
| e   | Total. Add lines 11a-11d . . . . .               |   | 177,242        |                      |  |   |   |  |
| 12  | Total revenue. See Instructions . . . . .        |   | 46,827,993     | 45,341,769           |  | 750,047                                 |   |  |

Part IX Statement of Functional Expenses

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |   | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|---|-----------------------|---------------------------------|--|-----------------------------|
| 1  | Grants and other assistance to governments and organizations in the United States See Part IV, line 21  | 0                     |                                 |  |                             |
| 2  | Grants and other assistance to individuals in the United States See Part IV, line 22  | 0                     |                                 |  |                             |
| 3  | Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16   | 0                     |                                 |  |                             |
| 4  | Benefits paid to or for members   | 0                     |                                 |  |                             |
| 5  | Compensation of current officers, directors, trustees, and key employees  | 469,434               | 399,019                         | 70,415                                 |                             |
| 6  | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   | 0                     |                                 |  |                             |
| 7  | Other salaries and wages  | 13,768,813            | 11,703,491                      | 2,065,322                              |                             |
| 8  | Pension plan contributions (include section 401(k) and section 403(b) employer contributions)   | 494,685               | 420,482                         | 74,203                                 |                             |
| 9  | Other employee benefits   | 4,571,651             | 3,885,903                       | 685,748                                |                             |
| 10   | Payroll taxes   | 1,089,056             | 925,698                         | 163,358                                |                             |
| 11   | Fees for services (non-employees)   |                       |                                 |  |                             |
| a  | Management  | 0                     |                                 |  |                             |
| b  | Legal   | 69,533                | 59,103                          | 10,430                                 |                             |
| c  | Accounting  | 173,319               | 147,321                         | 25,998                                 |                             |
| d  | Lobbying  | 969                   | 824                             | 145                                    |                             |
| e  | Professional fundraising See Part IV, line 17   | 0                     |                                 |  |                             |
| f  | Investment management fees  | 13,128                | 11,159                          | 1,969                                  |                             |
| g  | Other   | 8,163,652             | 6,939,104                       | 1,224,548                              |                             |
| 12   | Advertising and promotion   | 256,014               | 217,612                         | 38,402                                 |                             |
| 13   | Office expenses   | 3,246,707             | 2,759,701                       | 487,006                                |                             |
| 14   | Information technology  | 1,551,934             | 1,319,144                       | 232,790                                |                             |
| 15   | Royalties   | 0                     |                                 |  |                             |
| 16   | Occupancy   | 1,532,191             | 1,302,362                       | 229,829                                |                             |
| 17   | Travel  | 59,014                | 50,162                          | 8,852                                  |                             |
| 18   | Payments of travel or entertainment expenses for any federal, state, or local public officials  | 0                     |                                 |  |                             |
| 19   | Conferences, conventions, and meetings  | 136,966               | 116,421                         | 20,545                                 |                             |
| 20   | Interest  | 399,374               | 339,468                         | 59,906                                 |                             |
| 21   | Payments to affiliates  | 0                     |                                 |  |                             |
| 22   | Depreciation, depletion, and amortization   | 2,776,400             | 2,359,940                       | 416,460                                |                             |
| 23   | Insurance   | 398,524               | 338,745                         | 59,779                                 |                             |
| 24   | Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )                                       |                       |                                 |  |                             |
| a  | PROVISION FOR BAD DEBTS   | 4,357,268             | 4,357,268                       |  |                             |
| b  | MINOR EQUIPMENT   | 125,843               | 106,967                         | 18,876                                 |                             |
| c  | OTHER   | 1,538,034             | 1,307,329                       | 230,705                                |                             |
| d  |   |                       |                                 |  |                             |
| e  |   |                       |                                 |  |                             |
| f  | All other expenses  |                       |                                 |  |                             |
| 25   | Total functional expenses. Add lines 1 through 24f  | 45,192,509            | 39,067,223                      | 6,125,286                              | 0                           |
| 26   | Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |  |                             |

Part X

Balance Sheet

|                             |   |   |     |            | (A)               |     | (B)         |
|-----------------------------|---|---|-----|------------|-------------------|-----|-------------|
|                             |   |   |     |            | Beginning of year |     | End of year |
| Assets                      | 1   | Cash—non-interest-bearing . . . . .   |     |            | 12,195            | 1   | 12,215      |
|                             | 2   | Savings and temporary cash investments . . . . .  |     |            | 2,881,491         | 2   | 4,853,551   |
|                             | 3   | Pledges and grants receivable, net . . . . .  |     |            | 0                 | 3   | 0           |
|                             | 4   | Accounts receivable, net . . . . .  |     |            | 7,538,545         | 4   | 7,716,527   |
|                             | 5   | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .                   |     |            | 0                 | 5   | 0           |
|                             | 6   | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .      |     |            | 0                 | 6   | 0           |
|                             | 7   | Notes and loans receivable, net . . . . .   |     |            | 0                 | 7   | 0           |
|                             | 8   | Inventories for sale or use . . . . .   |     |            | 784,010           | 8   | 933,543     |
|                             | 9   | Prepaid expenses and deferred charges . . . . .   |     |            | 326,473           | 9   | 304,185     |
|                             | 10a   | Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D . . . . .   | 10a | 33,324,201 |                   |     |             |
|                             | b   | Less: accumulated depreciation . . . . .  | 10b | 24,612,600 | 10,143,158        | 10c | 8,711,601   |
|                             | 11  | Investments—publicly traded securities . . . . .  |     |            | 11,551,651        | 11  | 13,249,466  |
|                             | 12  | Investments—other securities. See Part IV, line 11 . . . . .  |     |            | 0                 | 12  | 0           |
|                             | 13  | Investments—program-related. See Part IV, line 11 . . . . .   |     |            | 3,503,699         | 13  | 3,313,098   |
|                             | 14  | Intangible assets . . . . .   |     |            | 0                 | 14  | 0           |
|                             | 15  | Other assets. See Part IV, line 11 . . . . .  |     |            | 9,746,750         | 15  | 10,318,538  |
|                             | 16  | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .   |     |            | 46,487,972        | 16  | 49,412,724  |
| Liabilities                 | 17  | Accounts payable and accrued expenses . . . . .   |     |            | 3,867,809         | 17  | 4,609,480   |
|                             | 18  | Grants payable . . . . .  |     |            | 0                 | 18  | 0           |
|                             | 19  | Deferred revenue . . . . .  |     |            | 0                 | 19  | 0           |
|                             | 20  | Tax-exempt bond liabilities . . . . .   |     |            | 14,064,880        | 20  | 13,647,237  |
|                             | 21  | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .   |     |            | 0                 | 21  | 0           |
|                             | 22  | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .  |     |            | 0                 | 22  | 0           |
|                             | 23  | Secured mortgages and notes payable to unrelated third parties . . . . .  |     |            | 2,790,406         | 23  | 2,140,472   |
|                             | 24  | Unsecured notes and loans payable to unrelated third parties . . . . .  |     |            | 0                 | 24  | 0           |
|                             | 25  | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . . |     |            | 0                 | 25  | 0           |
|                             | 26  | Total liabilities. Add lines 17 through 25 . . . . .  |     |            | 20,723,095        | 26  | 20,397,189  |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |   |     |            |                   |     |             |
|                             | 27  | Unrestricted net assets . . . . .   |     |            | 25,077,942        | 27  | 28,108,918  |
|                             | 28  | Temporarily restricted net assets . . . . .   |     |            | 686,935           | 28  | 906,617     |
|                             | 29  | Permanently restricted net assets . . . . .   |     |            | 0                 | 29  | 0           |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |   |     |            |                   |     |             |
|                             | 30  | Capital stock or trust principal, or current funds . . . . .  |     |            |                   | 30  |             |
|                             | 31  | Paid-in or capital surplus, or land, building or equipment fund . . . . .   |     |            |                   | 31  |             |
|                             | 32  | Retained earnings, endowment, accumulated income, or other funds . . . . .  |     |            |                   | 32  |             |
|                             | 33  | Total net assets or fund balances . . . . .   |     |            | 25,764,877        | 33  | 29,015,535  |
|                             | 34  | Total liabilities and net assets/fund balances . . . . .  |     |            | 46,487,972        | 34  | 49,412,724  |

Part XI Reconciliation of Net Assets

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

|   |   |   |            |
|---|---|---|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)   | 1 | 46,827,993 |
| 2 | Total expenses (must equal Part IX, column (A), line 25)  | 2 | 45,192,509 |
| 3 | Revenue less expenses Subtract line 2 from line 1   | 3 | 1,635,484  |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | 25,764,877 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)  | 5 | 1,615,174  |
| 6 | Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 29,015,535 |

Part XII Financial Statements and Reporting

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

|    |  | Yes | No |
|----|--|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O  |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant?  |     | No |
| b  | Were the organization's financial statements audited by an independent accountant?   | Yes |    |
| c  | If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes |    |
| d  | If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> 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?   |     | No |
| b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits   |     |    |

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public  
Inspection

|   |  |
|---|--|
| Name of the organization<br>CAMERON MEMORIAL COMMUNITY HOSPITAL INC | Employer identification number<br>35-0211370 |
|---|--|

Part I

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

|          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |

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

Part II

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

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

| Section B. Total Support  |          |          |          |          |          |           |
|---|----------|----------|----------|----------|----------|-----------|
| Calendar year   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
| 7 Amounts from line 4   |          |          |          |          |          |           |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources  |          |          |          |          |          |           |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on  |          |          |          |          |          |           |
| 10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets   |          |          |          |          |          |           |
| 11 Total support (Add lines 7 through 10)   |          |          |          |          |          |           |
| 12 Gross receipts from related activities, etc (See instructions )  |          |          |          |          | 12       |           |
| 13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage  |  |    |  |  |  |  |
|--|--|----|--|--|--|--|
| 14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))  |  | 14 |  |  |  |  |
| 15 Public Support Percentage for 2010 Schedule A, Part II, line 14   |  | 15 |  |  |  |  |
| 16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization   |  |    |  |  |  |  |
| b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization  |  |    |  |  |  |  |
| 17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization    |  |    |  |  |  |  |
| b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization |  |    |  |  |  |  |
| 18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions  |  |    |  |  |  |  |

Part IIIPart III

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

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

| Section B. Total Support  |          |          |          |          |          |           |
|---|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in)   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
| 9 Amounts from line 6   |          |          |          |          |          |           |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                      |          |          |          |          |          |           |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975   |          |          |          |          |          |           |
| c Add lines 10a and 10b   |          |          |          |          |          |           |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on  |          |          |          |          |          |           |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)  |          |          |          |          |          |           |
| 13 Total support (Add lines 9, 10c, 11 and 12.)   |          |          |          |          |          |           |
| 14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage                                     |    |  |
|---|----|--|
| 15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) | 15 |  |
| 16 Public support percentage from 2010 Schedule A, Part III, line 15                    | 16 |  |

| Section D. Computation of Investment Income Percentage   |    |  |
|--|----|--|
| 17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))   | 17 |  |
| 18 Investment income percentage from 2010 Schedule A, Part III, line 17  | 18 |  |
| 19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization         |    |  |
| b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization |    |  |
| 20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions  |    |  |



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

|                              |
|------------------------------|
| Facts And Circumstances Test |
|                              |

|             |
|-------------|
| Explanation |
|             |
|             |
|             |
|             |

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

|   |  |
|---|--|
| Name of the organization<br>CAMERON MEMORIAL COMMUNITY HOSPITAL INC | Employer identification number<br><br>35-0211370 |
|---|--|

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

- 1

Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
- 2

Political expenditures ▶ \$
- 3

Volunteer hours

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

- 1

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

Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a

Was a correction made? ☐ Yes ☐ No
- b

If "Yes," describe in Part IV

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

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4

Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
- 5

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

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

Part II-A

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

- A
- Check
- ☐
- if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check
- ☐
- if the filing organization checked box A and "limited control" provisions apply

| Limits on Lobbying Expenditures<br>(The term "expenditures" means amounts paid or incurred.)   |   | (a) Filing<br>Organization's<br>Totals          | (b) Affiliated<br>Group<br>Totals                        |                    |                              |   |   |   |   |  |  |                   |             |  |  |
|--|---|---|--|--------------------|------------------------------|---|---|---|---|--|--|-------------------|-------------|--|--|
| 1a   | Total lobbying expenditures to influence public opinion (grass roots lobbying)  |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| b  | Total lobbying expenditures to influence a legislative body (direct lobbying)   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| c  | Total lobbying expenditures (add lines 1a and 1b)   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| d  | Other exempt purpose expenditures   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| e  | Total exempt purpose expenditures (add lines 1c and 1d)   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| f  | Lobbying nontaxable amount. Enter the amount from the following table in both columns.  |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| <table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table> |   | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is:                       | Not over \$500,000 | 20% of the amount on line 1e | Over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000 | Over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000 | Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000 | Over \$17,000,000 | \$1,000,000 |  |  |
| If the amount on line 1e, column (a) or (b) is:  | The lobbying nontaxable amount is:  |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| Not over \$500,000   | 20% of the amount on line 1e  |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| Over \$500,000 but not over \$1,000,000  | \$100,000 plus 15% of the excess over \$500,000   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| Over \$1,000,000 but not over \$1,500,000  | \$175,000 plus 10% of the excess over \$1,000,000   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| Over \$1,500,000 but not over \$17,000,000   | \$225,000 plus 5% of the excess over \$1,500,000  |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| Over \$17,000,000  | \$1,000,000   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| g  | Grassroots nontaxable amount (enter 25% of line 1f)   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| h  | Subtract line 1g from line 1a. If zero or less, enter -0-   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| i  | Subtract line 1f from line 1c. If zero or less, enter -0-   |   |  |                    |                              |   |   |   |   |  |  |                   |             |  |  |
| j  | If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? |   | <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |                              |   |   |   |   |  |  |                   |             |  |  |

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

| Lobbying Expenditures During 4-Year Averaging Period      |          |          |          |          |           |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in)               | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) Total |
| 2a Lobbying non-taxable amount                            |          |          |          |          |           |
| b Lobbying ceiling amount (150% of line 2a, column(e))    |          |          |          |          |           |
| c Total lobbying expenditures                             |          |          |          |          |           |
| d Grassroots non-taxable amount                           |          |          |          |          |           |
| e Grassroots ceiling amount (150% of line 2d, column (e)) |          |          |          |          |           |
| f Grassroots lobbying expenditures                        |          |          |          |          |           |

Part II-B

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

|    |  | (a)  |     | (b)    |     |
|----|--|--|-----|--------|-----|
|    |  | Yes  | No  | Amount |     |
| 1  | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of |  |     |        |     |
|    | a  | Volunteers?  |     |        | No  |
|    | b  | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? |     |        | No  |
|    | c  | Media advertisements?  |     |        | No  |
|    | d  | Mailings to members, legislators, or the public?   |     | No     |     |
|    | e  | Publications, or published or broadcast statements?  |     | No     |     |
|    | f  | Grants to other organizations for lobbying purposes?   |     | No     |     |
|    | g  | Direct contact with legislators, their staffs, government officials, or a legislative body?  |     | No     |     |
|    | h  | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?    |     | No     |     |
|    | i  | Other activities? If "Yes," describe in Part IV  | Yes |        | 969 |
|    | j  | Total lines 1c through 1i  |     |        | 969 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?  |  | No  |        |     |
| b  | If "Yes," enter the amount of any tax incurred under section 4912  |  |     |        |     |
| c  | If "Yes," enter the amount of any tax incurred by organization managers under section 4912   |  |     |        |     |
| d  | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?   |  |     |        |     |

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

| Identifier        | Return Reference | Explanation  |
|-------------------|------------------|--|
| PAGE 3, PART II B | LINE 1I          | A PORTION OF IHA DUES IS ALLOCATED TO LOBBYING EXPENSES 5 44% OF \$17,809 EQUALS \$969 |

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public  
Inspection

**Name of the organization**  
CAMERON MEMORIAL COMMUNITY HOSPITAL INC

**Employer identification number**  
  
35-0211370

Part I

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

|   |   |                              |
|---|---|------------------------------|
|   | (a) Donor advised funds   | (b) Funds and other accounts |
| 1 | Total number at end of year   |                              |
| 2 | Aggregate contributions to (during year)  |                              |
| 3 | Aggregate grants from (during year)   |                              |
| 4 | Aggregate value at end of year  |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>   |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div> |                              |

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of a certified historic structure☐ Preservation of open space

2

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

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

3

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

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☒ No

b

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

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

|    |  |               |                   |                     |                    |
|----|--|---------------|-------------------|---------------------|--------------------|
|    | (a)Current Year  | (b)Prior Year | (c)Two Years Back | (d)Three Years Back | (e)Four Years Back |
| 1a | Beginning of year balance . . . . .                      |               |                   |                     |                    |
| b  | Contributions . . . . .                                  |               |                   |                     |                    |
| c  | Investment earnings or losses . . . . .                  |               |                   |                     |                    |
| d  | Grants or scholarships . . . . .                         |               |                   |                     |                    |
| e  | Other expenditures for facilities and programs . . . . . |               |                   |                     |                    |
| f  | Administrative expenses . . . . .                        |               |                   |                     |                    |
| g  | End of year balance . . . . .                            |               |                   |                     |                    |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii)

related organizations . . . . .

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

4

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

Part VI

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

| Description of property  | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land . . . . .  |                                      | 750,190                        |                              | 750,190        |
| b Buildings . . . . .  |                                      | 16,308,755                     | 11,864,177                   | 4,444,578      |
| c Leasehold improvements . . . . .   |                                      |                                |                              |                |
| d Equipment . . . . .  |                                      | 16,265,257                     | 12,748,424                   | 3,516,833      |
| e Other . . . . .  |                                      |                                |                              |                |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶ |                                      |                                |                              | 8,711,601      |



| Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements |   |             |
|---|---|-------------|
| 1   | Total revenue (Form 990, Part VIII, column (A), line 12)                        | 146,827,993 |
| 2   | Total expenses (Form 990, Part IX, column (A), line 25)                         | 245,192,509 |
| 3   | Excess or (deficit) for the year Subtract line 2 from line 1                    | 31,635,484  |
| 4   | Net unrealized gains (losses) on investments                                    | 41,615,172  |
| 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   | 91,615,172  |
| 10  | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 103,250,656 |

| Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return |   |             |
|--|---|-------------|
| 1  | Total revenue, gains, and other support per audited financial statements . . . . .          | 148,748,232 |
| 2  | Amounts included on line 1 but not on Form 990, Part VIII, line 12                          |             |
| a  | Net unrealized gains on investments . . . . .2a1,615,172                                    |             |
| b  | Donated services and use of facilities . . . . .2b  |             |
| c  | Recoveries of prior year grants . . . . .2c   |             |
| d  | Other (Describe in Part XIV) . . . . .2d318,195   |             |
| e  | Add lines 2a through 2d . . . . .2e1,933,367  |             |
| 3  | Subtract line 2e from line 1 . . . . .3   | 346,814,865 |
| 4  | Amounts included on Form 990, Part VIII, line 12, but not on line 1                         |             |
| a  | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a13,128          |             |
| b  | Other (Describe in Part XIV) . . . . .4b  |             |
| c  | Add lines 4a and 4b . . . . .4c13,128   |             |
| 5  | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .5 | 546,827,993 |

| Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return |  |             |
|---|--|-------------|
| 1   | Total expenses and losses per audited financial statements . . . . .                         | 145,497,576 |
| 2   | Amounts included on line 1 but not on Form 990, Part IX, line 25                             |             |
| a   | Donated services and use of facilities . . . . .2a   |             |
| b   | Prior year adjustments . . . . .2b   |             |
| c   | Other losses . . . . .2c   |             |
| d   | Other (Describe in Part XIV) . . . . .2d318,195  |             |
| e   | Add lines 2a through 2d . . . . .2e318,195   |             |
| 3   | Subtract line 2e from line 1 . . . . .3  | 345,179,381 |
| 4   | Amounts included on Form 990, Part IX, line 25, but not on line 1:                           |             |
| a   | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .4a13,128           |             |
| b   | Other (Describe in Part XIV) . . . . .4b   |             |
| c   | Add lines 4a and 4b . . . . .4c13,128  |             |
| 5   | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .5 | 545,192,509 |

Part XIVSupplemental Information

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

| Identifier     | Return Reference | Explanation  |
|----------------|------------------|--|
| SCHEDULE D     | ASC 740          | MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS. |
| RECONCILIATION |                  | PART XII LINE 2D & PART XIII LINE 2D RENT EXPENSE \$29,940 EXPENSE SHARING ALLOCATION FOR CAMERON MEDICAL OUTREACH \$288,255 TOTAL \$318,195   |



SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

**Name of the organization**  
CAMERON MEMORIAL COMMUNITY HOSPITAL INC

**Employer identification number**  
35-0211370

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

| Charity Care and Means-Tested Government Programs   | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Charity care at cost (from Worksheet 1) . . . . .   |   |                               | 541,547                             |                               | 541,547                           | 1 330 %                      |
| b Medicaid (from Worksheet 3, column a) . . . . .   |   |                               | 4,304,446                           | 2,268,184                     | 2,036,262                         | 4 990 %                      |
| c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .              |   |                               |                                     |                               |                                   |                              |
| d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .                            |   |                               | 4,845,993                           | 2,268,184                     | 2,577,809                         | 6 320 %                      |
| <b>Other Benefits</b>   |   |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . . |   |                               | 27,877                              |                               | 27,877                            | 0 070 %                      |
| f Health professions education (from Worksheet 5) . . . . .   |   |                               |                                     |                               |                                   |                              |
| g Subsidized health services (from Worksheet 6) . . . . .   |   |                               | 63,912                              |                               | 63,912                            | 0 160 %                      |
| h Research (from Worksheet 7) . . . . .   |   |                               |                                     |                               |                                   |                              |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .                   |   |                               | 9,402                               |                               | 9,402                             | 0 020 %                      |
| j <b>Total</b> Other Benefits . . . . .   |   |                               | 101,191                             |                               | 101,191                           | 0 250 %                      |
| k <b>Total.</b> Add lines 7d and 7j . . . . .   |   |                               | 4,947,184                           | 2,268,184                     | 2,679,000                         | 6 570 %                      |

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

|  | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|--|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1Physical improvements and housing                         |   |                               | 1,568                                |                               | 1,568                              |                              |
| 2Economic development                                      |   |                               |                                      |                               |                                    |                              |
| 3Community support   |   |                               |                                      |                               |                                    |                              |
| 4Environmental improvements                                |   |                               |                                      |                               |                                    |                              |
| 5Leadership development and training for community members |   |                               |                                      |                               |                                    |                              |
| 6Coalition building  |   |                               |                                      |                               |                                    |                              |
| 7Community health improvement advocacy                     |   |                               |                                      |                               |                                    |                              |
| 8Workforce development                                     |   |                               | 24,370                               |                               | 24,370                             | 0.060 %                      |
| 9Other   |   |                               |                                      |                               |                                    |                              |
| 10Total  |   |                               | 25,938                               |                               | 25,938                             | 0.060 %                      |

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

|   |   | Yes       | No |
|---|---|-----------|----|
| 1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?   | 1 | Yes       |    |
| 2Enter the amount of the organization's bad debt expense  | 2 | 2,203,194 |    |
| 3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy   | 3 | 183,067   |    |
| 4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. |   |           |    |

Section B. Medicare

|  |   |            |  |
|--|---|------------|--|
| 5Enter total revenue received from Medicare (including DSH and IME)  | 5 | 11,266,106 |  |
| 6Enter Medicare allowable costs of care relating to payments on line 5   | 6 | 11,792,300 |  |
| 7Subtract line 6 from line 5. This is the surplus or (shortfall).  | 7 | -526,194   |  |
| 8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:<br><input type="checkbox"/> Cost accounting system<br><input type="checkbox"/> Cost to charge ratio<br><input checked="" type="checkbox"/> Other |   |            |  |

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures (see instructions)

| (a) Name of entity    | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership% | (e) Physicians' profit % or stock ownership % |
|-----------------------|---|--|---|---|
| 1CAMERON MED OUTREACH | ASSISTED LIVING FACILITY                      | 100.000 %  |   |   |
| 2                     |   |  |   |   |
| 3                     |   |  |   |   |
| 4                     |   |  |   |   |
| 5                     |   |  |   |   |
| 6                     |   |  |   |   |
| 7                     |   |  |   |   |
| 8                     |   |  |   |   |
| 9                     |   |  |   |   |
| 10                    |   |  |   |   |
| 11                    |   |  |   |   |
| 12                    |   |  |   |   |
| 13                    |   |  |   |   |

## Section A. Hospital Facilities

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

## Name and address

[illegible]

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)

Cameron Memorial Community Hospital Inc

Name of Hospital Facility:

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

|  | Yes | No  |
|--|-----|-----|
| Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)  |     |     |
| 1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . .<br>If "Yes," indicate what the Needs Assessment describes (check all that apply)<br>a <input type="checkbox"/> A definition of the community served by the hospital facility<br>b <input type="checkbox"/> Demographics of the community<br>c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community<br>d <input type="checkbox"/> How data was obtained<br>e <input type="checkbox"/> The health needs of the community<br>f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups<br>g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs<br>h <input type="checkbox"/> The process for consulting with persons representing the community's interests<br>i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs<br>j <input type="checkbox"/> Other (describe in Part VI) | 1   |     |
| 2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____  |     |     |
| 3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted   | 3   |     |
| 4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .   | 4   |     |
| 5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . .<br>If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)<br>a <input type="checkbox"/> Hospital facility's website<br>b <input type="checkbox"/> Available upon request from the hospital facility<br>c <input type="checkbox"/> Other (describe in Part VI)  | 5   |     |
| 6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)<br>a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community<br>b <input type="checkbox"/> Execution of the implementation strategy<br>c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility<br>d <input type="checkbox"/> Participation in community-wide community benefit plan<br>e <input type="checkbox"/> Inclusion of a community benefit section in operational plans<br>f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA<br>g <input type="checkbox"/> Prioritization of health needs in the community<br>h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community<br>i <input type="checkbox"/> Other (describe in Part VI)   |     |     |
| 7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs  | 7   |     |
| Financial Assistance Policy  |     |     |
| Did the hospital facility have in place during the tax year a written financial assistance policy that   |     |     |
| 8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?  | 8   | Yes |
| 9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for free care 300 %<br>If "No," explain in Part VI the criteria the hospital facility used   | 9   | Yes |

Part V

Facility Information (continued)

|    |  | Yes | No  |  |
|----|--|-----|-----|--|
| 10 | Used FPG to determine eligibility for providing discounted care? . . . . .<br>If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300</u> %<br>If "No," explain in Part VI the criteria the hospital facility used   | 10  | Yes |  |
| 11 | Explained the basis for calculating amounts charged to patients? . . . . .<br>If "Yes," indicate the factors used in determining such amounts (check all that apply)<br>a <input checked="" type="checkbox"/> Income level<br>b <input checked="" type="checkbox"/> Asset level<br>c <input checked="" type="checkbox"/> Medical indigency<br>d <input checked="" type="checkbox"/> Insurance status<br>e <input checked="" type="checkbox"/> Uninsured discount<br>f <input checked="" type="checkbox"/> Medicaid/Medicare<br>g <input checked="" type="checkbox"/> State regulation<br>h <input type="checkbox"/> Other (describe in Part VI)  | 11  | Yes |  |
| 12 | Explained the method for applying for financial assistance? . . . . .  | 12  | Yes |  |
| 13 | Included measures to publicize the policy within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)<br>a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site<br>b <input type="checkbox"/> The policy was attached to all billing invoices<br>c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms<br>d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices<br>e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility<br>f <input checked="" type="checkbox"/> The policy was available upon request<br>g <input type="checkbox"/> Other (describe in Part VI) | 13  | Yes |  |

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

|    |  |  |    |
|----|--|--|----|
| 19 | Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care  |  |    |
| a  | <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged   |  |    |
| b  | <input type="checkbox"/> 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  | <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged  |  |    |
| d  | <input type="checkbox"/> 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? . . . . .<br>If "Yes," explain in Part VI |  | No |
| 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?<br>. . . . .<br>If "Yes," explain in Part VI  |  | No |

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

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

| Name and address |  | Type of Facility (Describe) |
|------------------|--|-----------------------------|
| 1                |  |                             |
| 2                |  |                             |
| 3                |  |                             |
| 4                |  |                             |
| 5                |  |                             |
| 6                |  |                             |
| 7                |  |                             |
| 8                |  |                             |
| 9                |  |                             |
| 10               |  |                             |

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

| Identifier                    | ReturnReference | Explanation   |
|-------------------------------|-----------------|---|
| SCHEDULE H, PART III, LINE 4A |                 | The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third party payers, patients and others The Hospital provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions As a service to the patient, the entities bill third party payers directly and bills the patient when the patient's liability is determined Patient accounts receivable are due in full when billed Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account SCHEDULE H, PART III, LINE 4B An aggregate cost to charge ratio was used to provide bad debt at cost for Part III, line 2 The estimated amount calculated for Part III, line 3 was determined by taking the total amount of denied charity care applications and multiplying it by the cost to charge ratio SCHEDULE H, PART III, LINE 8A Calculation for Line 6 came from figures on the FY 2012 Medicare Cost Report, Worksheet D-1, Part II Lines 49 & 66, Worksheet D-1, Part IV, Line 89, Worksheet D-3, Line 200, Column 3 |



| Identifier                        | ReturnReference | Explanation   |
|-----------------------------------|-----------------|---|
| SCHEDULE H, PART III, LINE 9A & B |                 | The Collection policy addresses four options, including Compassionate Care Financial Assistance. The patients must meet the eligibility criteria to qualify for Compassionate Care. |

| Identifier                  | ReturnReference | Explanation  |
|-----------------------------|-----------------|--|
| SCHEDULE H, PART V, LINE 19 |                 | The hospital facility uses the average of all managed care contracts |

| Identifier          | ReturnReference  | Explanation  |
|---------------------|------------------|--|
| SCHEDULE H, PART VI | NEEDS ASSESSMENT | An assessment of the expected future needs for the community Hospital services was conducted by management in the last couple of years. The assessment of the Hospital services included the following: *Identification of the geographical service area from which the Hospital will derive its patients and its market share within that area, *Analysis of published historical and projected economic and demographic data trends in the service area, *Analysis of the competition in the primary service area, *Analysis of market share and use rates of the primary service area, and *Analysis of historical and forecasted utilization. In addition to the above needs assessment, the Hospital took also into account such variables as: *Proximity of the facility to family and friends, *Aesthetic qualities of the facility, *Accessibility, *Changes in law or regulation, and *Referrals by area doctors. |

| Identifier                                      | ReturnReference | Explanation   |
|---|-----------------|---|
| PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE |                 | The Charity Care policy is available in the ER and Registration areas of the hospital. Cameron distributes an "Important Billing Information for Uninsured Patients" handout to every uninsured patient. This handout is designed to help patients understand the billing process, payment options and financial assistance that is available. We have Financial Counselors available to discuss with the patients' federal, state and hospital financial assistance programs and assist with enrollment programs, when applicable. Cameron is an approved Indiana Medicaid Enrollment Center for our patients. |

| Identifier            | ReturnReference | Explanation   |
|-----------------------|-----------------|---|
| COMMUNITY INFORMATION |                 | CAMERON MEMORIAL COMMUNITY HOSPITAL WAS OPENED IN 1926 AND IS LOCATED IN ANGOLA, INDIANA ANGOLA IS LOCATED IN STEUBEN COUNTY, APPROXIMATELY 45 MILES NORTH OF FORT WAYNE, INDIANA SINCE CAMERON HOSPITAL IS LOCATED IN EXTREME NORTHEAST INDIANA, IT SERVES PATIENTS FROM COMMUNITIES IN SOUTHWEST MICHIGAN AND NORTHWEST OHIO AS WELL CAMERON HOSPITAL IS ONE OF THE LARGEST EMPLOYERS IN STEUBEN COUNTY THE HEALTH CARE SECTOR IS IMPORTANT TO THE COUNTY'S ECONOMY, AS IT EMPLOYS A LARGE NUMBER OF ITS RESIDENTS, WHO PURCHASE A LARGE AMOUNT OF GOODS AND SERVICES FROM THE BUSINESSES LOCATED IN STEUBEN COUNTY AS OF THE 2000 CENSUS, THE CITY OF ANGOLA HAD A POPULATION OF 8,612, WHILE THE STEUBEN COUNTY POPULATION WAS 34,185 DURING THE SUMMER MONTHS THE POPULATION IN STEUBEN COUNTY DRASTICALLY INCREASES DUE TO THE NUMEROUS LAKES IN THE COUNTY THE CHARACTERISTICS OF THE POPULATION ARE FACTORS IN DETERMINING THE HEALTH CARE SERVICES THAT OUR COMMUNITY REQUIRES THE PERCENTAGE OF THE POPULATION IN THE COMMUNITY OVER 65 YEARS OLD IS 11.9% IN 2011, CAMERON HOSPITAL HAD 107,000+ OUTPATIENT VISITS AND 85% OF OUR PATIENT REVENUE WAS OUTPATIENT THE FACILITY OPERATES AS AN INDEPENDENT CRITICAL ACCESS HOSPITAL AND RECEIVES COST-BASED REIMBURSEMENT HOSPITAL HAD 107,000+ OUTPATIENT VISITS AND 85% OF OUR PATIENT REVENUE WAS OUTPATIENT THE FACILITY OPERATES AS AN INDEPENDENT CRITICAL ACCESS HOSPITAL AND RECEIVES COST-BASED REIMBURSEMENT |

| Identifier                    | ReturnReference | Explanation  |
|-------------------------------|-----------------|--|
| PROMOTION OF COMMUNITY HEALTH |                 | <p>The hospital is very committed to the community by supporting various groups and not-for-profit organizations. Over 40 donations have been provided throughout the year, supporting the areas of health, education, and safety. Additionally, hospital staff and physicians donate many hours of their time to serve in the Faith Community Clinic which assists the poor and underserved of the community. Finally, the hospital partners with area emergency personnel to assist with disaster preparedness in our county. The hospital feels that disaster preparedness is an important role for it to play in our community, assisting residents in the event of a natural disaster, industrial accident or other large scale emergency.</p> <p>THE HOSPITAL OPERATES AN EMERGENCY ROOM OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY. IN ADDITION TO PROVIDING EMERGENCY SERVICES, THE HOSPITAL PROVIDES MINOR EMERGENCY AND URGENT CARE SERVICES TO ALL REGARDLESS OF ABILITY TO PAY. THE HOSPITAL PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, AND/OR OTHER GOVERNMENT SPONSORED HEALTH PROGRAMS. IN ADDITION TO OUR PARTICIPATION IN THESE PROGRAMS, THE HOSPITAL ABSORBED MORE THAN \$526,194 IN UNREIMBURSED MEDICARE COSTS DURING 2012. IN ADDITION, THE HOSPITAL ALSO ABSORBED \$2,072,335 IN UNREIMBURSED MEDICAID COSTS DURING 2012. THE HOSPITAL ALSO PARTICIPATES IN A COMMUNITY CLINIC FOR POOR AND LOW INCOME RESIDENTS, WHEREIN LAB, RADIOLOGY, AND REHAB COST ARE ENTIRELY WRITTEN OFF. ALTHOUGH THE PRIMARY CARE PHYSICIANS ARE NOT EMPLOYED STAFF OF THE HOSPITAL, A NUMBER OF PHYSICIANS VOLUNTEER THEIR SERVICES AT THE CLINIC. THE HOSPITAL OFFERS A COMPASSIONATE CARE PROGRAM TO ELIGIBLE PARTICIPANTS BASED ON THE FEDERAL POVERTY GUIDELINES AT THE 300% LEVEL. IN 2012, THE HOSPITAL ABSORBED \$546,085 IN CHARITY CARE COSTS. CAMERON ALSO PROVIDES SCREENINGS FOR RESIDENTS WHO ARE UNINSURED OR UNDERINSURED INCLUDING PSA SCREENINGS, SKIN CANCER SCREENINGS, BREAST CANCER SCREENINGS AND BLOOD GLUCOSE TESTING FOR DIABETES OR PRE-DIABETES. THE HOSPITAL HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED IN THE AREA. THE GOVERNING BODY (BOARD OF DIRECTORS) CONSISTS OF INDEPENDENT PEOPLE REPRESENTATIVE OF THE COMMUNITY WE SERVE. THE HOSPITAL RECEIVES STRONG SUPPORT FROM AREA RESIDENTS AS EVIDENCED BY THE LARGE BODY OF VOLUNTEERS COMMITTED TO FURTHERING THE HOSPITAL'S MISSION.</p> |

| Identifier                               | ReturnReference         | Explanation |
|--|-------------------------|-------------|
| STATE FILING OF COMMUNITY BENEFIT REPORT | 990 SCHEDULE H, PART VI | IN,         |

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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  
CAMERON MEMORIAL COMMUNITY HOSPITAL INC

Employer identification number  
35-0211370

Part I

Questions Regarding Compensation

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



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

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

[illegible]

**Part III**   **Supplemental Information**

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

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

|                          |  |   |  |  |  |  |  |  |  |  |                  |  |
|--------------------------|--|---|--|--|--|--|--|--|--|--|------------------|--|
| Schedule K<br>(Form 990) | Supplemental Information on Tax Exempt Bonds<br>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).<br>▶ Attach to Form 990. ▶ See separate instructions. |   |  |  |  |  |  |  |  |  | OMB No 1545-0047 |  |
|                          |  |   |  |  |  |  |  |  |  |  | 2011             |  |
|                          | Department of the Treasury<br>Internal Revenue Service   | Name of the organization<br>CAMERON MEMORIAL COMMUNITY HOSPITAL INC |  |  |  |  |  |  |  |  |                  | Employer identification number<br>35-0211370 |

| Part I Bond Issues          |                |             |                 |                 |                            |              |    |                         |    |                    |    |
|-----------------------------|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|--------------------|----|
| (a) Issuer Name             | (b) Issuer EIN | (c) CUSIP # | (d) Date Issued | (e) Issue Price | (f) Description of Purpose | (g) Defeased |    | (h) On Behalf of Issuer |    | (i) Pool financing |    |
|                             |                |             |                 |                 |                            | Yes          | No | Yes                     | No | Yes                | No |
| A INDIANA FINANCE AUTHORITY | 35-1602316     |             | 12-29-2009      | 14,765,000      | SEE SCHEDULE O             |              | X  |                         | X  |                    | X  |

| Part II    Proceeds |  |            |    |   |  |   |  |  |     |
|---------------------|--|------------|----|---|--|---|--|--|-----|
|                     |  | A          | B  | C |  | D |  |  |     |
| 1                   | Amount of bonds retired  | 0          |    |   |  |   |  |  |     |
| 2                   | Amount of bonds defeased   | 0          |    |   |  |   |  |  |     |
| 3                   | Total proceeds of issue  | 14,766,265 |    |   |  |   |  |  |     |
| 4                   | Gross proceeds in reserve funds  | 354,800    |    |   |  |   |  |  |     |
| 5                   | Capitalized interest from proceeds   | 0          |    |   |  |   |  |  |     |
| 6                   | Proceeds in refunding escrow   | 0          |    |   |  |   |  |  |     |
| 7                   | Issuance costs from proceeds   | 352,244    |    |   |  |   |  |  |     |
| 8                   | Credit enhancement from proceeds   | 0          |    |   |  |   |  |  |     |
| 9                   | Working capital expenditures from proceeds   | 0          |    |   |  |   |  |  |     |
| 10                  | Capital expenditures from proceeds   | 4,536,934  |    |   |  |   |  |  |     |
| 11                  | Other spent proceeds   | 0          |    |   |  |   |  |  |     |
| 12                  | Other unspent proceeds   | 0          |    |   |  |   |  |  |     |
| 13                  | Year of substantial completion   | 2012       |    |   |  |   |  |  |     |
|                     |  | Yes        | No |   |  |   |  |  | Yes |
| 14                  | Were the bonds issued as part of a current refunding issue?  | X          |    |   |  |   |  |  |     |
| 15                  | Were the bonds issued as part of an advance refunding issue?   |            | X  |   |  |   |  |  |     |
| 16                  | Has the final allocation of proceeds been made?  | X          |    |   |  |   |  |  |     |
| 17                  | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X          |    |   |  |   |  |  |     |

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information

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

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

CAMERON MEMORIAL COMMUNITY HOSPITAL INC

Employer identification number

35-0211370

| Identifier                             | Return Reference                 | Explanation  |
|--|----------------------------------|--|
| DISCLOSURE                             | PART VI, QUESTION 1B             | TOM MILLER, M D IS A PAID EMPLOYEE OF THE HOSPITAL AND IS THEREFORE CONSIDERED NON-INDEPENDENT   |
| POLICIES                               | PART VI, SECTION B, LINE 11      | THE 990 IS THOROUGHLY REVIEWED BY THE CFO AND AN INDEPENDENT ACCOUNTING FIRM PRIOR TO FILING IN ADDITION, A COPY OF THE 990 IS PROVIDED TO THE GOVERNING BODY PRIOR TO FILING  |
| POLICIES                               | PART VI, SECTION B, LINE 12      | A questionnaire is sent out annually to all officers, directors or trustees, and key employees to disclose personal and business relationships The questionnaires are reviewed annually If a conflict exists restrictions will be imposed on persons with a conflict such as prohibiting them from participating in the governing body's deliberations and decisions in the transactions |
| POLICIES                               | PART VI, SECTION B, LINE 15A & B | THE PROCESS FOR DETERMINING COMPENSATION OF THE CEO, COO, CFO, AND KEY EMPLOYEES INVOLVES REVIEW AND APPROVAL OF THE BOARD INCLUDING REVIEW OF COMPARABLE DATA FROM INDIANA HOSPITAL ASSOCIATION AND COMPDATA  |
| DISCLOSURE                             | PART VI, SECTION C, LINE 19      | Cameron Memorial Community Hospital keeps copies of their governing documents, conflicts of interest policy, and financial statements on site and are available upon request   |
| RECONCILIATION OF NET ASSETS           | PART XI, LINE 5                  | UNREALIZED GAIN/LOSS ON INVESTMENTS \$(1,615,174)  |
| SCHEDULE K                             | BOND PURPOSE                     | FINANCING CONSTRUCTION OF NEW HOSPITAL/REFINANCING OF EXISTING DEBT/DATA CENTER RELOCATION PROJECT/WOUND CARE & DIALY SIS  |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII                | NAME ELLEN BISSON TITLE COO HOURS 4  |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII                | NAME DARRYL FAYE TITLE CFO - LEFT 1/27/12 HOURS 4  |
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII                | NAME GREG BURNS TITLE CEO HOURS 4  |

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
CAMERON MEMORIAL COMMUNITY HOSPITAL INC

Employer identification number  
35-0211370

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

| (a)<br>Name, address, and EIN of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>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)<br>Name, address, and EIN of related organization                                     | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled organization |    |
|---|-------------------------|--|----------------------------|---|----------------------------------|---|----|
|   |                         |  |                            |   |                                  | Yes   | No |
| (1) Cameron Medical Outreach Inc<br>416 E MAUMEE STREET<br>ANGOLA, IN 46703<br>26-1105702 | ASSIST LIVING           | IN   | 501(C)(3)                  | 9   | CAMERON MEM                      | Yes   |    |
| (2) CAMERON HOSPITAL FOUNDATION<br>416 EAST MAUMEE<br>ANGOLA, IN 46703<br>35-1722087      | FUNDRAISING             | IN   | 501(C)(3)                  | 7   | CAMERON MEM                      | Yes   |    |
|   |                         |  |                            |   |                                  |   |    |
|   |                         |  |                            |   |                                  |   |    |
|   |                         |  |                            |   |                                  |   |    |
|   |                         |  |                            |   |                                  |   |    |
|   |                         |  |                            |   |                                  |   |    |

Part III

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

| (a)<br>Name, address, and EIN<br>of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|---|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |
|   |                         |   |                                     |  |                                 |  |                                |

Part V

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

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)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by 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)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

Yes

No

No

Yes

Yes

Yes

No

No

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

| (a)<br>Name of other organization | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount<br>involved |
|-----------------------------------|---------------------------------|------------------------|---|
| (1) CAMERON MEDICAL OUTREACH      | P                               | 1,530,630              | FMV   |
| (2) CAMERON MEDICAL OUTREACH      | J                               | 333,888                | FMV   |
| (3) CAMERON HOSPITAL FOUNDATION   | C                               | 50,470                 | FMV   |
| (4)                               |                                 |                        |   |
| (5)                               |                                 |                        |   |
| (6)                               |                                 |                        |   |

Schedule R (Form 990) 2011



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.

[illegible]

Part VII

Supplemental Information

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

| Identifier | Return Reference | Explanation |  |
|------------|------------------|-------------|--|
|------------|------------------|-------------|--|

# **Cameron Memorial Community Hospital, Inc.**

Accountants' Report and Consolidated Financial Statements

September 30, 2012 and 2011



**Cameron Memorial Community Hospital, Inc.**  
**September 30, 2012 and 2011**

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## Independent Accountants' Report

Board of Directors  
Cameron Memorial Community Hospital, Inc  
Angola, Indiana

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cameron Memorial Community Hospital, Inc. as of September 30, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*BKD, LLP*

February 15, 2013

# Cameron Memorial Community Hospital, Inc.

## Consolidated Balance Sheets September 30, 2012 and 2011

|  | <u>2012</u>          | <u>2011</u>          |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current Assets</b>  |                      |                      |
| Cash and cash equivalents  | \$ 3,398,162         | \$ 2,854,888         |
| Patient accounts receivable, net of allowance, 2012 - \$2,435,000,<br>2011 - \$2,564,000 | 7,066,641            | 7,010,960            |
| Other receivables  | 176,337              | 136,159              |
| Inventory  | 933,543              | 784,010              |
| Prepaid expenses   | <u>304,185</u>       | <u>326,473</u>       |
| Total current assets   | <u>11,878,868</u>    | <u>11,112,490</u>    |
| <b>Assets Limited as to Use</b>  |                      |                      |
| Externally restricted by donors  | 199,854              | 201,320              |
| Held by trustee under bond indenture agreements  | 354,800              | 1,022,381            |
| Internally designated for capital improvements   | <u>1,853,188</u>     | <u>1,697,910</u>     |
| Total assets limited as to use   | <u>2,407,842</u>     | <u>2,921,611</u>     |
| <b>Investments</b>   | <u>15,628,463</u>    | <u>12,231,089</u>    |
| <b>Property and Equipment, Net</b>   | <u>19,281,953</u>    | <u>19,727,139</u>    |
| <b>Other Assets</b>  |                      |                      |
| Deferred financing costs   | 58,708               | 176,122              |
| Receivable from Cameron Hospital Foundation, Inc   | <u>536,015</u>       | <u>309,191</u>       |
| Total other assets   | <u>594,723</u>       | <u>485,313</u>       |
| Total assets   | <u>\$ 49,791,849</u> | <u>\$ 46,477,642</u> |
| <b>Liabilities and Net Assets</b>  |                      |                      |
| <b>Current Liabilities</b>   |                      |                      |
| Current maturities of long-term debt   | \$ 1,409,155         | \$ 1,530,189         |
| Accounts payable   | 1,355,697            | 1,098,949            |
| Accrued salaries and related liabilities   | 1,679,228            | 1,562,019            |
| Accrued expenses and other liabilities   | 878,116              | 642,229              |
| Estimated amounts due to third-party payers  | <u>362,551</u>       | <u>211,860</u>       |
| Total current liabilities  | 5,684,747            | 5,045,246            |
| <b>Long-Term Debt</b>  | <u>14,378,554</u>    | <u>15,325,097</u>    |
| Total liabilities  | <u>20,063,301</u>    | <u>20,370,343</u>    |
| <b>Net Assets</b>  |                      |                      |
| Unrestricted   | 28,821,931           | 25,420,364           |
| Temporarily restricted   | <u>906,617</u>       | <u>686,935</u>       |
| Total net assets   | <u>29,728,548</u>    | <u>26,107,299</u>    |
| Total liabilities and net assets   | <u>\$ 49,791,849</u> | <u>\$ 46,477,642</u> |

# Cameron Memorial Community Hospital, Inc.

## Consolidated Statements of Operations Years Ended September 30, 2012 and 2011

|  | <u>2012</u>         | <u>2011</u>         |
|--|---------------------|---------------------|
| <b>Unrestricted Revenue, Gains and Other Support</b>   |                     |                     |
| Net patient service revenue  | \$ 45,111,366       | \$ 39,076,151       |
| Other  | 2,954,230           | 2,078,713           |
| Net assets released from restrictions used for operations  | <u>13,091</u>       | <u>12,750</u>       |
| Total unrestricted revenue, gains and other support  | <u>48,078,687</u>   | <u>41,167,614</u>   |
| <b>Expenses</b>  |                     |                     |
| Salaries and wages   | 14,805,748          | 14,340,232          |
| Pay roll taxes and employee benefits   | 6,155,390           | 5,245,223           |
| Purchased services and professional fees   | 8,761,985           | 8,643,941           |
| Supplies   | 3,246,707           | 2,687,353           |
| Repairs and maintenance  | 1,280,286           | 1,241,907           |
| Utilities  | 630,732             | 598,432             |
| Equipment rent   | 537,625             | 507,886             |
| Insurance  | 398,524             | 350,781             |
| Interest   | 399,374             | 456,421             |
| Depreciation and amortization  | 2,904,774           | 2,287,106           |
| Provision for uncollectible accounts   | 4,357,268           | 3,073,850           |
| Other  | <u>3,211,385</u>    | <u>1,718,504</u>    |
| Total expenses   | <u>46,689,798</u>   | <u>41,151,636</u>   |
| <b>Operating Income</b>  | <u>1,388,889</u>    | <u>15,978</u>       |
| <b>Other Income (Expense)</b>  |                     |                     |
| Investment return, interest and dividends  | 286,907             | 342,999             |
| Realized gains on investments  | 66,621              | 111,527             |
| Unrealized gains (losses) on trading securities  | 1,615,172           | (662,413)           |
| Contribution income  | <u>43,978</u>       | <u>56,174</u>       |
| Total other income (expense)   | <u>2,012,678</u>    | <u>(151,713)</u>    |
| Excess (Deficiency) of Revenue Over Expenses and<br>Increase (Decrease) in Unrestricted Net Assets | \$ <u>3,401,567</u> | \$ <u>(135,735)</u> |

# Cameron Memorial Community Hospital, Inc.

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

|  | <u>2012</u>          | <u>2011</u>          |
|--|----------------------|----------------------|
| <b>Unrestricted Net Assets</b>   |                      |                      |
| Excess (Deficiency) of Revenue Over Expenses and<br>Increase (decrease) in unrestricted net assets | \$ <u>3,401,567</u>  | \$ <u>(135,735)</u>  |
| <b>Temporarily Restricted Net Assets</b>   |                      |                      |
| Contributions received   | 231,849              | 313,795              |
| Investment return, interest and dividends  | 924                  | 1,302                |
| Net assets released from restriction   | <u>(13,091)</u>      | <u>(12,750)</u>      |
| Increase in temporarily restricted net assets  | <u>219,682</u>       | <u>302,347</u>       |
| <b>Increase in Net Assets</b>  | 3,621,249            | 166,612              |
| <b>Net Assets, Beginning of Year</b>   | <u>26,107,299</u>    | <u>25,940,687</u>    |
| <b>Net Assets, End of Year</b>   | \$ <u>29,728,548</u> | \$ <u>26,107,299</u> |



# Cameron Memorial Community Hospital, Inc.

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

|  | <u>2012</u>         | <u>2011</u>         |
|--|---------------------|---------------------|
| <b>Operating Activities</b>  |                     |                     |
| Increase in net assets   | \$ 3,621,249        | \$ 166,612          |
| Items not requiring cash   |                     |                     |
| Depreciation and amortization                                      | 2,904,774           | 2,287,107           |
| Net realized and unrealized (gains) losses on investments          | (1,681,793)         | 550,886             |
| Restricted contributions for acquisition of property and equipment | (226,824)           | (309,191)           |
| Changes in   |                     |                     |
| Patient accounts receivable, net                                   | (55,681)            | (764,962)           |
| Accounts payable   | 78,763              | (56,934)            |
| Estimated amounts due to third-party settlements                   | 150,691             | 187,159             |
| Other assets and liabilities                                       | <u>(41,151)</u>     | <u>(200,871)</u>    |
| Net cash provided by operating activities                          | <u>4,750,028</u>    | <u>1,859,806</u>    |
| <b>Investing Activities</b>  |                     |                     |
| Proceeds from disposition of investment                            | 5,649,646           | 7,126,991           |
| Purchase of investments  | (6,851,458)         | (5,031,024)         |
| Purchase of property and equipment                                 | <u>(1,672,736)</u>  | <u>(3,122,311)</u>  |
| Net cash used in investing activities                              | <u>(2,874,548)</u>  | <u>(1,026,344)</u>  |
| <b>Financing Activities</b>  |                     |                     |
| Restricted contributions for acquisition of property and equipment | 226,824             | 309,191             |
| Principal payments on long-term debt                               | (417,644)           | (381,210)           |
| Principal payments on capital lease obligations                    | (1,141,386)         | (784,489)           |
| Proceeds from issuance of long-term debt                           | <u>—</u>            | <u>1,432,736</u>    |
| Net cash provided by (used in) financing activities                | <u>(1,332,206)</u>  | <u>576,228</u>      |
| <b>Increase in Cash and Cash Equivalents</b>                       | 543,274             | 1,409,690           |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                | <u>2,854,888</u>    | <u>1,445,198</u>    |
| <b>Cash and Cash Equivalents, End of Year</b>                      | <u>\$ 3,398,162</u> | <u>\$ 2,854,888</u> |
| <b>Supplemental Cash Flows Information</b>                         |                     |                     |
| Interest paid (net of capitalized interest)                        | \$ 399,374          | \$ 456,421          |
| Property and equipment in accounts payable                         | 219,329             | 41,344              |
| Capital lease obligation incurred for property and equipment       | 491,453             | —                   |

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

**September 30, 2012 and 2011**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

#### ***Nature of Operations***

Cameron Memorial Community Hospital, Inc. (Hospital), a not-for-profit organization, is a general acute care facility in Angola, Indiana with 25 licensed beds and associated ancillary service departments including outpatient services, home health care and an urgent care center in Angola, Indiana. The Hospital provides health care services primarily in the northeast portion of Indiana. Expenses relate to the provision of medical care and related general and administrative costs.

Cameron Medical Outreach, Inc. (CMO), a not-for-profit organization, is a community outreach organization providing health care needs of indigent individuals, medically underserved areas and the community as a whole. CMO primarily earns revenue from rental and leasing arrangements. The Hospital is the sole member of Cameron Medical Outreach, Inc. CMO began operations on October 1, 2007, and operates an assisted living facility (Cameron Woods) and medical office buildings in Angola, Indiana.

#### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of Cameron Memorial Community Hospital, Inc. (Hospital) and Cameron Medical Outreach, Inc. (CMO), the Hospital's wholly controlled subsidiary. Intercompany transactions and balances have been eliminated in consolidation.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

The Hospital and CMO consider all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At September 30, 2012, cash equivalents consisted primarily of money market funds and certificates of deposit.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At September 30, 2012, the Hospital's and CMO's cash accounts did not exceed federally insured limits.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts through December 31, 2012, at all FDIC insured institutions.

Cash equivalents awaiting longer-term investing are included as investments in the consolidated balance sheets.

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements September 30, 2012 and 2011**

### ***Patient Accounts Receivable***

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Hospital provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the Hospital bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

### ***Investments and Investment Return***

Investments in equity securities, having a readily determinable fair value, and all debt securities are carried at fair value. The Hospital has classified all of its investments in debt and equity securities as trading securities. Investment return includes dividend, interest and other investment income, and realized and unrealized gains and losses on investments carried at fair value. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted or temporarily restricted based upon the existence and nature of any donor or legally imposed restrictions.

The Hospital invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

### ***Assets Limited as to Use***

Assets limited as to use include (1) assets restricted by donors, (2) assets held by trustees under bond indenture agreements and (3) assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Hospital are included in current assets.

### ***Inventory***

Supply inventories are stated at the lower of cost, determined using the first-in, first-out (FIFO) method or market.

### ***Property and Equipment***

Property and equipment other than that received by donation, are reported at cost and depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

The Hospital capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Total interest capitalized and incurred at September 30 was

|   | 2012              | 2011              |
|---|-------------------|-------------------|
| Total interest expense incurred on borrowings for project             | \$ 204,627        | \$ 210,682        |
| Interest income from investment of proceeds of borrowings for project | <u>—</u>          | <u>—</u>          |
| Net interest cost capitalized   | \$ <u>204,627</u> | \$ <u>210,682</u> |
| Interest capitalized  | \$ 204,627        | \$ 210,682        |
| Interest charged to expense   | <u>399,374</u>    | <u>456,421</u>    |
| Total interest incurred   | \$ <u>604,001</u> | \$ <u>667,103</u> |

### ***Deferred Financing Costs***

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are amortized over the term of the respective debt using the straight-line method.

### ***Temporarily Restricted Net Assets***

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose.

### ***Patient Accounts Receivable Financing***

The Hospital offers to self-pay patients interest free loans with an annual administrative fee. The loans are a maximum term of five years depending on the patient's balance. The loans are managed by a third party while the receivable balance remains part of the Hospital's total accounts receivable balance. At September 30, 2012 and 2011, these receivables totaled \$599,201 and \$97,348, respectively. The Hospital has made provision for accounts estimated to be uncollectible in the allowance for uncollectible accounts under these agreements.

### ***Net Patient Service Revenue***

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive revenue adjustments. Retroactive adjustments are considered in the

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

### **September 30, 2012 and 2011**

recognition of revenue on an estimated basis in the period the related services are rendered and revised in future periods, as adjustments become known

#### ***Charity Care***

The Hospital and CMO provide care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the entities do not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

#### ***Contributions***

Unconditional promises to give cash and other assets are accrued at estimated fair values at the date each promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Receipt of contributions which are conditional are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

#### ***Self-Insured Employee Health Claims***

The Hospital is self-insured for its exposure to risk of loss from employee health claims. An estimated provision was accrued for employee health claims at September 30, 2012 and 2011, and includes an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

#### ***Estimated Malpractice Costs***

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

#### ***Income Taxes***

The Hospital and CMO have been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Hospital and CMO are subject to federal income tax on any unrelated business taxable income.

The Hospital and CMO file tax returns in the Indiana and U.S. federal jurisdictions. With a few exceptions, the Hospital and CMO are no longer subject to Indiana and U.S. federal examinations by tax authorities for years before 2009.

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

**September 30, 2012 and 2011**

### ***Electronic Health Records Incentive Program***

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Critical access hospitals are eligible to receive incentive payments for up to four years under the Medicare program for its reasonable costs of the purchase of certified EHR technology multiplied by the Hospital's Medicare utilization plus 20%, limited to 100% of the costs incurred. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year under both programs is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Hospital recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

In 2012, the Hospital completed the first-year requirements under the Medicaid program and has recorded revenue of approximately \$460,000, which is included in other revenue within operating revenues in the statement of operations.

### ***Excess (Deficiency) of Revenue Over Expenses***

The statements of operations include excess (deficiency) of revenue over expenses. There were no items excluded from the excess (deficiency) of revenue over expenses.

### **Note 2: Charity Care**

Charges excluded from revenue under the entities' charity care policies were \$1,048,149 and \$989,080 for 2012 and 2011, respectively.

### **Note 3: Net Patient Service Revenue and Estimated Amounts due to Third-Party Payers**

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. These payment arrangements include

*Medicare* On February 1, 2003, the Hospital elected critical access hospital (CAH) designation. As a CAH, inpatient and outpatient services are paid on a cost reimbursement methodology. The Hospital is reimbursed for certain services at tentative rates with a final settlement determined after submission of annual cost reports by the Hospital and audit thereof by the Medicare fiscal intermediaries.

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

*Medicaid* For Medicaid inpatient services, the Hospital is reimbursed under a prospectively determined rate-per-discharge. Reimbursement for Medicaid outpatient services is based on predetermined rates. The differences between standard charges and reimbursement from this program are recorded as contractual adjustments.

Approximately 36% and 34% of net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the years ended September 30, 2012 and 2011, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

In 2011, the State of Indiana submitted certain Medicaid State Plan Amendments to the Centers for Medicare and Medicaid Services (CMS) to incorporate a Provider Assessment Fee, requesting retroactive approval to July 1, 2011, which was approved by CMS in 2012. The effect of the Provider Assessment Fee on reimbursement is to increase Medicaid base fee for service and diagnosis related group payment rates to Indiana hospitals and reduce the level of Medicaid lump sum payments made under the existing Medicaid Supplemental Payment programs. For the year ended September 30, 2012, the Hospital paid Provider Assessment Fees of approximately \$1,250,000, of which approximately \$250,000 related to the September 30, 2011 calendar year, and received payments from the program of approximately \$2,130,000, of which approximately \$430,000 related to the September 30, 2011 calendar year, yielding a net increase to 2012 revenue in excess of expenses of approximately \$880,000, of which approximately \$180,000 relates to 2011. Provider Assessment Fee expense is included within other expenses and additional reimbursements received from the program are included in net patient service revenue on the 2012 consolidated statement of operations.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

A summary of gross patient service revenue and contractual adjustments for the years ended September 30, 2012 and 2011, is as follows:

|                               | 2012                 | 2011                 |
|-------------------------------|----------------------|----------------------|
| Patient service revenue       |                      |                      |
| Routine services              | \$ 4,261,285         | \$ 4,461,345         |
| Inpatient                     | 7,994,635            | 8,051,078            |
| Outpatient                    | 68,309,195           | 58,951,271           |
| Charity care                  | <u>(1,048,149)</u>   | <u>(989,080)</u>     |
| Total patient service revenue | 79,516,966           | 70,474,614           |
| Contractual adjustments       | <u>(34,405,600)</u>  | <u>(31,398,463)</u>  |
| Net patient service revenue   | <u>\$ 45,111,366</u> | <u>\$ 39,076,151</u> |

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

### Note 4: Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of who are area residents and are insured under third-party payer agreements. The mix of receivables, net of contractuals, from patients and third-party payers at September 30 was

|                       | 2012        | 2011        |
|-----------------------|-------------|-------------|
| Commercial insurance  | 25%         | 20%         |
| Medicare              | 22          | 20          |
| Medicaid              | 4           | 4           |
| Self-pay              | 34          | 39          |
| Blue Cross            | 12          | 11          |
| Workers' compensation | 2           | 2           |
| Other                 | 1           | 4           |
|                       | <u>100%</u> | <u>100%</u> |

### Note 5: Investments and Investment Return

#### *Assets Limited as to Use*

Assets limited as to use at September 30 include

|   | 2012                | 2011                |
|---|---------------------|---------------------|
| Externally restricted by donors                 |                     |                     |
| Cash  | \$ <u>199,854</u>   | \$ <u>201,320</u>   |
| Held by trustee under bond indenture agreements |                     |                     |
| Money market funds                              | \$ <u>354,800</u>   | \$ <u>1,022,381</u> |
| Internally designated for capital improvements  |                     |                     |
| *Mutual funds                                   | \$ <u>1,853,188</u> | \$ <u>1,697,910</u> |

#### *Long-Term Investments*

Long-term investments at September 30 include

|                                  | 2012                 | 2011                 |
|----------------------------------|----------------------|----------------------|
| Cash and Money market funds      | \$ 2,378,997         | \$ 679,439           |
| *Mutual funds                    | 13,249,466           | 9,605,645            |
| *Common stocks                   | —                    | 1,852,982            |
| U S Government agency securities | —                    | 93,023               |
|                                  | <u>\$ 15,628,463</u> | <u>\$ 12,231,089</u> |



# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

\* Information regarding the nature and risks of each major investment type based on activity or business sector is detailed in Note 17

Total investment return is comprised of the following

|   | <b>2012</b>         | <b>2011</b>         |
|---|---------------------|---------------------|
| Interest and dividend income (net of fees of \$13,128 and \$79,321) | \$ 287,831          | \$ 344,301          |
| Realized gains on sales of securities                               | 66,621              | 111,527             |
| Unrealized gains (losses) on trading securities                     | <u>1,615,172</u>    | <u>(662,413)</u>    |
| Total investment return   | <u>\$ 1,969,624</u> | <u>\$ (206,585)</u> |

Total investment return is reflected in the statements of operations and changes in net assets as follows

|                                   | <b>2012</b>         | <b>2011</b>         |
|-----------------------------------|---------------------|---------------------|
| Unrestricted net assets           |                     |                     |
| Other nonoperating income         | \$ 1,968,700        | \$ (207,887)        |
| Temporarily restricted net assets | <u>924</u>          | <u>1,302</u>        |
|                                   | <u>\$ 1,969,624</u> | <u>\$ (206,585)</u> |

### Note 6: Property and Equipment, Net

Property and equipment is recorded at cost, and at September 30 consist of

|  | <b>2012</b>          | <b>2011</b>          | <b>Estimated Useful Life</b> |
|--|----------------------|----------------------|------------------------------|
| Buildings and improvements                     | \$ 20,978,038        | \$ 21,207,437        | 5-50 years                   |
| Equipment                                      | 16,387,204           | 15,840,209           | 3-20 years                   |
| Construction in progress                       | <u>4,446,028</u>     | <u>3,474,776</u>     |                              |
|  | 41,811,270           | 40,522,422           |                              |
| Less accumulated depreciation and amortization | <u>(26,149,452)</u>  | <u>(24,708,601)</u>  |                              |
|  | 15,661,818           | 15,813,821           |                              |
| Land   | 750,190              | 1,043,373            |                              |
| Land held for expansion                        | <u>2,869,945</u>     | <u>2,869,945</u>     |                              |
| Property and equipment, net                    | <u>\$ 19,281,953</u> | <u>\$ 19,727,139</u> |                              |

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

### Note 7: Note Payable to Bank

The Hospital has a \$2,000,000 revolving bank line of credit expiring in 2013. At September 30, 2012 and 2011, there were no borrowings against this line. The line is unsecured. Interest varies with the bank's prime rate and is payable monthly. In connection with the line of credit, the entities are required to meet certain covenant requirements.

### Note 8: Long-Term Debt

Long-term debt at September 30 consists of the following:

|   | <u>2012</u>          | <u>2011</u>          |
|---|----------------------|----------------------|
| Indiana Finance Authority Health Facility Revenue Bonds, Series 2009A, dated December 29, 2009, 3.08%, payable in monthly installments of \$47,860 including interest, final payment due January 2013 | \$ 9,237,884         | \$ 9,522,514         |
| Indiana Finance Authority Health Facility Revenue Bonds, Series 2009B, dated December 29, 2009, 3.25%, payable in monthly installments of \$23,225 including interest, final payment due January 2013 | 4,409,353            | 4,542,366            |
| Various capital lease obligations, imputed interest rates ranging from 5.35% to 8.69%, expiring between 2013 and 2014, collateralized by leased equipment   | <u>2,140,472</u>     | <u>2,790,406</u>     |
|   | 15,787,709           | 16,855,286           |
| Less current maturities   | <u>(1,409,155)</u>   | <u>(1,530,189)</u>   |
|   | <u>\$ 14,378,554</u> | <u>\$ 15,325,097</u> |

The Series 2009A and 2009B Revenue Bonds are collateralized by a mortgage and security agreement pledging essentially all of the Hospital's and CMO's property and equipment. In connection with the Series 2009A and 2009B Revenue Bonds, the entities are required to meet certain covenant requirements.

As discussed in Note 18, the series 2009A and 2009B Revenue Bonds were refinanced subsequent to year-end.

Property and equipment include the following property under capital leases:

|                               | <u>2012</u>         | <u>2011</u>         |
|-------------------------------|---------------------|---------------------|
| Equipment                     | \$ 5,764,610        | \$ 5,614,295        |
| Less accumulated depreciation | <u>(4,260,471)</u>  | <u>(3,795,799)</u>  |
|                               | <u>\$ 1,504,139</u> | <u>\$ 1,818,496</u> |

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

Aggregate annual maturities of long-term debt and payments on capital lease obligations at September 30, 2012, are as follows

|  | <b>Long-Term<br/>Debt<br/>(Excluding<br/>Capital Lease<br/>Obligations)</b> | <b>Capital<br/>Lease<br/>Obligations</b> |
|--|---|--|
| 2013   | \$ 82,231   | \$ 1,423,931                             |
| 2014   | —   | 615,747                                  |
| 2015   | —   | 122,147                                  |
| 2016   | 13,565,006  | 62,360                                   |
| 2017   | —   | 51,966                                   |
| Thereafter                                     | <u>—</u>  | <u>—</u>                                 |
|  | <u>\$ 13,647,237</u>  | 2,276,151                                |
| Less amount representing interest              |   | <u>(135,679)</u>                         |
| Present value of future minimum lease payments |   | 2,140,472                                |
| Less current maturities                        |   | <u>(1,326,924)</u>                       |
| Noncurrent portion                             |   | <u>\$ 813,548</u>                        |

### Note 9: Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purpose

|  | <b>2012</b>       | <b>2011</b>       |
|--|-------------------|-------------------|
| Health care services                             |                   |                   |
| MRI housing addition                             | \$ 170,748        | \$ 176,424        |
| Home health care                                 | <u>199,854</u>    | <u>201,320</u>    |
|  | 370,602           | 377,744           |
| Funds for expansion, receivable due from Cameron |                   |                   |
| Hospital Foundation, Inc                         | <u>536,015</u>    | <u>309,191</u>    |
|  | <u>\$ 906,617</u> | <u>\$ 686,935</u> |

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses or satisfying the restricted purposes in the amounts of \$13,091 and \$12,750, respectively

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

### Note 10: Operating Leases

Noncancellable operating leases for certain diagnostic equipment and computer software and hardware expire in various years through May 2017. Rental payments include minimum rentals, plus contingent rentals based on the number of procedures performed using the equipment.

Future minimum lease payments at September 30, 2012, were

|      |                   |
|------|-------------------|
| 2013 | \$ 247,006        |
| 2014 | 216,651           |
| 2015 | 166,020           |
| 2016 | 76,776            |
| 2017 | <u>51,184</u>     |
|      | <u>\$ 757,637</u> |

Rental expense for all operating leases at September 30 consisted of

|                    | <u>2012</u>       | <u>2011</u>       |
|--------------------|-------------------|-------------------|
| Minimum rentals    | \$ 304,955        | \$ 366,084        |
| Contingent rentals | <u>121,926</u>    | <u>56,147</u>     |
|                    | <u>\$ 426,881</u> | <u>\$ 422,231</u> |

The Hospital and CMO own a medical office building and an oncology facility adjacent to the Hospital facility, along with an assisted living facility. The medical office building and equipment are included in property and equipment, with a cost of \$1,563,677 and accumulated depreciation of \$1,563,677 and \$1,136,381 at September 30, 2012 and 2011, respectively. The oncology facility is included in property and equipment with a cost of \$1,297,182 and accumulated depreciation of \$381,027 and \$348,859 at September 30, 2012 and 2011, respectively. The assisted living facility is also included in property and equipment, with a cost of \$4,791,230 and \$4,647,736 and accumulated depreciation of \$1,536,852 and \$1,408,478 at September 30, 2012 and 2011, respectively.

The entities lease space in the medical office building and a portion of the oncology facility to physicians and tenants under various operating leases, with terms of three years with three-year renewal options. The entities also operate an assisted living facility which leases apartments under cancellable month-to-month lease terms. Rental income under the term of these leases is included in other revenue and was \$1,873,351 and \$1,569,062 in 2012 and 2011, respectively.

Future minimum lease payments to be received at September 30, 2012, were

|       |                   |
|-------|-------------------|
| 2013  | \$ 99,057         |
| 2014  | <u>34,995</u>     |
| Total | <u>\$ 134,052</u> |

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

**September 30, 2012 and 2011**

### **Note 11: Pension Plan**

The Hospital has a defined contribution pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of the Hospital's contributions to the plan. Pension expense was \$494,685 and \$480,644 for 2012 and 2011, respectively.

### **Note 12: Medical Malpractice**

The Hospital and CMO participate in the Indiana Medical Malpractice Act which limits the maximum recovery for qualified medical malpractice claims to \$1,250,000 per occurrence, the first \$250,000 of which would be the responsibility of the entities, with the balance paid by the state of Indiana Patient Compensation Fund.

The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

### **Note 13: Self-Insured Employee Health Claims**

The Hospital is self-insured for the first \$100,000 per occurrence and \$3,305,000 in aggregate of employee health claims. The Hospital purchases commercial insurance coverage above the self-insurance limits. The liability for employee health claims represents management's estimate of all incurred and reported claims plus estimated incurred but not reported claims based on the Hospital's reporting system. The carrying amount of the liability was approximately \$700,000 and \$502,000 as of September 30, 2012 and 2011, respectively. The liability is included in accrued expenses and other liabilities in the accompanying balance sheets. It is reasonably possible that the Hospital's estimate of losses will change by a material amount in the near term.

### **Note 14: Functional Expenses**

The Hospital and CMO provide general health care services to residents within their geographic location including pediatric care, cardiac intensive care and outpatient surgery. Expenses related to providing these services are as follows:

|                            | <b>2012</b>          | <b>2011</b>          |
|----------------------------|----------------------|----------------------|
| Health care services       | \$ 39,686,328        | \$ 34,978,891        |
| General and administrative | <u>7,003,470</u>     | <u>6,172,745</u>     |
|                            | <u>\$ 46,689,798</u> | <u>\$ 41,151,636</u> |

**Cameron Memorial Community Hospital, Inc.**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

**Note 15: Related Party Transactions**

Cameron Memorial Community Hospital, Inc. and Cameron Hospital Foundation, Inc. (Foundation) are related parties that are not financially interrelated organizations. The Foundation was established to solicit contributions from the general public and to help support community and health care related educational events. In the absence of donor restrictions, funds are distributed as determined by the Foundation's Board of Directors, which are separately appointed from that of the Hospital. The Hospital provides accounting and financial management services to the Foundation and bills the Foundation \$16,000 annually.

The Foundation contributed approximately \$49,000 and \$60,000 to the Hospital in fiscal years 2012 and 2011, respectively. During the year ended September 30, 2011, the Foundation began a capital campaign for the construction of a new Hospital facility where all funds collected are raised specifically for the Hospital's capital campaign. As a result, the Hospital has recorded a receivable from the Foundation for \$536,015 and \$309,191 at September 30, 2012 and 2011, respectively. There were no significant intercompany payables at September 30, 2012 or 2011.

**Note 16: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Allowance for Net Patient Service Revenue Adjustments***

Estimates of allowances for adjustments included in net patient service revenue are described in Notes 1 and 3.

***Malpractice Claims***

Estimates related to the accrual for medical malpractice claims are described in Note 12.

***Employee Health Insurance***

Estimates related to the accrual for self-insured employee health insurance are discussed in Notes 1 and 13.

***Litigation***

In the normal course of business, the entities are, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the entities' insurance program (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts. The entities evaluate such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

**September 30, 2012 and 2011**

loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

### ***Current Economic Conditions***

The current economic situation continues to present hospitals with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Hospital and CMO.

Current economic conditions have made it difficult for certain of the Hospital and CMO's patients to pay for services rendered. Adjustments to health insurance plans and rising unemployment rates, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Hospital and CMO's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts and contributions receivable that could negatively impact the Hospital and CMO's ability to meet debt covenants or maintain sufficient liquidity.

### **Note 17: Disclosures About Fair Value of Assets and Liabilities**

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy

### ***Investments and Assets Limited as to Use***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stocks, money market funds and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. For these investments, the inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as a benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. Level 2 securities include U.S. Government treasury and agency securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no Level 3 securities.

The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2012 and 2011.

|                           |    | 2012  |    |  |      |
|---------------------------|----|---|----|--|------|
|                           |    | Fair Value Measurements Using   |    |  |      |
|                           |    | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) |    |  |      |
|                           |    | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)                     |    | Significant<br>Unobservable<br>Inputs<br>(Level 3) |      |
|                           |    | Fair Value  |    |  |      |
| Investments               |    |   |    |  |      |
| Money market funds        | \$ | 2,378,997   | \$ | 2,378,997  | \$ — |
| Equity mutual funds       |    | 8,359,027   |    | 8,359,027  | —    |
| Fixed income mutual funds |    | 4,890,439   |    | 4,890,439  | —    |
| Assets Limited as to Use  |    |   |    |  |      |
| Money market funds        |    | 354,800   |    | 354,800  | —    |
| Fixed income mutual funds |    | 1,853,188   |    | 1,853,188  | —    |



# Cameron Memorial Community Hospital, Inc.

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

|   |    | 2011  |    |   |  |
|---|----|---|----|---|--|
|   |    | Fair Value Measurements Using   |    |   |  |
|   |    | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) |    | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|   |    | Fair Value  |    |   |  |
| Investments                                   |    |   |    |   |  |
| Money market funds                            | \$ | 679,439   | \$ | 679,439   | \$ —   |
| Equity mutual funds                           |    | 5,686,283   |    | 5,686,283   | —  |
| Fixed income mutual funds                     |    | 3,919,362   |    | 3,919,362   | —  |
| Common stocks                                 |    |   |    |   |  |
| Information technology                        |    | 357,529   |    | 357,529   | —  |
| Industrials                                   |    | 265,592   |    | 265,592   | —  |
| Consumer discretionary                        |    | 258,653   |    | 258,653   | —  |
| Financials                                    |    | 228,879   |    | 228,879   | —  |
| Health care                                   |    | 253,370   |    | 253,370   | —  |
| Energy  |    | 164,837   |    | 164,837   | —  |
| Consumer staples                              |    | 121,657   |    | 121,657   | —  |
| Materials                                     |    | 81,499  |    | 81,499  | —  |
| Utilities                                     |    | 85,106  |    | 85,106  | —  |
| Telecommunications services                   |    | 35,860  |    | 35,860  | —  |
| U S Government treasury and agency securities |    | 93,023  |    | —   | 93,023   |
| Assets Limited as to Use                      |    |   |    |   |  |
| Money market funds                            |    | 1,022,381   |    | 1,022,381   | —  |
| Fixed income mutual funds                     |    | 1,697,910   |    | 1,697,910   | —  |

# **Cameron Memorial Community Hospital, Inc.**

## **Notes to Consolidated Financial Statements**

**September 30, 2012 and 2011**

### **Note 18: Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Accountants' Report which is the date the financial statements were available to be issued

The Hospital is currently in the final planning stages of a \$53,000,000 redevelopment project including the construction of a \$37,000,000 replacement hospital facility on its current facility site. A financing plan, which includes \$47,000,000 in new long-term debt and \$6 million of Hospital investments and private contributions, will be used to finance the project and refinance approximately \$13,570,000 of existing debt. Current plans call for execution of the financing plan and initiation of the construction phase of the redevelopment project during fiscal year 2013. At September 30, 2012, the Hospital had expended approximately \$7,241,000 on initial planning activities and acquisition of land for the redevelopment project. In October 2012, the Hospital entered into a \$31,800,000 Guaranteed Maximum Price (GMP) contract with a third-party to construct the replacement facility. In February 2013, the Hospital issued \$37,000,000 in Bond Anticipation Notes (BANs) and \$10,000,000 in USDA guaranteed variable rate debt related to the construction of the replacement Hospital facility and to refinance the Series 2009A and 2009B bonds (see Note 8). The BANs require interest only payments at 2.2% during construction through February 2016. The BANs will be redeemed at or prior to the maturity date through the issuance of a USDA Direct Loan, which is expected to be issued upon the completion of the replacement facility. The USDA Direct Loan will have a term of 40 years at a fixed rate of 3.375%. The USDA guaranteed variable rate debt requires interest only payments not to exceed 4.5% during construction. Upon completion of the replacement facility, the USDA guaranteed variable rate debt will be amortized over 25 years at a rate not to exceed 5.75%. In conjunction with the \$31,800,000 GMP contract, the remaining useful life of certain of the assets of the Hospital has been reduced beginning in fiscal 2013. The additional depreciation expense that will be reflected as a result of the reduced lives is not considered to be significant to the consolidated financial statements as of September 30, 2013.

In addition to the above, the Hospital entered into a development agreement on August 30, 2011, and is concluding the ground lease for the construction of a Medical Office Building (MOB) on land owned by the Hospital. The MOB will be constructed by the developer at no cost to the Hospital. Under the terms of the ground lease for an MOB primary site footprint of 14,752 square feet, the Hospital has agreed to lease land to the developer for a term of 50 years, with two renewal options of 25 years each. The Hospital will receive a net ground rent payment of \$7,855 per year for the first five years of the lease, adjusted thereafter every five years based on the consumer price index. The Hospital has also agreed to lease a yet-to-be-determined portion of the MOB for an initial term of 5 years with not less than two renewal terms of 5 years each. The Hospital has no master lease commitment associated with the MOB project as of September 30, 2012. In conjunction with the construction of the MOB, the Hospital has performed certain improvements to the area surrounding the current Hospital location included within the \$37,000,000 replacement facility hospital project plan. As of the date of the Independent Accountant's Report, these costs were estimated to be approximately \$400,000 to \$500,000. Approximately \$75,000 has been expended as of September 30, 2012.

The Hospital had no other firm commitments associated with the redevelopment project or the financing plan as of the date of the Independent Accountant's Report.

## **Supplementary Information**

## **Independent Accountants' Report on Supplementary Information**

Board of Directors  
Cameron Memorial Community Hospital, Inc  
Angola, Indiana

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

*BKD, LLP*

Fort Wayne, Indiana  
February 15, 2013

# Cameron Memorial Community Hospital, Inc.

## Consolidating Balance Sheet

September 30, 2012

|   | Cameron<br>Memorial<br>Community<br>Hospital, Inc. | Cameron Medical<br>Outreach, Inc. | Eliminating<br>Entries | Totals               |
|---|--|-----------------------------------|------------------------|----------------------|
| <b>Assets</b>   |  |                                   |                        |                      |
| <b>Current Assets</b>   |  |                                   |                        |                      |
| Cash and cash equivalents   | \$ 2,486,769                                       | \$ 911,393                        | \$ —                   | \$ 3,398,162         |
| Patient accounts receivable, net of allowance, 2012 - \$2,435,000 | 7,066,641  | —                                 | —                      | 7,066,641            |
| Other receivables   | 649,886  | 337,622                           | (811,171)              | 176,337              |
| Inventories   | 933,543  | —                                 | —                      | 933,543              |
| Prepaid expenses  | <u>304,185</u>                                     | <u>—</u>                          | <u>—</u>               | <u>304,185</u>       |
| Total current assets  | <u>11,441,024</u>                                  | <u>1,249,015</u>                  | <u>(811,171)</u>       | <u>11,878,868</u>    |
| <b>Assets Limited as to Use</b>                                   |  |                                   |                        |                      |
| Externally restricted by donors                                   | 199,854  | —                                 | —                      | 199,854              |
| Held by trustee under bond indenture agreements                   | 354,800  | —                                 | —                      | 354,800              |
| Internally designated for capital improvements                    | <u>1,853,188</u>                                   | <u>—</u>                          | <u>—</u>               | <u>1,853,188</u>     |
| Total assets limited as to use                                    | <u>2,407,842</u>                                   | <u>—</u>                          | <u>—</u>               | <u>2,407,842</u>     |
| <b>Investments</b>  | <u>18,941,561</u>                                  | <u>—</u>                          | <u>(3,313,098)</u>     | <u>15,628,463</u>    |
| <b>Property and Equipment, Net</b>                                | <u>16,027,574</u>                                  | <u>3,254,379</u>                  | <u>—</u>               | <u>19,281,953</u>    |
| <b>Other Assets</b>   |  |                                   |                        |                      |
| Deferred financing costs  | 58,708   | —                                 | —                      | 58,708               |
| Receivable from Cameron Hospital Foundation, Inc.                 | <u>536,015</u>                                     | <u>—</u>                          | <u>—</u>               | <u>536,015</u>       |
| Total other assets  | <u>594,723</u>                                     | <u>—</u>                          | <u>—</u>               | <u>594,723</u>       |
| Total assets  | <u>\$ 49,412,724</u>                               | <u>\$ 4,503,394</u>               | <u>\$ (4,124,269)</u>  | <u>\$ 49,791,849</u> |
| <b>Liabilities and Net Assets</b>                                 |  |                                   |                        |                      |
| <b>Current Liabilities</b>  |  |                                   |                        |                      |
| Current maturities of long-term debt                              | \$ 1,409,155                                       | \$ —                              | \$ —                   | \$ 1,409,155         |
| Accounts payable  | 1,689,585  | 477,283                           | (811,171)              | 1,355,697            |
| Accrued salaries and related liabilities                          | 1,679,228  | —                                 | —                      | 1,679,228            |
| Accrued expenses and other liabilities                            | 878,116  | —                                 | —                      | 878,116              |
| Estimated amounts due to third-party settlements                  | <u>362,551</u>                                     | <u>—</u>                          | <u>—</u>               | <u>362,551</u>       |
| Total current liabilities   | 6,018,635  | 477,283                           | (811,171)              | 5,684,747            |
| <b>Long-Term Debt</b>   | <u>14,378,554</u>                                  | <u>—</u>                          | <u>—</u>               | <u>14,378,554</u>    |
| Total liabilities   | <u>20,397,189</u>                                  | <u>477,283</u>                    | <u>(811,171)</u>       | <u>20,063,301</u>    |
| <b>Net Assets</b>   |  |                                   |                        |                      |
| Unrestricted  | 28,108,918   | 4,026,111                         | (3,313,098)            | 28,821,931           |
| Temporarily restricted  | <u>906,617</u>                                     | <u>—</u>                          | <u>—</u>               | <u>906,617</u>       |
| Total net assets  | <u>29,015,535</u>                                  | <u>4,026,111</u>                  | <u>(3,313,098)</u>     | <u>29,728,548</u>    |
| Total liabilities and net assets                                  | <u>\$ 49,412,724</u>                               | <u>\$ 4,503,394</u>               | <u>\$ (4,124,269)</u>  | <u>\$ 49,791,849</u> |

**Cameron Memorial Community Hospital, Inc.**  
**Consolidating Statement of Operations**  
**Year Ended September 30, 2012**

|  | <b>Cameron<br/>Memorial<br/>Community<br/>Hospital, Inc.</b> | <b>Cameron<br/>Medical<br/>Outreach, Inc.</b> | <b>Eliminating<br/>Entries</b> | <b>Totals</b>       |
|--|--|---|--------------------------------|---------------------|
| <b>Unrestricted Revenue, Gains and Other Support</b>                           |  |   |                                |                     |
| Net patient service revenue  | \$ 45,111,366  | \$ —  | \$ —                           | \$ 45,111,366       |
| Other  | 1,391,415  | 1,900,437                                     | (337,622)                      | 2,954,230           |
| Net assets released from restrictions used for operations                      | <u>13,091</u>  | <u>—</u>                                      | <u>—</u>                       | <u>13,091</u>       |
| Total unrestricted revenue, gains and other support                            | <u>46,515,872</u>  | <u>1,900,437</u>                              | <u>(337,622)</u>               | <u>48,078,687</u>   |
| <b>Expenses</b>  |  |   |                                |                     |
| Salaries and wages   | 14,238,247   | 567,501                                       | —                              | 14,805,748          |
| Payroll taxes and employee benefits  | 6,155,390  | —   | —                              | 6,155,390           |
| Purchased services and professional fees                                       | 8,720,778  | 41,207  | —                              | 8,761,985           |
| Supplies   | 3,246,707  | —   | —                              | 3,246,707           |
| Repairs and maintenance  | 1,244,739  | 35,547  | —                              | 1,280,286           |
| Utilities  | 512,496  | 118,236                                       | —                              | 630,732             |
| Equipment rent   | 865,424  | 9,823   | (337,622)                      | 537,625             |
| Insurance  | 398,524  | —   | —                              | 398,524             |
| Interest   | 399,374  | —   | —                              | 399,374             |
| Depreciation and amortization  | 2,776,400  | 128,374                                       | —                              | 2,904,774           |
| Provision for uncollectible accounts   | 4,357,268  | —   | —                              | 4,357,268           |
| Other  | <u>2,582,227</u>   | <u>629,158</u>                                | <u>—</u>                       | <u>3,211,385</u>    |
| Total expenses   | <u>45,497,574</u>  | <u>1,529,846</u>                              | <u>(337,622)</u>               | <u>46,689,798</u>   |
| <b>Operating Income</b>  | <u>1,018,298</u>   | <u>370,591</u>                                | <u>—</u>                       | <u>1,388,889</u>    |
| <b>Other Income</b>  |  |   |                                |                     |
| Investment return, interest and dividends                                      | 286,907  | —   | —                              | 286,907             |
| Realized gain on investments   | 66,621   | —   | —                              | 66,621              |
| Unrealized gain on trading securities  | 1,615,172  | —   | —                              | 1,615,172           |
| Contribution income  | <u>43,978</u>  | <u>—</u>                                      | <u>—</u>                       | <u>43,978</u>       |
| Total other income   | <u>2,012,678</u>   | <u>—</u>                                      | <u>—</u>                       | <u>2,012,678</u>    |
| <b>Excess of Revenue Over Expenses and Increase in Unrestricted Net Assets</b> |  |   |                                |                     |
|  | \$ <u>3,030,976</u>  | \$ <u>370,591</u>                             | \$ <u>0</u>                    | \$ <u>3,401,567</u> |

**Cameron Memorial Community Hospital, Inc.**  
**Consolidating Statement of Changes in Net Assets**  
**Year Ended September 30, 2012**

|   | <b>Cameron<br/>Memorial<br/>Community<br/>Hospital, Inc.</b> | <b>Cameron<br/>Medical<br/>Outreach, Inc.</b> | <b>Eliminating<br/>Entries</b> | <b>Totals</b>               |
|---|--|---|--------------------------------|-----------------------------|
| <b>Unrestricted Net Assets</b>  |  |   |                                |                             |
| Excess of revenue over expenses and increase in unrestricted net assets | \$ <u>3,030,976</u>  | \$ <u>370,591</u>                             | \$ <u>—</u>                    | \$ <u>3,401,567</u>         |
| <b>Temporarily Restricted Net Assets</b>                                |  |   |                                |                             |
| Contributions received  | 231,849  | —   | —                              | 231,849                     |
| Investment return, interest and dividends                               | 924  | —   | —                              | 924                         |
| Net assets released from restriction                                    | <u>(13,091)</u>  | <u>—</u>                                      | <u>—</u>                       | <u>(13,091)</u>             |
| Increase in temporarily restricted net assets                           | <u>219,682</u>   | <u>—</u>                                      | <u>—</u>                       | <u>219,682</u>              |
| <b>Increase in Net Assets</b>   | 3,250,658  | 370,591                                       | —                              | 3,621,249                   |
| <b>Net Assets, Beginning of Year</b>                                    | 25,764,877   | 3,846,121                                     | (3,503,699)                    | 26,107,299                  |
| <b>Transfers From Subsidiaries</b>                                      | <u>—</u>   | <u>(190,601)</u>                              | <u>190,601</u>                 | <u>—</u>                    |
| <b>Net Assets, End of Year</b>  | <u>\$ <u>29,015,535</u></u>                                  | <u>\$ <u>4,026,111</u></u>                    | <u>\$ <u>(3,313,098)</u></u>   | <u>\$ <u>29,728,548</u></u> |