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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

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

C Name of organization
TRINITY HEALTH SYSTEM GROUP

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
380 SUMMIT AVENUE

City or town, state or country, and ZIP + 4
STEUBENVILLE, OH 43952

D Employer identification number
30-0752920

E Telephone number
(740) 283-7000

G Gross receipts $ 243,473,915

F Name and address of principal officer
FRED BROWER
380 SUMMIT AVENUE
STEUBENVILLE, OH 43952

H(a) Is this a group return for affiliates? ☑ Yes ☐ No

H(b) Are all affiliates included? ☑ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 5388

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

J Website: ▶ WWW TRINITYHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1996

M State of legal domicile OH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
A COMMUNITY PARTNER DEDICATED TO EXCELLENCE IN SERVING THE HEALTH NEEDS OF THE TRI-STATE AREA

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,001
6	Total number of volunteers (estimate if necessary)	6	140
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,164,596
b	Net unrelated business taxable income from Form 990-T, line 34	7b	597,702

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,055,974	933,060
9	Program service revenue (Part VIII, line 2g)	186,225,451	207,091,729
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,823,498	3,081,412
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,738,105	6,041,779
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	203,843,028	217,147,980

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	137,777	384,637
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	97,842,434	98,865,467
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	95,706,969	107,976,176
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	193,687,180	207,226,280
19	Revenue less expenses Subtract line 18 from line 12	10,155,848	9,921,700

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	186,704,305	200,007,015
21	Total liabilities (Part X, line 26)	87,003,375	89,456,929
22	Net assets or fund balances Subtract line 21 from line 20	99,700,930	110,550,086

Part II Signature Block

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

Sign Here

****** | 2013-11-26
Signature of officer | Date

FRED BROWER PRESIDENT AND CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
SUSAN MIENCIER				P00842339

Firm's name ▶ PLANTE & MORAN PLLC | Firm's EIN ▶ 38-1357951

Firm's address ▶ 600 E FRONT ST SUITE 300
TRAVERSE CITY, MI 49686 | Phone no (231) 947-7800

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

A COMMUNITY PARTNER DEDICATED TO EXCELLENCE IN SERVING THE HEALTH NEEDS OF THE TRI-STATE AREA

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 97,180,173 including grants of $ 0) (Revenue $ 109,475,139)

OUTPATIENT SERVICES - TRINITY HEALTH SYSTEM'S CANCER TREATMENT CAPABILITIES GREW SUBSTANTIALLY WITH THE CONSTRUCTION OF THE TONY TERAMANA CANCER CENTER OPENED IN JANUARY 2000, THE CENTER HOUSES ONE OF THE MOST POWERFUL TOOLS IN CANCER TREATMENT, THE VARIAN CLINIC 21 EX LINEAR ACCELERATOR THIS UNIT, TERMED THE "GOLD STANDARD" IN CANCER TREATMENT, WAS ONLY ONE OF FOUR IN THE WORLD WHEN IT WAS INSTALLED THE CENTER ALSO UTILIZES A NEWLY PURCHASED SIMULATOR WHICH IS DIRECTLY LINKED TO TRINITY'S CT SCANNER, A PET SCANNER AND A SECOND LINEAR ACCELERATOR THIS FEATURE ALLOWS RADIATION ONCOLOGISTS TO PERFORM TREATMENT PLANNING EQUAL TO MAJOR METROPOLITAN HEALTH CENTERS THE TONY TERAMANA CANCER CENTER ALSO PROVIDES CHEMOTHERAPY AND SURGICAL CONSULTATION SERVICES FOR REGIONAL RESIDENTS THE CHEMOTHERAPY SERVICES AT TONY TERAMANA CANCER CENTER IS PROVIDED WITH COMPASSION, PRIVACY AND OPTIMUM RESULTS IN 2012, THE CENTER SAW 1,777 PATIENTS AND PERFORMED 14,031 PROCEDURES IN LINE WITH TRINITY HEALTH SYSTEM'S VALUES, SERVICE, REVERENCE AND STEWARDSHIP, THE TONY TERAMANA CANCER CENTER CAN MEET THE NEEDS OF CANCER PATIENTS THROUGH A HOLISTIC APPROACH WHICH INCLUDES COMPASSION, CONCERN, DIGNITY AND RESPECT THIS SERVICE IS DUE LARGELY TO THE GENEROSITY OF THE TONY TERAMANA FAMILY, WHOSE $1 MILLION GIFT MADE THIS CENTER A WORLD-CLASS CANCER TREATMENT FACILITY TRINITY HEALTH SYSTEM'S CARDIAC REHABILITATION PROGRAM IS DESIGNED TO EFFECT LIFESTYLE CHANGE IN PATIENTS ENROLLED THESE CHANGES ARE ACHIEVED THROUGH SAFE PHYSICAL CONDITIONING, SOUND EDUCATIONAL SESSIONS, AND GROUP SUPPORT, WHICH EMPHASIZE THE UNDERSTANDING OF RISK FACTORS ASSOCIATED WITH HEART DISEASE THE PROGRAM'S GOAL IS TO ENHANCE THE QUALITY OF LIFE FOR THE PATIENT AGE IS NOT A FACTOR OUR SPECIALLY TRAINED STAFF WORK WITH PATIENTS, THEIR FAMILIES, AND PHYSICIANS TO DEVELOP A PERSONALIZED PROGRAM OF HEALTH AND WELLNESS THE GOALS OF THE CARDIAC REHAB PROGRAM ARE INCREASED UNDERSTANDING OF HEART DISEASE, INCREASED ENDURANCE, DECREASED HEART RATE AND BLOOD PRESSURE, INCREASED MUSCULAR FITNESS, REDUCED CHOLESTEROL/TRIGLYCERIDE LEVELS, DECREASED BODY FAT, BETTER NUTRITION MANAGEMENT AND IMPROVED SENSE OF WELL-BEING AN INTEGRAL PART OF THE OVERALL PROGRAM, EDUCATION, INCREASES A PATIENT'S UNDERSTANDING OF THEIR ILLNESS AND HELPS THEM TO IDENTIFY CURRENT HABITS THAT CAN NEGATIVELY AFFECT THEIR CARDIAC CONDITION WE COVER ISSUES LIKE RISK FACTOR REDUCTION, ANGINA, HEART ATTACK, MEDICATION, DIETARY AND EXERCISE GUIDELINES, SMOKING, AND BREATHING AND RELAXATION METHODS INDIVIDUALS ENROLLED IN THIS PHASE ARE REFERRED BY THEIR PHYSICIAN AFTER AN ASSESSMENT OF CONDITION IS MADE, A PATIENT IS SCHEDULED FOR EXERCISE TRAINING WITH MONITORING RISK FACTORS, DIET, AND LIFESTYLE CHANGES ARE ALSO DISCUSSED CONVENIENT SESSIONS ARE SCHEDULED THREE TIMES PER WEEK AND LAST APPROXIMATELY ONE HOUR ONCE THE OUTPATIENT PROGRAM IS CONCLUDED, PATIENTS MAY CONTINUE THIS PHASE IN ORDER TO INSURE THEIR QUALITY OF LIFE THEIR ONGOING PARTICIPATION IN THE PROGRAM CAN OFFER THEM INCREASED ENDURANCE, DECREASED HEART RATE AND BLOOD PRESSURE, AND INCREASED MUSCULAR FITNESS TRINITY WORKCARE IS THE OCCUPATIONAL HEALTH DEPARTMENT OF TRINITY HEALTH SYSTEM AND PROVIDES A COMPREHENSIVE OCCUPATIONAL HEALTH SERVICE TO THE BUSINESS COMMUNITY OUR PROGRAM IS DESIGNED TO ASSIST THE CLIENT COMPANY DECREASE LOST WORK TIME, MEDICAL EXPENSES, INSURANCE PREMIUMS AND MAINTAIN COMPLIANCE WITH COMPANY AND GOVERNMENT REGULATIONS WORKCARE SERVICES INCLUDE MEDICAL SURVEILLANCE, SUBSTANCE ABUSE TESTING, INJURY TREATMENT AND CASE MANAGEMENT, PHYSICAL THERAPY, WELLNESS PROMOTION AND EMPLOYEE ASSISTANCE PROGRAM IN 2012, THERE WERE 10,194 VISITS TO WORKCARE OUTPATIENT OCCUPATIONAL THERAPY AT TRINITY IS PROVIDED BOTH AS AN EXTENSION OF SERVICES RECEIVED AS AN INPATIENT OR YOU CAN RECEIVE SERVICES AS A NEW PATIENT WE ARE STAFFED TO PROVIDE EXPERTISE WITH ALL NEUROLOGICAL AND ORTHOPEDIC DISORDERS AND SPECIALIZE IN THE AREA OF HAND DISORDERS WE PROVIDE EXERCISE, MODALITIES (PARAFFIN, ULTRASOUND, IONTOPHORESIS, FLUIDOTHERAPY AND E-STIM), FUNCTIONAL ACTIVITIES, SPLINTING/BRACING AND ADL TRAINING PHYSICAL THERAPY ASSESSES YOUR MOVEMENT, STRENGTH AND ENDURANCE AND WILL HELP TO RESTORE QUALITY OF MUSCLE TONE, COORDINATION, BALANCE, STRENGTH, ENDURANCE, JOINT FLEXIBILITY AND FUNCTIONAL MOBILITY OUR DEPARTMENT IS FULLY EQUIPPED TO ALLOW FOR PRIVATE TREATMENT ADDITIONALLY A MODERN GYM IS UTILIZED FOR YOUR EXERCISE NEEDS WE PROVIDE SPECIALIZED PROGRAMS IN EXERCISE, FUNCTIONAL ACTIVITIES AND MODALITIES OUR SPEECH PATHOLOGY DEPARTMENT IS EQUIPPED TO RENDER A BROAD SPECTRUM OF DIAGNOSTIC AND REHABILITATIVE SERVICES TO CHILDREN, ADOLESCENTS AND ADULTS WITH DISORDERS ASSOCIATED WITH DECREASED COGNITIVE SKILLS, APHASIA, APRAXIA, DYSARTHRIA, VOICE, AND DELAYED SPEECH AND LANGUAGE WE ALSO SPECIALIZE IN DIAGNOSTIC AND THERAPEUTIC INTERVENTIONS FOR PATIENTS WITH SWALLOWING DISORDERS TO SUPPORT SENIORS THROUGH TRYING TIMES, WE PROUDLY OFFER THE TRINITY SENIOR PROGRAM, A THERAPEUTIC PROGRAM DESIGNED TO MEET THE EMOTIONAL AND PSYCHOLOGICAL NEEDS OF OLDER ADULTS WE SEE PATIENTS 55 YEARS OR OLDER THAT ARE EXPERIENCING EMOTIONAL DIFFICULTIES SUCH AS DEPRESSION, ANXIETY, GRIEF, ANGER AND OTHER EMOTIONAL ISSUES, THE SHORT TERM OUTPATIENT PROGRAM INCLUDES SUPPORT GROUPS, OCCUPATIONAL AND RECREATIONAL GROUPS, AND HEALTH/MEDICATION EDUCATION TRINITY HOME HEALTH IS SPECIAL HOME CARE FOR SPECIAL PEOPLE THE DISCIPLINES OFFERED ARE SKILLED NURSING CARE, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, MEDICAL SOCIAL SERVICES (OHIO) AND HOME HEALTH AIDES IN 2012, THE HOME HEALTH DEPARTMENT DID OVER 21,000 HOME VISITS

4b (Code) (Expenses $ 55,926,609 including grants of $ 0) (Revenue $ 63,002,289)

INPATIENT SERVICES - TRINITY HEALTH SYSTEM COMPRISES THE MOST COMPLETE HEALTH CARE OPTION IN EASTERN OHIO THE HOSPITAL INCLUDES TRINITY EAST AND TRINITY WEST WHICH HAS A COMBINED CAPACITY OF OVER 500 BEDS TRINITY EAST OFFERS A VARIETY OF SERVICES INCLUDING SKILLED CARE, LONG-TERM CARE, INPATIENT PHYSICAL REHABILITATION AND BEHAVIORAL MEDICINE SERVICES (MENTAL HEALTH & ADDICTION RECOVERY) TRINITY WEST IS A FULL SERVICE ACUTE CARE FACILITY OFFERING 24-HOUR EMERGENCY CARE, KIDNEY DIALYSIS, LITHOTRIPSY, ENDOSCOPY AND RELATED SERVICES, SURGERY AND MEDICAL SURGICAL INPATIENT UNITS, COMPREHENSIVE CARDIAC CARE, PEDIATRICS, WOMEN'S HEALTH, INPATIENT/OUTPATIENT SURGICAL SERVICES, WOUND CLINIC, OCCUPATIONAL MEDICINE AND A FULL ARRAY OF DIAGNOSTIC CAPABILITIES THE TRINITY SKILLED CARE CENTER, A HOSPITAL-BASED SKILLED AND LONG TERM CARE NURSING FACILITY, IS FULLY CERTIFIED FOR 50 BEDS AND WAS DEVELOPED TO MEET THE NEEDS OF PATIENTS WHO REQUIRE ADDITIONAL SKILLED CARE BEYOND THE ACUTE PHASE OF ILLNESS OR INJURY IN 2012, TRINITY SKILLED CARE CENTER HAD 668 ADMISSIONS AND 15,651 PATIENT DAYS THE SKILLED CARE CENTER ALSO HAS AN ONGOING ACTIVITY PROGRAM PATIENTS ARE ENCOURAGED TO PARTICIPATE IN THESE ENJOYABLE ACTIVITIES AS A GROUP OR INDIVIDUALLY THE ATMOSPHERE IS INFORMAL AND RELAXING TO AID IN THE EMOTIONAL WELL-BEING OF EACH PATIENT DISCHARGE PLANNING BEGINS ON ADMISSION TO TRINITY SKILLED CARE CENTER INDIVIDUALIZED GOALS ARE ESTABLISHED WITH THE PATIENT, THE PATIENT'S FAMILY AND A HIGHLY QUALIFIED TEAM OF PROFESSIONALS THIS TEAM INCLUDES THE ATTENDING PHYSICIAN, NURSE, SOCIAL SERVICES, DIETICIAN, PHYSICAL THERAPIST, OCCUPATIONAL THERAPIST AND SPEECH THERAPIST THIS PROCESS ASSURES THE CONTINUITY OF CARE UPON DISCHARGE TRINITY'S REHABILITATION CENTER PROVIDES AN INTEGRATED AND INTERDISCIPLINARY TEAM APPROACH TO HELP PATIENTS WHO HAVE PHYSICAL IMPAIRMENTS PROGRAMS ARE AVAILABLE FOR PATIENTS WITH STROKES AND OTHER NEUROLOGICAL DISORDERS, ARTHRITIS, AMPUTATIONS, JOINT REPLACEMENTS AND OTHER ORTHOPEDIC PROBLEMS, BRAIN INJURY, AND SPINAL CORD INJURY THE CENTER HAS 20 PRIVATE ROOMS, EACH SPECIALLY DESIGNED FOR REHABILITATION PATIENTS ALSO UTILIZE A HOME-LIKE APARTMENT TO REGAIN SKILLS SUCH AS COOKING, BATHING AND DRESSING PHYSICAL THERAPY, OCCUPATIONAL THERAPY AND SPEECH-LANGUAGE PATHOLOGY AREAS HAVE STATE-OF-THE-ART EQUIPMENT, AND THE THERAPISTS ARE HIGHLY TRAINED REHABILITATION SPECIALISTS A VAN IS AVAILABLE FOR COMMUNITY OUTINGS AND HOME VISITS THESE TRIPS PROVIDE OPPORTUNITIES FOR PATIENTS TO PRACTICE THEIR SKILLS IN THEIR COMMUNITY, HOME AND WORK PLACE WHEN APPROPRIATE WITH A TEAM APPROACH TO TREATMENT, A PERSONALIZED REHABILITATION PROGRAM IS DESIGNED TO MEET THE UNIQUE NEEDS AND GOALS OF EACH PATIENT THE TEAM CONSISTS OF THE PATIENT, HIS/HER FAMILY, PHYSICIANS, REHABILITATION NURSES, PHYSICAL THERAPISTS, OCCUPATIONAL THERAPISTS, SPEECH LANGUAGE PATHOLOGISTS, PSYCHOLOGISTS, SOCIAL WORKERS, THERAPEUTIC RECREATIONAL SPECIALISTS, DIETICIANS, RESPIRATORY THERAPISTS, CASE COORDINATORS AND VOCATIONAL COUNSELORS THROUGH A POSITIVE, PERSONALIZED AND INTERDISCIPLINARY APPROACH, THE TEAM HELPS PATIENTS REGAIN PHYSICAL, EMOTIONAL, SOCIAL AND VERBAL SKILLS IN 2012, THE REHAB CENTER HAD 348 ADMISSIONS AND 4,844 PATIENT DAYS THE WOMEN'S HEALTH & BIRTH CENTER IS PROUD TO OFFER TOTAL MATERNITY CARE OUR SPECIALLY QUALIFIED STAFF OF DEDICATED NURSES AND PHYSICIANS GUIDES YOU AND YOUR FAMILY THROUGH A COMPREHENSIVE EDUCATION EXPERIENCE AND THE CHILDBIRTH EXPERIENCE AT THE WOMEN'S HEALTH & BIRTH CENTER YOU DELIVER YOUR BABY IN A SPECIALLY DESIGNED CHILDBEARING ROOM FOR YOUR ENTIRE HOSPITAL STAY ADMISSION PROCEDURES, LABOR, DELIVERY, AND RECOVERY YOUR POSTPARTUM STAY IS IN A SPECIALLY DESIGNED ROOM THAT MAKES THE FAMILY EXPERIENCE ONE YOU WILL ALWAYS REMEMBER OUR PRIVATE CHILDBEARING ROOMS ARE EQUIPPED FOR THE ENTIRE BIRTH EXPERIENCE ALL FORMS OF PAIN RELIEF EXCEPT GENERAL ANESTHESIA MAY BE PROVIDED IN THIS ROOM CESAREAN DELIVERIES ARE PERFORMED IN THE WOMEN'S HEALTH & BIRTH CENTER IN A MODERN, STATE OF THE ART SURGICAL SUITE, WITH LABOR AND POSTPARTUM CARE PROVIDED IN A WOMEN'S HEALTH & BIRTH CENTER SUITE THE SURGICAL SUITE MAY ALSO BE USED BY THOSE WISHING A MORE TRADITIONAL BIRTH EXPERIENCE FATHERS ARE ENCOURAGED TO STAY AT THE HOSPITAL, SLEEPING ACCOMMODATIONS ARE PROVIDED AT NO EXTRA CHARGE AT THE WOMEN'S HEALTH & BIRTH CENTER, ROOMING-IN IS FLEXIBLE AND DESIGNED TO MEET YOUR INDIVIDUAL NEEDS YOU AND YOUR FAMILY ARE PARTNERS WITH US IN THE CARE OF YOUR BABY IF YOU WANT TO REST OR HAVE TIME ALONE WE CAN CARE FOR YOUR BABY IN OUR WELL-EQUIPPED NURSERY NEAR YOUR ROOM IN THE WOMEN'S HEALTH & BIRTH CENTER, A SPECIALLY TRAINED PERINATAL NURSE IS ASSIGNED TO EACH MOTHER AND BABY TO PROVIDE PERSONAL, INDIVIDUALIZED CARE EXTRA TIME AND TEACHING ARE INTEGRAL PARTS OF THE ATTENTION WE GIVE ALL FAMILIES AFTER DISCHARGE, WE KNOW THAT QUESTIONS OFTEN ARISE AND IT IS GOOD TO HAVE SOMEONE WITH WHOM YOU CAN TALK BUT EVEN MORE, WE ARE INTERESTED IN YOU AND WE WANT TO PROVIDE AS MUCH CARE AND ASSISTANCE AS WE CAN DURING THIS SPECIAL TIME IN YOUR LIFE ONCE HOME, A PERINATAL NURSE FROM THE WOMEN'S HEALTH & BIRTHING CENTER IS AVAILABLE FOR CONSULTATION THROUGH TELEPHONE CALLS TO ALL PATIENTS SIMPLY CALL AT ANY TIME OF THE DAY OR NIGHT IF YOU NEED ASSISTANCE OR INFORMATION IN 2012, THE WOMEN'S HEALTH & BIRTH CENTER DELIVERED 499 BABIES

4c (Code) (Expenses $ 4,785,810 including grants of $ 0) (Revenue $ 5,391,297)

EMERGENCY ROOM - THE EMERGENCY SERVICES OF TRINITY HEALTH SYSTEM ARE AVAILABLE AT TRINITY MEDICAL CENTER WEST THE ER HAS BEEN REMODELED AND EXPANDED TO ACCOMMODATE PATIENTS REQUIRING TREATMENT - IT HAS DOUBLED IN SIZE AND NOW HAS TWICE AS MANY TREATMENT BEDS AVAILABLE AND MORE PHYSICIAN, PROFESSIONAL AND SUPPORT STAFF HAVE BEEN ADDED TO PROVIDE CARE A DEDICATED X-RAY ROOM, HAS BEEN CONSTRUCTED ADJACENT TO THE ER AND SPECIAL TREATMENT AREAS HAVE BEEN CONSTRUCTED FOR CARDIAC EMERGENCIES, TRAUMA, PEDIATRIC EMERGENCIES, OBSTETRICAL EMERGENCIES, SUTURING AND FRACTURES THE ER IS OPEN 24 HOURS / 7 DAYS A WEEK FOR ALL LEVELS OF EMERGENCY AND URGENT CARE IN 2012, WE HAD 48,288 EMERGENCY ROOM VISITS

(Code) (Expenses $ 27,690,702 including grants of $ 384,637) (Revenue $ 31,194,053)

ALL OTHER PROGRAM SERVICES

4d Other program services (Describe in Schedule O)

(Expenses $ 27,690,702 including grants of $ 384,637) (Revenue $ 31,194,053)

4e Total program service expenses ▶ 185,583,294

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	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 United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	132		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,001		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	16		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ FRED BROWER 380 SUMMIT AVENUE STEUBENVILLE, OH (740) 283-7000

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL BARBER VICE CHAIRMAN	2 00 2 00	X		X				0	0	0
(2) MICHAEL BIASI BOARD MEMBER	2 00 3 00	X						0	0	0
(3) FRED BROWER PRESIDENT AND CEO	40 00 18 00	X		X				0	384,677	284,876
(4) DAN DAILY BOARD MEMBER	2 00 2 00	X						0	0	0
(5) PAUL DIBIASE MD BOARD MEMBER	2 00 2 00	X						919	0	0
(6) ERIC EXLEY SECRETARY	2 00 2 00	X		X				0	0	0
(7) JOHN FIGEL MD BOARD MEMBER	2 00 2 00	X						220,177	0	0
(8) SHEILA HENDRICKS BOARD MEMBER	2 00 2 00	X						0	0	0
(9) WILLIAM JOHNS MD BOARD MEMBER	2 00 2 00	X						42,000	0	0
(10) CLYDE METZGER MD CHAIRMAN	2 00 2 00	X		X				52,500	0	0
(11) MARK MORELLI BOARD MEMBER	2 00 2 00	X						0	0	0
(12) JAMES PADDEN TREASURER	2 00 2 00	X		X				0	0	0
(13) JAMES POPE BOARD MEMBER	2 00 3 00	X						0	758,842	45,245
(14) DOUGLAS W SCHAEFER BOARD MEMBER	2 00 2 00	X						0	0	0
(15) DAVID SKIVIAT SR BOARD MEMBER	2 00 2 00	X						0	0	0
(16) SR JEANETTE ZIELINSKI OSF BOARD MEMBER	2 00 2 00	X						0	0	0
(17) DAVID WERKIN VP FINANCE (CFO POST- 9/24/2012)	40 00 20 00			X				0	178,789	27,399

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) ELIZABETH ALLEN CFO (PRE- 9/24/2012)	40 00 20 00			X				0	180,554	23,542
(19) KUMAR AMIN MD PHYSICIAN	40 00 0 00					X		1,247,538	0	13,143
(20) SATHISH MAGGE MD PHYSICIAN	40 00 0 00					X		1,122,284	0	0
(21) RAMANA MURTY MD PHYSICIAN	40 00 0 00					X		940,392	0	8,355
(22) BASEL TERMANINI MD PHYSICIAN	40 00 0 00					X		747,718	0	14,785
(23) HIMANSHU DESAI MD PHYSICIAN	40 00 0 00					X		747,618	0	14,785

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	5,121,146	1,502,862	432,130

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 52

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARUP LABORATORIES 500 CHIPETA WAY SALT LAKE CITY UT 84108	LAB SERVICES	1,306,244
EMERGENCY RESOURCE MGMT INC 2 HOT METAL ST 2ND FL PITTSBURGH PA 14203	HOSPITALISTS	687,177
STEEL VALLEY ER PHYSICIANS 2720 SUNSET BLVD STEUBENVILLE OH 43952	ER PHYSICIANS	594,225
DVA HEALTHCARE OF PENNSYLVANIA PO BOX 403008 ATLANTA GA 30384	DIALYSIS SERVICES	399,810
PROCIRCA (BIOTRONICS) BOX 223674 PITTSBURGH PA 15251	CARDIOPULMONARY & INFUSION SERVICES	386,412

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 24

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	462,000			
	e	Government grants (contributions)	1e	168,496			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	302,564			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f			933,060		
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	621990	201,786,214	201,786,214		
	b	ELECTRONIC MED RECORDS	621990	4,140,919	4,140,919		
	c	NON-PATIENT LABORATORY	621500	1,164,596		1,164,596	
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f			207,091,729		
	3	Investment income (including dividends, interest, and other similar amounts)		1,976,434			1,976,434
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					

		(i) Real	(ii) Personal				
	6a	Gross rents	997,498					
	b	Less rental expenses	147,965					
	c	Rental income or (loss)	849,533					
	d	Net rental income or (loss)			849,533	-62,757		912,290

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	27,151,738	15,101				
	b	Less cost or other basis and sales expenses	26,059,866	1,995				
	c	Gain or (loss)	1,091,872	13,106				
	d	Net gain or (loss)			1,104,978			1,104,978
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a	119,625				
	b	Less direct expenses	b	116,109				
	c	Net income or (loss) from fundraising events			3,516			3,516
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities						
	10a	Gross sales of inventory, less returns and allowances	a					
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
		Miscellaneous Revenue		Business Code				
	11a	OTHER RELATED REVENUE		900099	2,405,545	2,405,545		
	b	CAFETERIA		722210	1,990,328			1,990,328
	c	TUITION AND FEES		900099	792,857	792,857		
	d	All other revenue						
	e	**Total.** Add lines 11a–11d			5,188,730			
	12	**Total revenue.** See Instructions			217,147,980	209,062,778	1,164,596	5,987,546

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)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	520	520		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	384,117	384,117		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	335,817		335,817	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	72,692,483	63,714,961	8,977,522	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,387,924	5,599,015	788,909	
9 Other employee benefits	14,404,634	12,625,662	1,778,972	
10 Payroll taxes	5,044,609	4,421,600	623,009	
11 Fees for services (non-employees)				
a Management	8,991,323	7,880,895	1,110,428	
b Legal	200,899		200,899	
c Accounting	263,404		263,404	
d Lobbying	10,551	9,248	1,303	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	213,662		213,662	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	12,880,473	11,369,241	1,511,232	
12 Advertising and promotion	713,844	625,684	88,160	
13 Office expenses	1,933,167	1,694,421	238,746	
14 Information technology	1,050,256	920,549	129,707	
15 Royalties . .				
16 Occupancy	8,260,586	7,222,130	1,038,456	
17 Travel	253,620	222,298	31,322	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	20,463	17,936	2,527	
20 Interest	1,847,497	1,619,331	228,166	
21 Payments to affiliates	650,467	570,134	80,333	
22 Depreciation, depletion, and amortization	9,555,340	8,375,256	1,180,084	
23 Insurance	1,057,527	926,922	130,605	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	22,986,146	22,986,146		
b DRUGS	16,269,486	16,269,486		
c BAD DEBT	12,410,044	10,877,404	1,532,640	
d REPAIRS & MAINTENANCE	3,230,513	2,831,545	398,968	
e All other expenses	5,176,908	4,418,793	758,115	
25 **Total functional expenses.** Add lines 1 through 24e	207,226,280	185,583,294	21,642,986	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		11,326,721	2	14,467,574
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		23,292,733	4	23,767,666
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,053,351	8	3,743,492
	9	Prepaid expenses and deferred charges		3,048,953	9	1,517,657
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 210,730,665			
	b	Less accumulated depreciation	10b 158,443,475	52,785,743	10c	52,287,190
	11	Investments—publicly traded securities		71,003,548	11	78,249,138
	12	Investments—other securities See Part IV, line 11		1,391,577	12	1,476,284
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		2,889,110	14	4,118,161
	15	Other assets See Part IV, line 11		17,912,569	15	20,379,853
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		186,704,305	16	200,007,015
Liabilities	17	Accounts payable and accrued expenses		21,384,515	17	22,138,153
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		41,247,880	20	39,898,963
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		836,155	23	509,958
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		23,534,825	25	26,909,855
	26	**Total liabilities.** Add lines 17 through 25		87,003,375	26	89,456,929
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		91,688,669	27	102,153,827
	28	Temporarily restricted net assets		5,909,930	28	6,279,515
	29	Permanently restricted net assets		2,102,331	29	2,116,744
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		99,700,930	33	110,550,086
	34	Total liabilities and net assets/fund balances		186,704,305	34	200,007,015

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	217,147,980
2	Total expenses (must equal Part IX, column (A), line 25)	2	207,226,280
3	Revenue less expenses Subtract line 2 from line 1	3	9,921,700
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	99,700,930
5	Net unrealized gains (losses) on investments	5	4,359,000
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-3,431,544
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	110,550,086

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

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 described in **section 170(b)(1)(A)(i).**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
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 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a 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—2012.** 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—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

Part III **Support Schedule for Organizations Described in Section 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

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, Part V, line 35c (Proxy Tax), then

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

Name of the organization	**Employer identification number**
TRINITY HEALTH SYSTEM GROUP	30-0752920

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 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 function activities ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		10,551
j	Total Add lines 1c through 1i			10,551
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE HOSPITAL PAYS DUES TO THE AMERICAN HOSPITAL ASSOCIATION AND OHIO HOSPITAL ASSOCIATION, OF WHICH A PORTION RELATES TO LOBBYING

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

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

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

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

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

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

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

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

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

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

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

3 Using the organization's acquisition, 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 XIII

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 XIII and complete the following table

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	743,000	743,000	743,000	586,000	838,000
b	Contributions					
c	Net investment earnings, gains, and losses	73,352	3,827	68,173	203,695	-209,389
d	Grants or scholarships					
e	Other expenditures for facilities and programs			60,682	39,282	33,771
f	Administrative expenses	73,352	3,827	7,491	7,413	8,840
g	End of year balance	743,000	743,000	743,000	743,000	586,000

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 100 000 %
- c Temporarily restricted endowment ▶ 0 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

4 Describe in Part XIII 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		703,748		703,748
b Buildings		35,546,251	29,860,132	5,686,119
c Leasehold improvements		57,292	57,292	0
d Equipment		173,995,835	128,526,051	45,469,784
e Other		427,539		427,539
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				52,287,190

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTEREST IN NET ASSETS OF THE FOUNDATION	15,006,375
(2) DUE FROM AFFILIATES	3,812,555
(3) OTHER RECEIVABLES	681,631
(4) ACCRUED INTEREST	144,292
(5) DUE FROM THIRD PARTY PAYORS	735,000
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	20,379,853

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
AMOUNTS DUE TO AFFILIATES	1,070,557
RETIREMENT BENEFITS PAYABLE	23,058,711
INSURANCE CLAIMS RESERVE	2,780,587
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	26,909,855

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

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

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

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

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

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INTEREST IS UNRESTRICTED AND USED FOR HOSPITAL OPERATIONS THE PRINCIPLE IS RESTRICTED AND NOT USED

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

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

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

Revenue / Direct Expenses		(a) Event #1 UNIFORM SALE (event type)	(b) Event #2 BOOK SALE (event type)	(c) Other events 8 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	23,521	93,688	2,416	119,625
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)	23,521	93,688	2,416	119,625
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	20,417	52,406	43,286	116,109
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(116,109)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				3,516

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheet 1)			4,814,973	735,000	4,079,973	2 090 %
b Medicaid (from Worksheet 3, column a)		38,069	24,800,381	15,117,326	9,683,055	4 970 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		38,069	29,615,354	15,852,326	13,763,028	7 060 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	5	2,462	614,371	54,320	560,051	0 290 %
f Health professions education (from Worksheet 5)	13	220	558,082	0	558,082	0 290 %
g Subsidized health services (from Worksheet 6)	3		5,799,898	3,648,614	2,151,284	1 100 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	10	250	41,413		41,413	0 020 %
j **Total.** Other Benefits	31	2,932	7,013,764	3,702,934	3,310,830	1 700 %
k **Total.** Add lines 7d and 7j	31	41,001	36,629,118	19,555,260	17,073,858	8 760 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

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

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	12,410,044		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	620,000		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	57,312,362		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	61,219,800		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-3,907,438		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
2

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	TRINITY MEDICAL CENTER WEST 4000 JOHNSON ROAD STEUBENVILLE,OH 43952	X	X					X			A
2	TRINITY MEDICAL CENTER EAST 380 SUMMIT AVENUE STEUBENVILLE,OH 43952	X	X								A

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group TRINITY HEALTH SYSTEM GROUP

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) _____

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 CHNA 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 CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care 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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any 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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST-TO-CHARGE RATIO WAS USED TO COMPLETE THE CHARITY CARE (LINE 7A) AND MEANS-TESTED GOVERNMENT PROGRAMS (LINE 7B) THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2 THAT ACCOMPANIES THE INSTRUCTIONS TO THIS SCHEDULE THE HOSPITAL'S COST ACCOUNTING RECORDS WERE USED TO COMPLETE THE OTHER BENEFITS SECTION (LINE 7E - 7I)
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDE THE PRENATAL CLINIC, FAMILY BIRTH CENTER, AND BEHAVIORAL MEDICINE

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 24 - BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE SCHEDULE H, PART I, COLUMN F PERCENTAGE EQUALS $12,410,044
		PART III, LINE 4 ACCOUNTS RECEIVABLE FINANCIAL STATEMENT FOOTNOTE PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, TRINITY ANALYZES ITS HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISIONS FOR BAD DEBTS PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON SPECIFIC ACCOUNTS, HISTORICAL WRITE OFF EXPERIENCE, AND CURRENT MARKET CONDITIONS THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, TRINITY ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLES AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, TRINITY RECORDS A PROVISION FOR BAD DEBTS ON THE BASIS OF EXPERIENCE THE DIFFERENCE BETWEEN THE STANDARD RATES AND THE AMOUNT ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE HOSPITAL HAS ESTIMATED THAT APPROXIMATELY 5 PERCENT OF THE ORGANIZATION'S BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY THE 5 PERCENT IS AN ESTIMATE BASED ON THE HOSPITAL'S EXPERIENCE WITH HUMANARC'S RETROSPECTIVE WORK THE BAD DEBT EXPENSE REPORTED ON PART III, LINE 2, IS THE BAD DEBT EXPENSE REPORTED ON FORM 990, PART IX

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE AMOUNTS REPORTED FOR MEDICARE ARE FROM THE MEDICARE COST REPORT - WHICH IS BASED ON THE METHODOLOGY REQUIRED FOR COMPLETING THE MEDICARE COST REPORT THE MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT JEFFERSON COUNTY, WHERE TRINITY HEALTH SYSTEM IS LOCATED, HAS ONE OF THE HIGHEST PROPORTIONS OF ELDERLY IN THE STATE OF OHIO AS A RESULT, THE USE OF HEALTH CARE SERVICE, AND ALSO MEDICARE, IS HIGHER THAN THE STATE AVERAGE TRINITY ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY
		PART III, LINE 9B THE HEALTH SYSTEM IS COMMITTED TO SERVICE EVERYONE AND ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY A PATIENT IS CLASSIFIED AS A CHARITY PATIENT BY REFERENCE TO CERTAIN ESTABLISHED POLICIES OF THE HEALTH SYSTEM ESSENTIALLY, THESE POLICIES DEFINE CHARITY SERVICES AS THOSE SERVICES FOR WHICH NO PAYMENT IS ANTICIPATED IN ASSESSING A PATIENT'S ABILITY TO PAY, THE HEALTH SYSTEM UTILIZES THE GENERALLY RECOGNIZED POVERTY INCOME LEVELS ESTABLISHED BY THE FEDERAL GOVERNMENT, BUT ALSO INCLUDES CERTAIN CASES WHERE INCURRED CHARGES ARE SIGNIFICANT WHEN COMPARED TO PATIENT INCOME AND RESOURCES THE HEALTH SYSTEM'S POLICY PROVIDES CHARITY CARE TO PATIENTS UP TO 200% OF THE FEDERAL POVERTY LEVEL THE HOSPITAL PROVIDES CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST RECOGNIZING ITS MISSION TO THE COMMUNITY, SERVICES ARE PROVIDED TO BOTH MEDICARE AND MEDICAID PATIENTS TO THE EXTENT REIMBURSEMENT IS BELOW COST, THE HOSPITAL RECOGNIZED THESE AMOUNTS AS CHARITY CARE IN MEETING ITS MISSION TO THE ENTIRE COMMUNITY IN 2012, CHARITY CARE APPROXIMATED $12,449,011 TO EDUCATE AND INFORM OUR PATIENTS ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS OR UNDER OUR CHARITY CARE POLICY, SELF-PAY INPATIENTS ARE INTERVIEWED BY THE ORGANIZATION'S FINANCIAL COUNSELORS AT THIS TIME, THE CHARITY IS DISCUSSED AND EXPLAINED TO THE PATIENT AND THEY MAY REQUEST A CHARITY APPLICATION TO COMPLETE IF A PATIENT HAPPENS TO BE DISCHARGED WITHOUT BEING INTERVIEWED, THE FIRST PATIENT BILLING STATEMENT ALSO STATES THE CHARITY GUIDELINES AND THEY ARE GIVEN THE OPPORTUNITY TO CONTACT THE HOSPITAL FOR AN APPLICATION FOR OUTPATIENT ACCOUNTS, ANY BALANCE BILLING AFTER INSURANCE ALSO EXPLAINS THE CHARITY GUIDELINES TO PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 TRINITY HEALTH SYSTEM, WHICH CONSISTS OF TWO HOSPITALS - TRINITY EAST AND TRINITY WEST, IS A 500 BED HEALTH SYSTEM LOCATED IN STEUBENVILLE, OHIO TRINITY HEALTH SYSTEM IS AN EXTENSION OF THE MISSIONS AND PROUD HERITAGES OF ITS CO-SPONSORS, TRI STATE HEALTH SERVICES (REFLECTING THE PERSPECTIVES OF THE LOCAL COMMUNITY) AND SYLVANIA FRANCISCAN HEALTH (REPRESENTING THE PERSPECTIVES OF THE HEALTH CARE MINISTRY OF THE SISTERS OF ST FRANCIS OF SYLVANIA, OHIO) AS A NON-PROFIT, CHARITABLE HEALTH CARE DELIVERY SYSTEM, TRINITY HEALTH SYSTEM IS DEDICATED TO PRESERVING THE SECULAR COMMUNITY TRADITIONS AND THE CATHOLIC TRADITIONS OF ITS CO-SPONSORS IN THE DELIVERY OF HEALTH CARE IN THE GREATER STEUBENVILLE, OHIO REGION THE SISTERS OF ST FRANCIS OF SYLVANIA, OHIO SPONSOR THEIR HEALTH AND HUMAN SERVICES MINISTRY THROUGH SYLVANIA FRANCISAN HEALTH THE ORGANIZATION, LOCATED IN OHIO, TEXAS, AND KENTUCKY INCLUDE SIX HOSPITALS, EIGHT LONG-TERM CARE FACILITIES, FOUR ASSISTED LIVING FACILITIES, INDEPENDENT SENIOR HOUSING, A COUNSELOR CENTER AND A LONG-TERM DOMESTIC SHELTER TRINITY HEALTH SYSTEM IS ORGANIZED TO PROMOTE THE HEALTH OF THE COMMUNITY OUR MISSION IS TO BE A COMMUNITY PARTNER DEDICATED TO EXCELLENCE IN SERVING THE HEALTH NEEDS OF THE TRI-STATE AREA WE PURSUE THAT MISSION THROUGH TWO RESPECTED HOSPITALS, AS WELL AS IN OUTPATIENT FACILITIES, PHYSICIAN'S OFFICES, COMMUNITY OUTREACH SITES AND HOMES THROUGHOUT THE TRI-STATE AREA OUR MISSION IS THE PURPOSE OF THE ORGANIZATION WE ARE ORGANIZED TO IDENTIFY AND RESPOND TO COMMUNITY NEEDS WE EXECUTE OUR MISSION UNDER THE AUTHORITY OF OUR BOARD MEMBERS INCLUDE COMMUNITY REPRESENTATIVES WHO RESIDE IN THE ORGANIZATIONS PRIMARY SERVICE AND ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBER THEREOF THE BOARD'S MISSION ALSO INCLUDES PROCESSES FOR DETERMINING AND RESPONDING TO HEALTH NEEDS A COMMUNITY HEALTH NEEDS ASSESSMENT SURVEY IS PERFORMED PERIODICALLY SERVING MORE THAN 225,000 PATIENTS IN 2012, TRINITY IS A LEADING HEALTHCARE SYSTEM IN THE VALLEY OUR 1,800 EMPLOYEES AND PHYSICIANS UTILIZE STATE-OF-THE-ART FACILITIES, ADVANCED TECHNOLOGIES AND THE LATEST PROCEDURES TO ACCOMPLISH OUR MISSION AND TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE IN CONJUNCTION WITH THE TRI-STATE HEALTH SERVICES, ONE OF OUR SPONSORS, WE PROVIDE A MOBILE MEDICAL VAN THAT GOES TO VARIOUS PLACES IN OUR COMMUNITY TO EDUCATE THE POPULATION ABOUT DIFFERENT TOPICS AND PROVIDE HEALTHCARE FOR THE POOR AND OTHER DISADVANTAGED RESIDENTS AT EACH SITE THE VAN VISITS, THE FOLLOWING TESTS ARE AVAILABLE FREE BREATHING TEST, FREE BLOOD PRESSURE, FREE BLOOD TEST FOR AAT DEFICIENCY (DETERMINES THOSE AT RISK OF DEVELOPING COPD) THE HEALTH SYSTEM'S PRIMARY SERVICE AREA ENCOMPASSES A THREE COUNTY AREA IN OHIO AND WEST VIRGINIA THE COUNTIES ARE JEFFERSON COUNTY, OHIO AND BROOKE AND HANCOCK COUNTIES, WV RESIDENTS FROM THESE 3 COUNTIES PROVIDE FOR OVER 11,000 ADMISSIONS TO THE SYSTEM AND ACCOUNT FOR 85% OF THE HOSPITAL'S ADMISSIONS JEFFERSON COUNTY IS LOCATED ON THE OHIO AND WEST VIRGINIA BORDERS ALONG THE OHIO RIVER, APPROXIMATELY 40 MILES WEST OF PITTSBURGH, PA JEFFERSON COUNTY HAS EXPERIENCED A DECLINING POPULATION OVER THE PAST 20 YEARS AND HAS THE HIGHEST POPULATION OF ELDERLY IN THAT STATE OF OHIO AS A RESULT, THE USE OF HEALTH CARE SERVICES IS HIGHER THAN THE STATE AVERAGE WE ARE ALSO DEDICATED TO MEDICAL EDUCATION, SPONSORING A TWO YEAR NURSING DEGREE PROGRAM THE PURPOSE OF THE TRINITY HEALTH SYSTEM SCHOOL OF NURSING IS TO PREPARE A BEGINNING PROFESSIONAL NURSE THE PROGRAM ASSISTS INDIVIDUALS TO ACHIEVE CURRICULUM OUTCOMES AND DEMONSTRATES PROFESSIONAL COMPETENCIES NECESSARY TO PRACTICE IN A VARIETY OF HEALTH CARE SETTINGS AND INCORPORATES THE CORE VALUES OF TRINITY HEALTH SYSTEM THE PHILOSOPHY OF THE TRINITY HEALTH CARE SYSTEM SCHOOL OF NURSING IS REFLECTIVE OF FACULTY BELIEFS AND IS IN ACCORD WITH THE MISSION OF THE TRINITY HEALTH SYSTEM THE SCHOOL OF NURSING FULFILLS ITS RESPONSIBILITY TO SOCIETY BY PREPARING A PROFESSIONAL NURSE WHO PRACTICES SAFELY AND ETHICALLY WITHIN THE HOSPITAL OR OTHER HEALTHCARE SETTINGS THE TRINITY HEALTH SYSTEM SCHOOL OF NURSING IS A 24-MONTH DIPLOMA PROGRAM, IS ACCREDITED BY THE NATIONAL LEAGUE FOR NURSING ACCREDITING COMMISSION, (INITIAL PROGRAM ACCREDITATION JUNE, 1965) AND IS APPROVED BY THE OHIO BOARD OF NURSING THE SCHOOL OF NURSING IS CERTIFIED BY THE OHIO BOARD OF REGENTS, AN AFFILIATE OF THE HELENE FUND HEALTH TRUST, AND IS APPROVED BY THE OHIO DEPARTMENT OF EDUCATION FOR VETERAN'S ADMINISTRATION BENEFITS THE SCHOOL IS AFFILIATED WITH TWO MODERN PROGRESSIVE MEDICAL FACILITIES, TRINITY MEDICAL CENTER EAST AND TRINITY MEDICAL CENTER WEST, THAT PROVIDE STUDENT CLINICAL LEARNING EXPERIENCE IN BOTH OUT-PATIENT AND IN-PATIENT ACUTE/MEDICAL SURGICAL CARE, EXTENDED-CARE, REHABILITATIVE CARE, AND HEALTH CLINIC SETTINGS TRINITY MEDICAL CENTER EAST/WEST ARE ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION FOR HEALTHCARE ORGANIZATION AND HOLD INSTITUTIONAL MEMBERSHIP IN THE OHIO HOSPITAL ASSOCIATION AND THE VOLUNTARY HOSPITAL ASSOCIATION OF AMERICA EASTERN GATEWAY COMMUNITY COLLEGE (EGCC) IS AN ACCREDITED EDUCATIONAL INSTITUTION THE COLLEGE WAS CHARTERED FOR OPERATION IN 1966 AS A PUBLIC COLLEGE BY THE OHIO BOARD OF REGENTS STUDENTS RECEIVE FULL CREDIT FOR COLLEGE COURSES THROUGH THIS AFFILIATION CLASSES ARE TAUGHT BY EGCC FACULTY AT THE SCHOOL OF NURSING CAMPUS
		PART VI, LINE 3 TO EDUCATE AND INFORM OUR PATIENTS ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS OR UNDER OUR CHARITY CARE POLICY, SELF-PAY INPATIENTS ARE INTERVIEWED BY THE ORGANIZATION'S FINANCIAL COUNSELORS AT THIS TIME, THE CHARITY IS DISCUSSED AND EXPLAINED TO THE PATIENT AND THEY MAY REQUEST A CHARITY APPLICATION TO COMPLETE IF A PATIENT HAPPENS TO BE DISCHARGED WITHOUT BEING INTERVIEWED, THE FIRST PATIENT BILLING STATEMENT ALSO STATES THE CHARITY GUIDELINES AND THEY ARE GIVEN THE OPPORTUNITY TO CONTACT THE HOSPITAL FOR CHARITY APPLICATIONS FOR OUTPATIENT ACCOUNTS, ANY BALANCE BILLING AFTER INSURANCE ALSO EXPLAINS THE CHARITY GUIDELINES TO PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE HEALTH SYSTEM CONSIDERS JEFFERSON COUNTY, OHIO AND BROOKE AND HANCOCK, WEST VIRGINIA, TO BE ITS PRIMARY SERVICE AREA, WITH THE MAJORITY OF BUSINESS COMING FROM JEFFERSON COUNTY RESIDENTS (JEFFERSON COUNTY ACCOUNTS FOR 66% OF INPATIENT BUSINESS) THE POPULATION OF JEFFERSON COUNTY HAS DECLINED OVER THE PAST 20 YEARS AND IS PROJECTED TO CONTINUE TO DECLINE IN ALL AGE COHORTS THE UNEMPLOYMENT RATE OF THE SERVICE AREA IS WELL ABOVE BOTH STATE AND NATIONAL AVERAGES, WITH THE MOST RECENT DATA REPORTED FOR THE FIRST QUARTER OF 2009 FOR JEFFERSON COUNTY TO BE 10 5% BROOKE AND HANCOCK COUNTIES REPORT SIMILAR UNEMPLOYMENT RATES FOR THE FIRST QUARTER AT 9 9% AND 10 4%, RESPECTIVELY A KEY CHALLENGE FOR THE HEALTH SYSTEM IS OPERATING WITHIN AN AREA THAT IS EXPERIENCING SIGNIFICANT POPULATION DECLINES AND A DETERIORATING ECONOMIC CLIMATE THE HEALTH SYSTEM EXPERIENCES SIGNIFICANT OUT-MIGRATION, BOTH DIRECTED BY THE HOSPITALS AS WELL AS BY PATIENT/PHYSICIAN PREFERENCE UNTIL 2006, OUT MIGRATION HAD BEEN ON A RISE FOR PRIMARY SERVICE AREA RESIDENTS WHO UTILIZE PENNSYLVANIA AND OHIO HOSPITALS HOWEVER, BEGINNING IN 2007, OUT MIGRATION FROM TRINITY'S PRIMARY SERVICE AREA TO OTHER HOSPITALS IN OHIO, PENNSYLVANIA, AND WEST VIRGINIA HAS DECLINED IN 2007, (MOST RECENT PUBLIC DATA AVAILABLE), WE HAVE SEEN REDUCTION IN OUT MIGRATION FROM OUR PRIMARY SERVICE AREA TO PENNSYLVANIA, OHIO AND WEST VIRGINIA HOSPITALS OF (10 1%), (4 8%) AND (2 5%) RESPECTIVELY WE HAVE ALSO REALIZED AN INCREASE IN MARKET SHARE IN JEFFERSON COUNTY FROM 2006 LEVEL OF 65 68% TO 2007 LEVEL OF 66 27% WE HAVE SEEN SIMILAR INCREASES IN BROOKE AND HANCOCK COUNTIES AS WELL WITH THE MARKET SHARE INCREASING FROM 2006 LEVEL OF 20 99% TO 2007 LEVEL OF 21 46% OVERALL, THE DATA DOCUMENTS THAT WE MET OUR PLANNING GOAL OF IMPROVING THE MARKET SHARE BY 1 PERCENTAGE POINT A YEAR OVERALL, THE SERVICE AREA OF THE SYSTEM HAS A LOWER AVERAGE HOUSEHOLD INCOME THAN THE STATE OF OHIO AND A HIGHER UNEMPLOYMENT RATE JEFFERSON COUNTY IS ECONOMICALLY DEPRESSED WITH A PER-CAPITA INCOME LOWER THAN STATE AVERAGES ALL 3 COUNTIES IN THE SYSTEM'S IMMEDIATE SERVICE AREA HAVE A HIGHER PROPORTION OF THE POPULATION AT OR BELOW THE POVERTY LEVEL THE ECONOMIC CONDITIONS OF THE AREA HAVE HINDERED THE GROWTH OF THE HOSPITAL AND MORE SELF-PAY PATIENTS HAVE TAKEN ADVANTAGE OF THE HOSPITAL'S SERVICES CHARITY CARE AND BAD DEBT ACCOUNTS HAVE INCREASED EACH YEAR FOR THE LAST FEW YEARS AS RECENTLY UNEMPLOYED RESIDENTS LOSE THEIR HEALTH BENEFITS, WE EXPECT HIGHER CHARITY CARE LEVELS THE PAYOR MIX AT TRINITY IS HEAVILY WEIGHTED TO THE GOVERNMENTAL PAYERS, WITH 44% OF THE 2012 YTD REVENUE GENERATED FROM MEDICARE AND 13% GENERATED FROM THE MEDICAID PROGRAM WITH THE 2 PROGRAMS RECORDING SIGNIFICANT SHORTFALLS BETWEEN PAYMENT TO HOSPITALS AND HOSPITAL COSTS, THE ECONOMIC CHALLENGES FOR TRINITY ARE GREAT
		PART VI, LINE 5 - TRINITY'S HEART CENTER MEANS NO MORE WASTED TIME IN TRAVEL TO PITTSBURGH HOSPITALS - WHEN TIME IS A KEY FACTOR FOR HEART RELATED PROBLEMS MINUTES ARE CRUCIAL TO THE SURVIVAL OF PEOPLE WITH THE SUDDEN ONSET OF SERIOUS CARDIAC PROBLEMS NOW SUPERIOR HEART CARE WILL BE A LOT CLOSER TO WHERE YOU LIVE AND WORK TRINITY'S HEART CENTER OFFERS ALL AREAS OF HEART CARE INCLUDING OPEN HEART SURGERY, ANGIOPLASTY, NUCLEAR CARDIOLOGY, ULTRASOUND, EKG, ELECTROPHYSIOLOGY PROCEDURES, CARDIAC REHABILITATION, STRESS TESTING, AND EDUCATIONAL PROGRAMS - TRINITY HEALTH SYSTEM ONCE AGAIN SPONSORED HEARTLAND DESIGNED AS THE 'LARGEST HEART RISK APPRAISAL UNDER ONE ROOF', THE EVENT MARKS ITS FIFTEENTH YEAR TRINITY HEALTH SYSTEM IS OFFERING THIS PROGRAM TO HELP COMMUNITY MEMBERS IMPROVE THEIR HEALTH THROUGH SCREENINGS AND INFORMATION THE EVENT INCLUDES THE COMMUNITY BLOOD ANALYSIS WHICH TESTS PARTICIPANTS BLOOD FOR OVER 30 DIFFERENT SCREENS OUR SCREENING HAS BEEN WELL ATTENDED FOR FOURTEEN YEARS AND WE ALWAYS EXPECT A LARGE CROWD SEVERAL TRINITY HEALTH SYSTEM SERVICES PERSONNEL WILL BE ON HAND TO DISCUSS THEIR SERVICES AND PROVIDE SCREENINGS IN CONJUNCTIONS WITH THE SCREENINGS COST OF THE BLOOD SCREENING IS $30 00 OVER 21,500 AREA RESIDENTS HAVE PARTICIPATED IN THE EVENT OVER THE YEARS - TRINITY HEALH SYSTEM OFFERS A WIDE VARIETY OF HEALTH EDUCATION AND ASSISTANCE PROGRAMS THAT ARE AVAILABLE TO THE COMMUNITY MANY OF THESE SERVICES ARE EITHER FREE OR ARE AVAILABLE FOR A NOMINAL FEE - COMMUNITY SERVICE REFERRAL IS A FREE SERVICE PROVIDED TO THE COMMUNITY THE HOSPITAL CAN PROVIDE INFORMATION AND REFERRALS TO NUMEROUS AREA AGENCIES WITH PROVIDE SUCH PROGRAMS AS SELF-HELP GROUPS, SOCIAL SERVICES (EMERGENCY FOOD/SHELTER, ETC), TRANSPORTATION, MEDICAL SUPPLY COMPANIES, AND NATIONAL MEDICAL HOTLINES THE AGENCIES DO NOT HAVE TO PAY A FEE TO BE LISTED WITH REFERRAL SERVICES - TRINITY HEALTH SYSTEM'S CARDIAC REHABILITATION PROGRAM IS DESIGNED TO EFFECT LIFESTYLE CHANGE IN PATIENTS ENROLLED THESE CHANGES ARE ACHIEVED THROUGH SAFE, PHYSICAL CONDITIONING, SOUND EDUCATIONAL SESSIONS, AND GROUP SUPPORT, WHICH EMPHASIZE THE UNDERSTANDING OF RISK FACTORS ASSOCIATED WITH HEART DISEASE THE PROGRAM'S GOAL IS TO ENHANCE THE QUALITY OF LIFE FOR THE PATIENT BY PARTICIPATING IN OUR CARDIAC REHABILITATION PROGRAM, PATIENTS CAN LEARN HOW TO ACHIEVE AND MAINTAIN THE HEALTHIEST LIFESTYLE POSSIBLE OUR SPECIALLY TRAINED STAFF WORKS WITH PATIENTS, THEIR FAMILIES, AND PHYSICIANS TO DEVELOP A PERSONALIZED PROGRAM OF HEALTH AND WELLNESS AS AN INTEGRAL PART OF THE OVERALL PROGRAM, EDUCATION INCREASES A PATIENT'S UNDERSTANDING OF THEIR ILLNESS AND HELPS THEM TO IDENTIFY CURRENT HABITS THAT CAN NEGATIVELY AFFECT THEIR CARDIAC CONDITION WE COVER ISSUES LIKE RISK FACTOR REDUCTION, ANGINA, HEART ATTACK, MEDICATION, DIETARY AND EXERCISE GUIDELINES, SMOKING, AND BREATHING ANN RELAXATION METHODS REGULAR EXERCISE INCREASES STRENGTH AND IMPROVES MUSCLE TONE IT CAN ALSO DECREASE A PATIENT'S RESTING HEART RATE AND BLOOD PRESSURE, ASSIST IN WEIGHT CONTROL, DECREASE STRESS, AND ENHANCE THEIR ABILITY TO PERFORM DAILY ACTIVITIES SUPPORT WILL HELP PATIENTS AND THEIR FAMILIES REALIZE THEY ARE NOT ALONE AND TO DEVELOP RELATIONSHIPS WITH OTHER CLIENTS AND STAFF - THE DIABETES OUTPATIENT EDUCATION PROGRAM AT TRINITY HEALTH SYSTEM IS SPECIFICALLY DESIGNED TO AID THE PATIENT WITH DIABETES TO MAKE RESPOSIBLE DECISIONS IN THE CARE OF THEIR DISEASE THE PROGRAM IS OFFERED IN SEVEN SESSIONS CONTENT INCLUDES DISEASE PROCESS, ACUTE COMPLICATIONS/SICK DAYS, TRAVELING, NUTRITIONAL SESSIONS BY A CERTIFIED DIETICIAN, EXERCISE AND MONITORING, MEDICATIONS, AND GENERAL HEALTH CARE / CHRONIC COMPLICATIONS - TRINITY HEALTH SYSTEM'S CHILDBIRTH PREPARATION CLASSES CAN HELP PREPARE MOTHERS AND FAMILIES FOR THE NEW CHALLENGES THAT COME WITH THE BIRTH OF A CHILD OUR PROFESSIONAL STAFF OF NURSES CAN HELP PATIENTS, GRANDPARENTS AND SIBLINGS PREPARE FOR AN UPCOMING BIRTH EVENT, AND CAN OFFER INSIGHTFUL ADVICE AND INFORMATION ON HOW TO CARE FOR A NEWBORN OUR PROGRAM GUIDES AND SUPPORTS PARENTS DURING PREGNANCY, LABOR, DELIVERY, AND PARENTHOOD WE WILL DISCUSS ISSUES RELATING TO UPCOMING LABOR, DELIVERY, ANESTHESIA, PRENATAL TESTING, INFANT CARE, SAFETY THIS COURSE INCLUDES PREPARING PARENTS FOR LABOR AND BIRTH THROUGH THE USE OF RELAXATION AND BREATHING TECHNIQUES PARENTS WILL ALSO BE GIVEN A TOUR OF AND ORIENTATION TO TRINITY'S FAMILY BIRTH CENTER - TRINITY HEALTH SYSTEM'S PULMONARY REHABILITATION PROGRAM IS DESIGNED TO EFFECT LIFESTYLE CHANGE IN PATIENTS ENROLLED THESE CHANGES ARE ACHIEVED THROUGH SAFE, PHYSICAL CONDITIONING, SOUND EDUCATIONAL SESSIONS, AND GROUP SUPPORT, WHICH EMPHASIZE THE UNDERSTANDING OF CHRONIC OBSTRUCTIVED PULMONARY DISEASE THE PROGRAM'S GOAL IS TO ENHANCE THE QUALITY OF LIFE FOR THE PATIENT AGE IS NOT A FACTOR BY PARTICIPATING IN OUR PULMONARY REHABILITATION PROGRAM, PATIENTS CAN LEARN HOW TO ACHIEVE AND MAINTAIN THE HEALTHIEST LIFESTYLE POSSIBLE OUR SPECIALLY TRAINED STAFF WORKS WITH PATIENTS, THEIR FAMILIES, AND PHYSICIANS TO DEVELOP A PERSONALIZED PROGRAM OF HEALTH AND WELLNESS THE GOALS OF TRINITY HEALTH SYSTEM'S PULMONARY REHABILITATION PROGRAM ARE INCREASED UNDERSTANDING OF LUNG DISEASE, INCREASED MUSCULAR FITNESS, INCREASED ENDURANCE, IMPROVED SENSE OF WELL-BEING, AND DECREASED SHORTNESS OF BREATH WITH ACTIVITY - GRANDCARE AT TRINITY MEDICAL CENTER WEST IS THE NEXT BEST THING TO GRANDMA'S ARMS WHEN A CHILD IS SICK WORK SCHEDULES OR PLANS CAN BE DISRUPTED AND USUALLY CANCELLED DUE TO A LACK OF QUALIFIED CHILD CARE PROGRAMS FOR SICK CHILDREN CHILDREN FROM SIX WEEKS TO SIXTEEN YEARS OF AGE ARE WELCOME AND THE SERVICE IS AVAILABLE 24 HOURS A DAY AND SEVEN DAYS A WEEK ONLY CHILDREN SUFFERING FROM CHICKEN POX, OR PHYSICALLY AND EMOTIONALLY HANDICAPPED ARE EXCLUDED ALL SERVICES SUCH AS ISOLATION AND PRESCRIBED THERAPIES ARE AVILABLE MEMBERS OF THE PEDIATRIC DEPARTMENT NURSING STAFF ARE IN CHARGE OF CARE MEALS AND SNACKS ARE INCLUDED THE SPEAKER'S BUREAU WILL ADDRESS COMMUNITY ORGANIZATIONS, SCHOOLS, CHURCHES, AND BUSINESSES TOPICS INCLUDE ACLS, ERGONOMICS, ORTHOPEDIC, ADVANCE DIRECTIVES, EXERCISE, DISORDERS/DISEASE, AIDS/HIV, FOOT/ANKLE DISORDERS, OSTEOARTHRITIS, AQUATICS, GASTROENTEROLOGY DISEASES, OSTEOPOROSIS, BIRTH CONTROL, HEALTH CARE REFORM, PHYSICAL THERAPY, BODY RECALL, HEART DISEASE, PROSTATE DISEASE, CANCER, HEARTLAND, SEIZURES, CARDIAC REHABILITATION, HOME HEALTH, SENIORS BENEFITS, CHILD DEVELOPMENT, IMPOTENCE, SEXUALLY TRANSMITTED DISEASE, CHILDBIRTH, INCONTINENCE, CHILDHOOD IMMUNIZATIONS, INFECTIOUS DISEASES, SKIN DISORDERS, CPR/FIRST AID, MEDICATIONSAVING THERAPY, SMOKING CESSATION, DIABETIC FOOT CARE, NEONATOLOGY, SPORTS MEDICINE, DRUG ABUSE, NEUROLOGICAL DISORDERS, STRESS MANAGEMENT, EATING DISORDERS, NUTRITION, TEENAGE SEXUALITY, EKG, OCCUPATIONAL THERAPY, WEIGHT MANAGEMENT, ENT DISORDERS, OPTHALMOLOGY, WELLNESS, ENTEROSTOMAL THERAPY, AND WOMEN'S HEALTH ISSUES - THE EMERGENCY SERVICES OF TRINITY HEALTH SYSTEM ARE AVAILABLE AT TRINITY MEDICAL CENTER WEST EMERGENCY SERVICES ARE OPEN TO ALL, REGARDLESS OF ABILITY TO PAY IN 2012, WE HAD OVER 48,000 ER VISITS THE TRINITY MEDICAL CENTER WEST EMERGENCY DEPARTMENT HAS BEEN REMODELED AND EXPANDED TO ACCOMMODATE PATIENTS REQUIRING TREATMENT THE EMERGENCY DEPARTMENT HAS DOUBLED IN SIZE AND TWICE AS MANY TREATMENT BEDS ARE NOW AVAILABLE A DEDICATED X-RAY ROOM HAS BEEN CONSTRUCTED ADJACENT TO THE EMERGENCY DEPARTMENT PHYSICIAN, PROFESSIONAL AND SUPPORT STAFF HAVE BEEN ADDED TO PROVIDE CARE FOR PATIENTS 24 HOURS / 7 DAYS PER WEEK SPECIAL TREATMENT AREAS HAVE BEEN CONSTRUCTED FOR CARDIAC EMERGENCIES, OBSTETRICAL EMERGENCIES, PEDIATRIC EMERGENCIES, TRAUMA, SUTURING (STITCHES), AND FRACTURES TRINITY SERVICES ALL LEVELS OF EMERGENCY AND URGENT CARE INCLUDING CARDIAC EMERGENCIES, ACUTE RESPIRATORY EMERGENCIES, TRAUMA, CHEST PAIN CENTER, FRACTURES, AND SUTURING AS WELL AS MEDICAL EMERGENCIES INCLUDING, BUT NOT LIMITED TO ACUTE APPENDICITIS, CEREBRAL ANEURYSMS, GALL BLADDER ATTACKS, ACUTE ABDOMINAL PAIN, PEDIATRIC EMERGENCIES, AND UNEXPECTED BLEEDING OR SEVERE PAIN - TRINITY DEVELOPED A PARTNERSHIP WITH THE YMCA THE YMCA IS A MEMBERSHIP ORGANIZATION DEDICATED TO IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITY THROUGH PROGRAMS, SERVICE AND LEADERSHIP, THE YMCA PROMOTES ETHICAL VALUES THAT CONTRIBUTE TO ITS MEMBERS' GROWTH IN BUILDING HEALTHY SPIRITS, MINDS AND BODIES THE YMCA IS OPEN FOR ALL, PROVIDING FINANCIAL ASSISTANCE TO THOSE IN NEED FOR MORE THAN 100 YEARS, THE YMCA HAS SERVED THE COMMUNITIES IN THE TRI-STATE AREA OF OHIO, WEST VIRGINIA AND PENNSYLVANIA WHEN YOU JOIN THE STEUBENVILLE YMCA, YOU BECOME PART OF AN INTERNATIONAL MOVEMENT TO BUILD STRONG KIDS, STRONG FAMILIES, AND STRONG COMMUNITIES APPROACHING 3,000 MEMBERS, THE YMCA HAS BEEN ABLE TO EXPAND PROGRAMMING THROUGHOUT THE YEAR AS A RESULT OF THE POSITIVE RESPONSE FROM THE ENTIRE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 TRINITY HEALTH SYSTEM, WHICH CONSISTS OF TWO HOSPITALS - TRINITY EAST AND TRINITY WEST, IS A 500 BED HEALTH SYSTEM LOCATED IN STEUBENVILLE, OHIO TRINITY HEALTH SYSTEM IS AN EXTENSION OF THE MISSIONS AND PROUD HERITAGES OF ITS CO-SPONSORS, TRI STATE HEALTH SERVICES (REFLECTING THE PERSPECTIVES OF THE LOCAL COMMUNITY) AND SYLVANIA FRANCISCAN HEALTH (REPRESENTING THE PERSPECTIVES OF THE HEALTH CARE MINISTRY OF THE SISTERS OF ST FRANCIS OF SYLVANIA, OHIO) AS A NON-PROFIT, CHARITABLE HEALTH CARE DELIVERY SYSTEM, TRINITY HEALTH SYSTEM IS DEDICATED TO PRESERVING THE SECULAR COMMUNITY TRADITIONS AND THE CATHOLIC TRADITIONS OF ITS CO-SPONSORS IN THE DELIVERY OF HEALTH CARE IN THE GREATER STEUBENVILLE, OHIO REGION
REPORTS FILED WITH STATES	PART VI, LINE 7	OH

Identifier	ReturnReference	Explanation
PART V, LINE 8 FACILITY REPORTING GROUP A		SEE BELOW
FACILITY 1 -- TRINITY MEDICAL CENTER WEST	PART V, SECTION B, LINE 16E	

Identifier	ReturnReference	Explanation
FACILITY 1 -- TRINITY MEDICAL CENTER WEST	PART V, SECTION B, LINE 17E	
FACILITY 1 -- TRINITY MEDICAL CENTER WEST	PART V, SECTION B, LINE 17E	

Identifier	ReturnReference	Explanation
FACILITY 1 -- TRINITY MEDICAL CENTER WEST	PART V, SECTION B, LINE 20D	
FACILITY 1 -- TRINITY MEDICAL CENTER WEST	PART V, SECTION B, LINE 20D	ALL PATIENTS ARE BILLED AT GROSS CHARGES AND THEN THE APPLICABLE DISCOUNTS ARE APPLIED BASED ON FINANCIAL NEEDS OR CONTRACTUAL OBLIGATION THE UNINSURED DISCOUNT IS 25 PERCENT OFF OF BILLED CHARGES THE 25 PERCENT IS BASED ON THE ESTIMATED AVERAGE OF COMMERCIAL INSURANCE DISCOUNTS

Identifier	ReturnReference	Explanation
FACILITY 2 -- TRINITY MEDICAL CENTER EAST	PART V, SECTION B, LINE 16E	
FACILITY 2 -- TRINITY MEDICAL CENTER EAST	PART V, SECTION B, LINE 17E	

Identifier	ReturnReference	Explanation
FACILITY 2 -- TRINITY MEDICAL CENTER EAST	PART V, SECTION B, LINE 17E	
FACILITY 2 -- TRINITY MEDICAL CENTER EAST	PART V, SECTION B, LINE 20D	

Identifier	ReturnReference	Explanation
FACILITY 2 -- TRINITY MEDICAL CENTER EAST	PART V, SECTION B, LINE 20D	ALL PATIENTS ARE BILLED AT GROSS CHARGES AND THEN THE APPLICABLE DISCOUNTS ARE APPLIED BASED ON FINANCIAL NEEDS OR CONTRACTUAL OBLIGATION THE UNINSURED DISCOUNT IS 25 PERCENT OFF OF BILLED CHARGES THE 25 PERCENT IS BASED ON THE ESTIMATED AVERAGE OF COMMERCIAL INSURANCE DISCOUNTS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

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Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EMPLOYEE MEDICAL EDUCATION ASSISTANCE	11	127,579		N/A	N/A
(2) PHYSICIAN MEDICAL EDUCATION ASSISTANCE	2	256,538		N/A	N/A

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 OUR POLICIES FOR MONITORING THE USE OF GRANT FUNDS IN THE UNITED STATES IS FOLLOWING THE POLICIES AND PROCEDURES OF THE GRANTING ORGANIZATION IN REGARDS TO THE DISTRIBUTION AND REPORTING OF GRANTS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
	PART I, LINE 3	THE CEO IS COMPENSATED BY TRINITY HEALTH SYSTEM, WHO USES A COMPENSATION COMMITTEE, COMPENSATION SURVEY OR STUDY AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE, TO DETERMINE COMPENSATION
	PART I, LINE 4B	PART I, LINE 4B THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN UNDER SECTION 457(F) CURRENT YEAR PAYMENTS, REPORTED IN PART II, COLUMN (B)(III), ARE SUMMARIZED BELOW JAMES W POPE $104,670

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 30-0752920
Name: TRINITY HEALTH SYSTEM GROUP

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
FRED BROWER	(I)	0	0	0	0	0	0	0
	(II)	361,237	3,946	19,494	207,433	77,443	669,553	0
JOHN FIGEL MD	(I)	173,342	27,016	19,819	0	0	220,177	0
	(II)	0	0	0	0	0	0	0
JAMES POPE	(I)	0	0	0	0	0	0	0
	(II)	640,430	0	118,412	24,500	20,745	804,087	0
DAVID WERKIN	(I)	0	0	0	0	0	0	0
	(II)	148,217	2,173	28,399	0	27,399	206,188	0
ELIZABETH ALLEN	(I)	0	0	0	0	0	0	0
	(II)	176,695	3,552	307	0	23,542	204,096	0
KUMAR AMIN MD	(I)	622,923	624,615	0	0	13,143	1,260,681	0
	(II)	0	0	0	0	0	0	0
SATHISH MAGGE MD	(I)	729,480	392,804	0	0	0	1,122,284	0
	(II)	0	0	0	0	0	0	0
RAMANA MURTY MD	(I)	906,380	34,012	0	0	8,355	948,747	0
	(II)	0	0	0	0	0	0	0
BASEL TERMANINI MD	(I)	413,183	334,535	0	0	14,785	762,503	0
	(II)	0	0	0	0	0	0	0
HIMANSHU DESAI MD	(I)	422,208	325,410	0	0	14,785	762,403	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

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	CITY OF STEUBENVILLE OHIO	34-6002729	860068BZ7	08-12-2010	42,796,876	REFINANCE 2007 BOND ISSUE		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	42,796,876			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	629,721			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	34,961,794			
12	Other unspent proceeds				
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		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 00000%		%		%		%	
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 ▶	0 00000%		%		%		%	
6	Total of lines 4 and 5	0 00000%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?		X						

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

Identifier	Return Reference	Explanation
EXPLANATION FOR NOT FILING FORM 990-T	FORM 990, PART V, LINE 3B	TRINITY HOSPITAL HOLDING COMPANY (34-1842025), A SUBORDINATE ORGANIZATION OF TRINITY HEALTH SYSTEM GROUP, FILES A FORM 990-T THAT INCLUDES THE UNRELATED BUSINESS INCOME AND EXPENSES SHOWN IN THIS RETURN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE CORPORATION SHALL BE TRINITY HEALTH SYSTEM, AN OHIO NONPROFIT CORPORATION THE MEMBERS OF THE SOLE MEMBER ARE FRANCISCAN SERVICES CORPORATION AND TRI-STATE HEALTH SERVICES, INC , BOTH OHIO NONPROFIT CORPORATIONS (''CO-SPONSORING MEMBERS'')

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	ALL TRUSTEES ARE ELECTED BY MEMBERS RECOMMENDATIONS FOR APPOINTMENT TO THE BOARD OF TRUSTEES ARE MADE BY TRINITY HEALTH SYSTEM BOARD OF TRUSTEES THROUGH ITS NOMINATING COMMITTEE. FINAL APPROVAL OF EACH NOMINEE BY THE CO-SPONSORING MEMBERS IS REQUIRED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	BOTH CO-SPONSORING MEMBERS MUST APPROVE THE FOLLOWING ACTIONS OF THE COPORATION OR ANY OF ITS SUBSIDIARIES AS A CONDITION BEFORE THEY BECOME EFFECTIVE 1 MERGER, CONSOLIDATION OR SUBSTANTIAL SALE 2 CREATION OF SUBSIDIARIES OR AFFILIATION WITH OTHER ENTITIES 3 CONVEYANCING REAL PROPERTY OR CREATING LIENS THEREON 4 TRANSFER OF PERSONAL PROPERTY, INCURRING OR GUARANTEEING INDEBTEDNESS OR GRANTING LIENS IN EXCESS OF AN AMOUNT PRESCRIBED FROM TIME TO TIME BY THE MEMBERS 5 APPROVAL OF CORPORATION OR SUBSIDIARY TRUSTEES AND DIRECTORS BASED UPON AGREED UPON CRITERIA 6 CAPITAL EXPENDITURES OR GRANTS IN EXCESS OF AN AMOUNT PRESCRIBED FROM TIME TO TIME BY THE MEMBERS 7 ADDITION OR TERMINATION OF SERVICES 8 APPROVAL OF SELECTION OF THE SLATE OF CANDIDATES FOR THE OFFICE OF CEO OF THE CORPORATION OR ANY OF ITS SUBSIDIARIES, PROVIDED, HOWEVER, THAT A REPRESENTATIVE OF EACH MEMBER WILL SERVE ON THE SELECTION COMMITTEE 9 APPROVAL OF THE ANNUAL BUDGET AND STRATEGIC PLAN FOR THE CORPORATION AND ITS SUBSIDIARIES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE TRINITY HEALTH SYSTEM BOARD OF TRUSTEES, REPRESENTED BY ITS EXECUTIVE COMMITTEE, REVIEWS THE SYSTEM'S AND RELATED ENTITIES FORM 990'S PRIOR TO FILING EACH DOCUMENT IS REVIEWED IN DETAIL, INCLUDING EACH OF THE RELATED SCHEDULES IN THEIR ENTIRETY THE BOARD'S EXECUTIVE COMMITTEE ENDORSES THE 990 FILINGS AND REPORTS ON THEIR REVIEW OF THE ORGANIZATION'S 990S AT THE REGULAR BOARD OF TRUSTEES MEETING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEMBER, OFFICER AND VICE PRESIDENT IS REQUIRED TO COMPLETE A DISCLOSURE OF POTENTIAL CONFLICTS, WHICH ARE DEFINED BY THE APPLICABLE POLICY, ON AN ANNUAL BASIS EACH SUBMISSION IS REVIEWED BY THE BOARD CHAIR AND THE SYSTEM CEO, THEN INCORPORATED INTO A SUMMARY REPORT THAT IS PROVIDED TO THE BOARD AND THE INDIVIDUAL ORIGINALS IN EACH MEMBER'S BOARD BOOK UPON THE HEARING OR DELIBERATION OF ANY MATTER THAT COMES BEFORE THE BOARD, THE BOARD CHAIR OR ANY INDIVIDUAL MEMBER OF THE BOARD CAN RAISE A QUESTION RELATED TO ANY CONFLICT THAT THEY MAY IDENTIFY THE BOARD CHAIR, IN CONSULTATION WITH THE CEO AND THE FULL BOARD, WILL MAKE A DETERMINATION ON THE QUESTION AND THE PROCEDURES TO BE FOLLOWED IN THE INDIVIDUAL CASE THE BOARD CHAIR, OR HIS DESIGNEE IF THE CHAIR IS CONFLICTED, WILL MANAGE THE CONFLICT TO ASSURE AN UNBIASED AND OBJECTIVE DISCUSSION AND DECISION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	EACH EXECUTIVE'S COMPENSATION, INCLUDING THE CEO, IS REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES THE REVIEW IS DOCUMENTED IN THE MEETING MINUTES THE BOARD IS PROVIDED WITH SALARY COMPARISON DATA, WHICH IS PREPARED BY THE OHIO HOSPITAL ASSOCIATION EACH YEAR AN OUTSIDE FIRM DOES A COMPENSATION SURVEY THAT IS ALSO PROVIDED TO THE BOARD THIS PROCESS WAS LAST UNDERTAKEN IN 2011

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	TRINITY HEALTH SYSTEM MAKES ITS GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICIES OR FINANCIAL STATEMENTS AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST FINANCIAL STATEMENTS ARE MADE AVAILABLE TO TRINITY BONDHOLDERS UPON THEIR REQUEST THROUGH MUNICIPAL INFORMATION REPOSITORIES

Identifier	Return Reference	Explanation
	FORM 990, PT VII, AVERAGE HOURS PER WEEK	FRED BROWER AND ELIZABETH ALLEN ARE OFFICERS OF TRINITY HEALTH SYSTEM JAMES POPE IS AN OFFICER OF SYLVANIA FRANCISCAN HEALTH, A SPONSORING MEMBER OF THE ORGANIZATION ONE OF THE RESPONSIBILITIES OF THEIR POSITION IS TO SERVE AS OFFICERS FOR MANY OF THE SUBSIDIARY ORGANIZATIONS THE AVERAGE WORK WEEK FOR THESE INDIVIDUALS IS 40+ HOURS THIS TIME IS ALLOCATED TO THEIR POSITIONS WITH THE VARIOUS SUBSIDIARIES AS WELL AS THEIR RESPONSIBILITIES OF THE PARENT ORGANIZATION IT IS ESTIMATED THAT THESE INDIVIDUALS DEDICATE AT LEAST ONE HOUR PER WEEK TO THEIR RESPONSIBILITIES AS OFFICERS OF THE SUBORDINATE ORGANIZATIONS

Identifier	Return Reference	Explanation
	FORM 990, PART VII, COMPENSATION	PAUL DIBIASE, JOHN FIGEL, WILLIAM JOHNS AND CLYDE METZGER ARE COMPENSATED BY TRINITY HOSPITAL HOLDING COMPANY (34-1842025), A SUBORDINATE ORGANIZATION OF TRINITY HEALTH SYSTEM GROUP, WHO DOES NOT FILE THEIR OWN FORM 990 ACCORDINGLY, COMPENSATION HAS BEEN REPORTED IN COLUMN D OF FORM 990, PART VII

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN PENSION OBLIGATION -3,801,639 CHANGE IN INTEREST IN FOUNDATION NET ASSETS 383,998 OTHER CHANGES IN NET ASSETS -13,903

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, LINE H(C), GROUP EXEMPTION NUMBER	TRINITY HEALTH SYSTEM GROUP IS INCLUDED WITHIN TWO GROUP EXEMPTION NUMBERS, #5388 FOR TRINITY HOSPITAL HOLDING COMPANY (TRINITY HEALTH SYSTEM, #34-1818681, PARENT), AND #0928 TO THE CATHOLIC HEALTH ASSOCIATION AND ITS AFFILIATED ORGANIZATIONS, OF WHICH IT IS A SUBORDINATE.

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TRINITY HEALTH SYSTEM GROUP

Employer identification number
30-0752920

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) TRINITY HEALTH SYSTEM 380 SUMMIT AVENUE STEUBENVILLE, OH 43952 34-1818681	SUPPORT & MANAGEMENT	OH	501(C)(3)	LINE 11B, II	TRI-STATE HEALTH SERVICES & SYLVANIA FRANCISCAN HEALTH		No
(2) TRINITY HEALTH SYSTEM FOUNDATION 380 SUMMIT AVENUE STEUBENVILLE, OH 43952 34-1329423	CHARITABLE FUNDRAISING	OH	501(C)(3)	LINE 11A, I	TRINITY HEALTH SYSTEM	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) TRINITY MANAGEMENT SERVICES ORGANIZATION 380 SUMMIT AVENUE STEUBENVILLE, OH 43952 34-1471026	MANAGEMENT SERVICES, PHYSICIAN STAFF	OH	N/A	C					No

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

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) TRINITY HEALTH SYSTEM	M	4,569,034	CASH
(2) TRINITY MANAGEMENT SERVICES ORGANIZATION	P	3,657,572	CASH
(3) TRINITY HEALTH SYSTEM FOUNDATION	C	462,000	ACTUAL AMOUNTS PAID

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

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

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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 30-0752920
Name: TRINITY HEALTH SYSTEM GROUP

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation	

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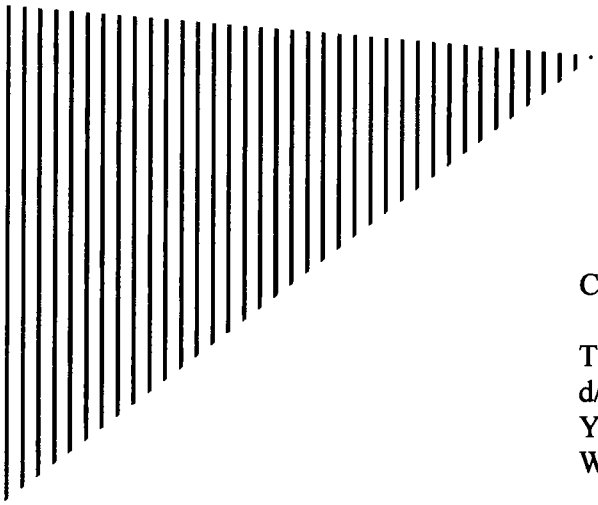


CONSOLIDATED FINANCIAL STATEMENTS

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center
Years Ended December 31, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

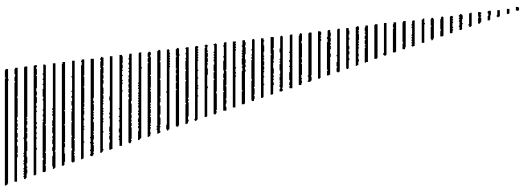
ERNST & YOUNG

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Consolidated Financial Statements

Years Ended December 31, 2012 and 2011

Contents



Ernst & Young LLP
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Report of Independent Auditors

The Board of Trustees
Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

We have audited the accompanying consolidated financial statements of Trinity Hospital Holding Company and subsidiaries d/b/a Trinity Medical Center, which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Hospital Holding Company and subsidiaries d/b/a Trinity Medical Center at December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & [redacted]

April 25, 2013

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Consolidated Statements of Financial Position

	December 31 2012	2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 14,467,574**	$ 11,326,721
Current portion of trustee-held funds	**805,462**	802,766
Accounts receivable	**31,201,920**	32,057,387
Allowance for doubtful accounts	**(7,434,254)**	(8,764,654)
	23,767,666	23,292,733
Due from affiliates	**1,588,085**	1,014,496
Inventories	**3,743,491**	3,053,351
Due from third-party payors	**735,000**	–
Prepaid expenses and other current assets	**1,246,950**	2,760,085
Total current assets	**46,354,228**	42,250,152
Assets whose use is limited:		
Board-designated funds	**73,863,747**	66,741,491
Trustee-held funds	**4,529,683**	4,444,739
Other investments	**1,476,284**	1,391,577
	79,869,714	72,577,807
Current portion of trustee-held funds	**(805,462)**	(802,766)
	79,064,252	71,775,041
Other assets:		
Other receivables	**681,631**	773,518
Due from affiliates	**2,224,470**	2,262,451
Interest in net assets of the Foundation	**15,006,375**	13,679,422
Unamortized financing costs and other deferred costs	**270,708**	288,868
Other intangible assets	**245,000**	315,949
Goodwill	**3,873,161**	2,573,161
	22,301,345	19,893,369
Property, buildings, and equipment	**210,730,665**	208,125,267
Allowances for depreciation	**(158,443,475)**	(155,339,524)
	52,287,190	52,785,743
Total assets	**$ 200,007,015**	$ 186,704,305

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Consolidated Statements of Financial Position (continued)

	December 31	
	2012	**2011**
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 13,436,815**	$ 11,075,588
Accrued payroll and related expenses	**4,524,349**	6,197,865
Other accrued expenses	**1,344,000**	1,985,000
Accrued interest	**424,209**	431,484
Due to affiliates	**1,070,557**	1,165,490
Current portion of insurance claims reserve	**556,117**	565,613
Due to third-party payors	**2,408,780**	1,694,578
Current portion of long-term debt and capital lease obligations	**1,862,156**	1,781,197
Total current liabilities	**25,626,983**	24,896,815
Other liabilities:		
Retirement benefits obligation	**23,058,711**	19,541,271
Long-term reserve, insurance claims	**2,224,470**	2,262,451
Long-term debt, less current portion	**38,546,765**	40,302,838
	63,829,946	62,106,560
Total liabilities	**89,456,929**	87,003,375
Net assets:		
Unrestricted	**94,800,710**	85,278,509
Unrestricted interest in the Foundation	**7,353,117**	6,410,160
Temporarily restricted interest in the Foundation	**6,279,515**	5,909,930
Permanently restricted	**743,000**	743,000
Permanently restricted interest in the Foundation	**1,373,744**	1,359,331
Total net assets	**110,550,086**	99,700,930
Total liabilities and net assets	**$ 200,007,015**	$ 186,704,305

See accompanying notes.

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2012	**2011**
Unrestricted revenue, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	**$ 202,950,810**	$ 186,225,451
Provision for bad debts	**12,410,044**	13,302,452
Net patient service revenue less provision for bad debts	**190,540,766**	172,922,999
Other operating revenue	**9,793,116**	11,022,301
Total revenue and other support	**200,333,882**	183,945,300
Expenses		
Salaries and wages	**72,692,483**	74,150,430
Employee benefits	**25,837,167**	23,434,507
Professional fees	**2,954,703**	2,182,845
Supplies and pharmaceuticals	**43,030,087**	37,554,689
Purchased services, utilities, and other	**37,989,397**	32,508,012
Insurance	**1,057,527**	160,625
Depreciation and amortization	**9,555,340**	8,490,877
Interest	**1,847,497**	1,902,743
Total expenses	**194,964,201**	180,384,728
Net operating income	**5,369,681**	3,560,572
Other nonoperating income (loss):		
Interest and dividend income – net	**1,813,499**	1,454,951
Contributions	**10,589**	504
Realized gain (loss) on sale of investments – net	**1,091,868**	(191,998)
Net unrealized gain (loss) on investments	**4,359,000**	(146,000)
Gain on disposal of assets	**13,106**	4,560,545
Change in unrestricted interest in the Foundation	**942,957**	(65,302)
Total other nonoperating income	**8,231,019**	5,612,700
Excess of revenues over expenses	**13,600,700**	9,173,272

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

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

	Year Ended December 31	
	2012	**2011**
Excess of revenues over expenses	**$ 13,600,700**	$ 9,173,272
Other changes in unrestricted net assets:		
Change in pension obligation	**(3,801,639)**	(6,944,098)
Transfer to the Foundation	**(13,903)**	–
Donation – Mary Jane Brooks Charitable Trust	**168,000**	–
Donation – Capital	**50,000**	–
Unrestricted donation from the Foundation for capital assets	**82,000**	500,000
Unrestricted donation from the Foundation	**380,000**	258,000
Increase in unrestricted net assets	**10,465,158**	2,987,174
Temporarily restricted net assets:		
Change in temporarily restricted interest in the Foundation	**369,585**	(491,765)
Increase (decrease) in temporarily restricted net assets	**369,585**	(491,765)
Permanently restricted net assets:		
Change in permanently restricted interest in the Foundation	**14,413**	(21,666)
Increase (decrease) in permanently restricted net assets	**14,413**	(21,666)
Increase in net assets	**10,849,156**	2,473,743
Net assets at beginning of year	**99,700,930**	97,227,187
Net assets at end of year	**$ 110,550,086**	$ 99,700,930

See accompanying notes.

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2012	**2011**
Operating activities		
Increase in net assets	**$ 10,849,156**	$ 2,473,743
Adjustments to reconcile increase in net assets to net cash and cash equivalents provided by operating activities:		
Net unrealized (gain) loss on investments	**(4,359,000)**	146,000
Gain on disposal of property and equipment	**(13,106)**	(4,560,545)
Provision for doubtful accounts	**12,410,044**	13,302,452
Depreciation and amortization	**9,555,340**	8,490,877
Amortization of debt discount	**106,083**	108,379
Change in pension obligation	**3,801,639**	6,944,098
Change in interest in net assets of the Foundation	**(1,326,953)**	578,733
Increase in patient accounts receivable	**(12,884,977)**	(16,780,530)
Increase in other assets	**1,017,047**	(1,204,158)
Decrease in due to/from affiliates	**(659,026)**	(2,873,267)
Increase in accounts payable, salaries, wages, and other accrued expenses	**39,016**	2,950,318
Decrease in retirement benefits payable	**(284,200)**	(1,168,219)
(Decrease) increase in insurance claim reserve	**(47,478)**	2,828,064
Change in settlements receivable under third-party reimbursement contracts	**(20,799)**	2,267,446
Net cash and cash equivalents provided by operating activities and gains	**18,182,786**	13,503,391
Investing activities		
Cash proceeds used in the purchase of investments	**(40,431,581)**	(57,813,907)
Cash proceeds provided by the sale of investments	**37,668,325**	52,532,688
Cash proceeds on the sale of renal division	**–**	4,595,946
Acquisition of physician practice	**(1,300,000)**	(1,500,000)
Purchase of property and equipment, net	**(9,197,480)**	(5,126,698)
Net cash and cash equivalents used in investing activities	**(13,260,736)**	(7,311,971)
Financing activities		
Repayment of long-term debt and capital lease obligations	**(1,781,197)**	(1,551,845)
Net cash and cash equivalents used in financing activities	**(1,781,197)**	(1,551,845)
Increase in cash and cash equivalents	**3,140,853**	4,639,575
Cash and cash equivalents at beginning of year	**11,326,721**	6,687,146
Cash and cash equivalents at end of year	**$ 14,467,574**	$ 11,326,721

See accompanying notes.

Trinity Hospital Holding Company and Subsidiaries
d/b/a Trinity Medical Center

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

1. Organization

Parent

Tri-State Health Services, Inc. (Tri-State) and Sylvania Franciscan Health (fka Franciscan Services Corporation) co-sponsored the formation of Trinity Health System (Health System), a not-for-profit corporation, controlled 50% by each entity. Sylvania Franciscan Health is the formal expression of the sponsored health and human services ministry of the Sisters of St. Francis of Sylvania, Ohio. Among the member organizations in Ohio and Texas are six hospitals, seven long-term care facilities, four assisted living facilities, independent senior housing, a counseling center, a domestic violence shelter, and other supporting organizations. Trinity Hospital Holding Company d/b/a Trinity Medical Center (Trinity) was established January 1, 1997, as a subsidiary of the Health System and a holding company for Trinity East d/b/a Trinity Medical Center East (Trinity East) and Trinity West d/b/a Trinity Medical Center West (Trinity West). Trinity, located in Steubenville, Ohio, is engaged primarily in providing of health care services to the citizens who reside in the Eastern Ohio, West Virginia, and Western Pennsylvania geographic area, through its acute care and specialty care facilities.

Consolidation

The consolidated financial statements include the accounts of Trinity and its controlled not-for-profit subsidiaries, Trinity East and Trinity West. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Significant Accounting Policies

The accounting policies followed by Trinity and the methods of applying those policies that materially affect the determination of the consolidated financial position, consolidated results of operations and changes in net assets, and consolidated cash flows are summarized below.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Adjustments to estimates are recorded, as appropriate, in the periods in which they are determined.

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash includes currency on hand and demand deposits with financial institutions. Cash equivalents are short-term, highly liquid investments both readily convertible to known amounts of cash and so near to maturity (three months or less at the time of purchase) that there is insignificant risk of changes in value because of changes in interest rates.

Inventories

Inventories consisting of supplies and pharmaceuticals are stated at the lower of first-in, first-out cost or market.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are carried at fair value and accounted for as trading securities. Investment income, including realized gains and losses determined by the specific-identification method and unrealized gains and losses, is included in excess of revenues over expenses unless restricted by the donor in connection with a gift.

Board-Designated Funds

The Board of Trustees has authorized Trinity to fund depreciation. Funds available in the funded depreciation account may be used to acquire capital assets and to make mortgage or similar payments, including principal payments on the long-term debt and capital lease obligations. These funds are also available to be used to fund operations, if necessary.

Trustee-Held Funds

Trustee-held funds consist of funds held by the bond trustee in the debt service fund and interest fund, which are restricted for payment of principal and interest on the Series 2010 Bonds. Also, included in trustee-held funds are funds held in the project fund for construction costs.

2. Significant Accounting Policies (continued)

Property, Buildings, and Equipment

Property, buildings, and equipment are carried at cost or fair value at date of purchase or gift. Expenditures for renewals or betterments are capitalized, and expenditures for maintenance and repairs are charged to expense. Depreciation is provided by the straight-line method at rates that are expected to amortize the cost of the assets over their useful lives (predominantly ranging from 3 to 40 years). Assets capitalized under capital leases are amortized in accordance with the respective class of owned assets. Depreciation expense includes amortization of assets held under capital leases.

Unamortized Financing and Other Deferred Costs

Unamortized financing costs consist of bond issuance costs that are being amortized over the life of the related indebtedness.

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the fair value of the assets acquired and liabilities assumed. Goodwill is reviewed annually for impairment or more frequently if events or circumstances indicate that the carrying value of any asset may not be recoverable. The impairment test for goodwill requires a comparison of the fair value of each reporting unit that has goodwill associated with its operations with its carrying amount.

The impairment analysis includes assessing specific qualitative factors surrounding company-specific information, industry and market considerations and other significant inputs used to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative factors indicate impairment, the fair market value for each reporting unit that has goodwill would be further assessed on a quantitative basis using discounted cash flow and multiples of cash earnings valuation techniques, plus valuation comparisons to recent public sale transactions of similar businesses, if any. These valuation methods require estimates and assumptions regarding future operating results, cash flows, changes in working capital and capital expenditures, profitability, and the cost of capital. Although Trinity believes that any estimates and assumptions used are reasonable, actual results could differ from those estimates and assumptions.

2. Significant Accounting Policies (continued)

Asset Impairment

Trinity evaluates the recoverability of the carrying value of long-lived assets by reviewing long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and adjusts the asset cost to fair value if undiscounted cash flows are less than the carrying amount of the asset. Write-downs due to impairment are charged to operations at the time the impairment is identified. There were no impairment charges taken for the years ended December 31, 2012 and 2011.

Professional Liability, Workers' Compensation, and Medical Insurance

Trinity is a participant in Franciscan Services Corporation's (the Corporation) self-insurance program (the Program) for professional and general liability insurance coverage. Effective April 1, 2012, the insurance coverage is provided through SFH Assurance, LTD., a wholly owned subsidiary of the Corporation. Excess coverage has been purchased in amounts deemed adequate to cover claims in excess of the annual Program limits. Payment of claims in any one year from the Program and from excess insurance coverage purchased by the Corporation is subject to certain limitations. Payments made by Trinity to the Program, which are based on actuarially determined premiums, and for Trinity's portion of the Corporation's cost for excess insurance coverage are amortized over the coverage period or plan year. The Program allocates to Trinity a portion of the known claims and tail liability which is recorded on the statements of financial position with an offsetting receivable from the Program. Any liabilities for claims exceeding coverage limits are recorded at the time these become probable and estimable.

Trinity is self-insured for workers' compensation for $500,000 of medical and lost wages per occurrence and $1,000,000 for employer liability per occurrence. Amounts accrued for workers' compensation are based upon estimates from Trinity's claims processor and management.

Trinity is self-insured for a portion of the health care services furnished to employees for up to $225,000 per occurrence, up to a lifetime limit of $1,000,000 per employee. Provision has been made for the estimated cost of claims incurred but not billed by the service provider.

The ultimate amount of the claims for the aforementioned risks is dependent upon future developments. Adjustments, if any, to estimates resulting from ultimate claim payments are reflected in operations in the periods such adjustments are known.

2. Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Unconditional promises to give cash and other assets to Trinity are reported at fair value at the date the promise is received. Conditional promises to give or an indication of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted.

Temporarily restricted net assets are those whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of Trinity pursuant to those stipulations. Temporarily restricted net assets are available for capital and other program expenditures.

Permanently restricted net assets are those whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the actions of Trinity. Investment earnings are temporarily restricted until Trinity appropriates them for uses associated with patient care or other uses as designated.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Temporarily restricted net assets are available for a number of initiatives. At December 31, 2012, the more significant temporary restrictions relate to operations of Trinity of $5,927,000, with income used to the benefit of Trinity's operation, cancer-related capital initiatives of $103,000, and $173,000 of scholarships for the Trinity School of Nursing. Permanently restricted net assets are comprised of endowment funds, which are restricted in perpetuity and income primarily used for the benefit of Trinity operations, without restriction. The more significant permanent restrictions relate to Trinity operations of $1,708,000 with income unrestricted for Trinity's benefit, $75,000 for the benefit of the Sisters of St. Francis cultural needs, $93,000 related to employee awards for service to Trinity, and $234,000 related to scholarships for students

2. Significant Accounting Policies (continued)

attending the Trinity School of Nursing. At December 31, 2011, the more significant temporary restrictions relate to operations of Trinity of $5,609,000, with income used to the benefit of Trinity's operation, cancer-related capital initiatives of $102,000, and $157,000 of scholarships for the Trinity School of Nursing. Permanently restricted net assets are comprised of endowment funds, which are restricted in perpetuity and income primarily used for the benefit of Trinity operations, without restriction. The more significant permanent restrictions relate to Trinity operations of $1,661,000 with income unrestricted for Trinity's benefit, $75,000 for the benefit of the Sisters of St. Francis cultural needs, $71,000 related to employee awards for service to Trinity, and $224,000 related to scholarships for students attending the Trinity School of Nursing.

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in the pension liability, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).

Operating Activities and Other Nonoperating Income (Loss)

Only those activities directly associated with the furtherance of Trinity's primary mission are considered to be operating activities. Other activities that result in gains or losses are considered to be other nonoperating income (loss). Other nonoperating income (loss) mainly includes interest and other earnings or losses on investments other than trustee-held investments related to borrowed funds, contributions, gain or loss on disposal of assets, and the change in unrestricted interest in Trinity Foundation (the Foundation).

2. Significant Accounting Policies (continued)

Patient Receivables and Net Patient Service Revenues

Patient receivables and net patient service revenues are derived primarily from patients who reside in Ohio and West Virginia and surrounding states. Patient receivables consist of amounts due from third-party payors, including federal and state indemnity and managed care programs, managed care health plans and commercial insurance companies, and individual patients for health care services rendered. Trinity does not require collateral or other security on its patient receivables. Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, Trinity analyzes its historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon specific accounts, historical write-off experience, and current market conditions. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible receivables. For receivables associated with services provided to patients who have third-party coverage, Trinity analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make realization of amounts due unlikely. For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductibles and copayment balances due for which third-party coverage exists for part of the bill, Trinity records a provision for bad debts on the basis of its experience. The difference between the standard rates and the amount actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Trinity's allowance for doubtful accounts for self-pay patients was 82% and 83% of self-pay accounts receivable at December 31, 2012 and 2011, respectively.

2. Significant Accounting Policies (continued)

Trinity recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Net patient service revenue is reported on the accrual basis in the period in which services are provided. The majority of Trinity's services are rendered to patients under Medicare, Blue Cross, and Medical Assistance programs. Revenues from these programs account for approximately 42%, 13%, and 7%, respectively, of net patient service revenue for the year ended December 31, 2012; and 44%, 13%, and 10%, respectively, for the year ended December 31, 2011. Reimbursement under these programs is based on a combination of historical costs, prospectively determined rates, and/or a percent of approved charges, all subject to certain limitations established by the third-party payor. The payments received under these programs are less than the established Trinity rates. For uninsured patients that do not qualify for charity care, Trinity recognizes revenue on the basis of its standard rates for services provided, or on the basis of discounted rates, if negotiated. On the basis of experience, a significant portion of Trinity's uninsured patients will be unable or unwilling to pay for the services provided. Thus, Trinity records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

	Medicare	Medicaid	Blue Cross	Self-Pay	Other	Total All Payors
2012						
Patient service revenue (net of contractual allowances)	**$ 86,212,930**	**$ 15,163,877**	**$ 25,667,663**	**$ 21,342,573**	**$ 54,563,767**	**$ 202,950,810**
2011						
Patient service revenue (net of contractual allowances)	$ 81,509,645	$ 19,516,212	$ 24,701,589	$ 20,163,097	$ 40,334,908	$ 186,225,451

Amounts received under the Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents. Final determinations have been made for Medicare and Medicaid through 2007. Provision is made for estimated adjustments in the period the related services are rendered and adjusted in future periods as settlements are determined. Prior-year settlements increased the excess of revenues over expenses by approximately $31,000 and $695,000 in 2012 and 2011, respectively.

2. Significant Accounting Policies (continued)

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

Significant concentrations of net patient accounts receivable at December 31, 2012 and 2011, respectively, include the following: Medicare – 32% and 32%; Medicaid – 10% and 7%; and Blue Cross – 5% and 7%.

Charity Care

Trinity accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of Trinity. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, Trinity utilizes the generally recognized poverty income levels established by the federal government, but also includes certain cases where incurred charges are significant when compared to patient income and resources. Trinity's policy is to provide charity care to patients up to 200% of the federal poverty level. Charity care is not reported as revenue in the consolidated statements of operations and changes in net assets. Trinity estimates the cost of providing charity care using the ratio of average patient care cost to gross charges and then applies that ratio to the gross uncompensated charges associated with providing charity care. The

2. Significant Accounting Policies (continued)

amount of charges forgone for services and supplies furnished under the Hospital's charity care policies follows:

	Year Ended December 31	
	2012	**2011**
Charges forgone, based on established rates	**$ 12,449,011**	$ 10,056,074
Management's estimate of expenses incurred to provide charity care	**$4,770,000**	$3,860,000
Equivalent percentage of charity care services to gross patient revenue, based on established rates	**2.6%**	2.3%

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or update certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

Trinity accounts for HITECH incentive payments under a gain contingency model. Income from Medicare incentive payments is recognized as revenue after Trinity has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and there is reasonable assurance the grants will be received. Trinity recognized revenue from Medicaid incentive payments after it has demonstrated compliance with the meaningful use criteria. Incentive payments totaling $3.7 million for the year ended December 31, 2012, are included in total operating revenue in the accompanying statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, Trinity's compliance with the meaningful use criteria is subject to audit by the federal government.

2. Significant Accounting Policies (continued)

Income Taxes

Trinity qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Trinity is exempt from Ohio state income tax under ORC 1702.

Interest in Net Assets of Trinity Foundation

Trinity is deemed to be both financially interrelated and a designated beneficiary of the Foundation. The Foundation is organized for the purpose of stimulating voluntary financial support from donors for the sole benefit of Trinity. The Foundation's assets are comprised mainly of cash and investments at December 31, 2012 and 2011. Trinity records its interest in the net assets of the Foundation.

Subsequent Events

Events that occur after the consolidated statements of financial position date but before financial statements are issued or available to be issued under applicable guidance are required to be considered for disclosure in the financial statements. Management has considered subsequent events through April 25, 2013, the date the financial statements were available to be issued. No recognized or nonrecognized subsequent events were identified for recognition or disclosure in the consolidated statements of financial position or the accompanying notes to consolidated financial statements.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The amendments in the ASU clarify the FASB's intent regarding the application of existing fair value measurement requirements and change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The pronouncement was effective for annual periods beginning after December 15, 2011, and therefore was adopted effective January 1, 2012. The adoption of ASU 2011-04 did not have an impact on the amounts reported in the consolidated financial statements.

2. Significant Accounting Policies (continued)

In July 2012, the FASB issued ASU 2012-02, *Intangibles – Goodwill and Other, Testing Indefinite-Lived Intangible Assets for Impairment.* The ASU adds an optional qualitative assessment for determining whether an indefinite-lived intangible asset is impaired. If it is determined that it is more likely than not that the fair value of such an asset exceeds its carrying amount, it would not need to calculate the fair value of the asset in that year. If it is concluded otherwise, then the fair value of the asset must be calculated and compared to the carrying value. The pronouncement is effective for fiscal periods beginning after September 15, 2012; however as early adoption is permitted, this was adopted effective January 1, 2012, and did not have an impact on the amounts reported in the consolidated financial statements.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements.* The ASU provided source literature amendments, guidance clarifications, reference corrections, and relocated guidance. The amendments that are subject to the transition guidance will be effective for fiscal periods beginning after December 15, 2013. The ASU is not expected to have a material impact on the consolidated financial statements.

In October 2012, the FASB issued ASU 2012-05, *Statement of Cash Flows, Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.* The amendments require cash receipts from the sale of donated financial assets that had no restrictions and were immediately converted to cash to be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which cash those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities. The pronouncement is effective for fiscal years beginning after June 15, 2013. The ASU is not expected to have a material impact on the consolidated financial statements.

Business Acquisition

In November 2012, Trinity purchased a physician practice for total cash consideration of approximately $1.0 million. Based on the fair value of the assets acquired, Trinity recognized goodwill of an equal amount pertaining to this acquisition.

3. Investments

Trinity's assets, whose use is limited, are stated at fair value and consist of the following:

	December 31	
	2012	**2011**
Board-designated:		
Cash and short-term marketable securities	**$ 1,870,535**	$ 2,933,893
United States (U.S.) government and agency obligations	**8,379,107**	10,433,983
Corporate bonds	**13,176,991**	8,928,181
Equity securities	**6,586,606**	6,183,267
Mutual funds	**43,706,216**	38,079,485
Accrued interest	**144,292**	182,682
	$ 73,863,747	$ 66,741,491
Trustee-held funds:		
Money market funds	**$ 1,115,190**	$ 1,220,176
U.S. government agency obligations	**3,414,493**	3,224,563
	$ 4,529,683	$ 4,444,739
Other investments:		
Cash surrender value of life insurance	**$ 748,492**	$ 707,820
Scholarship fund	**23,093**	23,088
Investment in charitable remainder trust and investment to be held in perpetuity, the income from which is unrestricted	**704,699**	660,669
	$ 1,476,284	$ 1,391,577

3. Investments (continued)

Investment income, including realized and unrealized gains and losses for all investments, is comprised of the following:

	Year Ended December 31	
	2012	**2011**
Interest and dividend income	**$ 1,904,923**	$ 1,502,858
Realized gain (loss) on sale of investments, net	**1,091,868**	(191,998)
Unrealized gain (loss) on investments, net	**4,359,000**	(146,000)
Total investment return	**$ 7,355,791**	$ 1,164,860
Included in other operating revenue:		
Interest and dividend income	**$ 91,424**	$ 47,907
Included in other nonoperating income (loss):		
Interest and dividend income – net	**1,813,499**	1,454,951
Net realized gain (loss) on sale of investments	**1,091,868**	(191,998)
Net unrealized gain (loss) on investments	**4,359,000**	(146,000)
	$ 7,355,791	$ 1,164,860
Total investment return	**$ 7,355,791**	$ 1,164,860

3. Investments (continued)

The guidance requires disclosure including a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities that are not active, inputs other than quoted prices that are observable, and market-corroborated inputs derived principally from or corroborated by observable market data.

- Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following table represents Trinity's fair value hierarchy for its financial assets (cash and investments) and liabilities measured at fair value on a recurring basis as of December 31, 2012 and 2011. When quoted market prices are unobservable, quotes from independent pricing vendors based on recent trading activity and other relevant information including market interest rate curves, referenced credit spreads and estimated prepayment rates where applicable are used for valuation purposes. These investments are included in Level 2.

3. Investments (continued)

	Total Fair Value Measurement at December 31, 2012	Fair Value Measurement at December 31, 2012, Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board-designated funds:				
Cash equivalents	$ 1,870,535	$ 1,870,535	$ –	$ –
U.S. government and agency obligations	8,379,107	–	8,379,107	–
Equities:				
Domestic	6,586,606	6,586,606	–	–
Corporate bonds:				
Domestic	13,176,991	–	13,176,991	–
Mutual funds:				
Domestic	36,712,136	36,712,136	–	–
International	6,994,080	6,994,080	–	–
Accrued interest	144,292	144,292	–	–
Trustee-held funds:				
Cash equivalents	1,115,190	1,115,190	–	–
U.S. government and agency obligations	3,414,493	–	3,414,493	–
Other investments:				
Cash equivalents	810,113	810,113	–	–
U.S. government and agency obligations	51,066	–	51,066	–
Equities:				
Domestic	53,251	53,251	–	–
International	72,924	72,924	–	–
Mutual funds:				
Domestic	488,930	488,930	–	–
Total	$ 79,869,714	$ 54,848,057	$ 25,021,657	$ –

3. Investments (continued)

	Total Fair Value Measurement at December 31, 2011	Fair Value Measurement at December 31, 2011, Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board-designated funds:				
Cash equivalents	$ 2,933,893	$ 2,933,893	$ –	$ –
U.S. government and agency obligations	10,433,983	–	10,433,983	–
Equities:				
Domestic	6,183,267	6,183,267	–	–
Corporate bonds:				
Domestic	8,928,181	–	8,928,181	–
Mutual funds:				
Domestic	32,192,939	32,192,939	–	–
International	5,886,546	5,886,546	–	–
Accrued interest	182,682	182,682	–	–
Trustee-held funds:				
Cash equivalents	1,220,176	1,220,176	–	–
U.S. government and agency obligations	3,224,563	–	3,224,563	–
Other investments:				
Cash equivalents	764,066	13,310	750,756	–
U.S. government and agency obligations	63,070	–	63,070	–
Equities:				
Domestic	47,451	47,451	–	–
International	8,771	8,771	–	–
Mutual funds:				
Domestic	508,219	508,219	–	–
Total	$ 72,577,807	$ 49,177,254	$ 23,400,553	$ –

3. Investments (continued)

The following table provides a reconciliation of Trinity's alternative investments at fair value on a recurring basis, which use Level 3 or significant unobservable inputs for the years ended December 31, 2012 and 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Balance at January 1, 2011	$ 11,000
Recognition of realized and unrealized gains recorded to net assets	353
Purchases, issuances, and settlements, net	(11,353)
Balance at December 31, 2011	–
Recognition of realized and unrealized gains recorded to net assets	–
Purchases, issuances, and settlements, net	–
Balance at December 31, 2012	$ –

The long-term investments included in the Level 3 hierarchy are Trinity's position in structured notes issued by Credit-Suisse and JP Morgan. Trinity owned a share of these notes, which have no quoted market price. There were no similar investments with quoted market prices. The issuers provided a daily net asset value (NAV) for the notes. Trinity primarily determined the fair value of its investment in this fund using the NAV provided by the issuers as of December 31, 2010. The NAV and the underlying assets had one or more significant inputs or value drivers that were unobservable to Trinity, both in the calculation methodology and because certain of the underlying assets did not have quoted market prices. During 2011, Trinity sold this asset.

4. Property, Buildings, and Equipment

Property, buildings, and equipment consist of the following:

	December 31 2012	2011
Land and land improvements	**$ 3,208,465**	$ 3,206,489
Buildings and fixed equipment	**126,857,042**	123,963,042
Moveable equipment	**80,237,619**	80,603,151
Construction in progress	**427,539**	352,585
	210,730,665	208,125,267
Allowances for depreciation and amortization	**(158,443,475)**	(155,339,524)
Property, buildings, and equipment, net of accumulated depreciation	**$ 52,287,190**	$ 52,785,743

5. Long-Term Obligations

Long-term obligations consist of the following:

	December 31 2012	2011
Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2010	**$ 41,085,000**	$ 42,540,000
Capital lease obligations	**509,958**	836,155
Total obligations	**41,594,958**	43,376,155
Less current portion	**(1,862,156)**	(1,781,197)
Less original issue discount	**(1,186,037)**	(1,292,120)
Total long-term obligations	**$ 38,546,765**	$ 40,302,838

5. Long-Term Obligations (continued)

In August 2010, Trinity Hospital Holding Company and its subsidiaries, Trinity East and Trinity West (collectively, the Obligated Group) leased certain facilities to the City of Steubenville, Ohio (the City) through the year 2030. The City then agreed to loan the Obligated Group the proceeds from the sale by the City of $43,930,000 of Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2010. The City then subleased the facilities to Trinity East and Trinity West for the same term at a rental equal to the debt service on the Series 2010 Bonds. The obligations of the Obligated Group to pay rent under the subleases have been evidenced and secured by the Series 2010 Note issued to The Bank of New York Mellon Trust Company, N.A. (Master Trustee) by the Obligated Group pursuant to the terms of the master indenture dated August 1, 2010.

The Obligated Group has assigned and granted an assignment of, and a security interest in, all present and future gross receipts of the Obligated Group to secure payment of principal and interest on Series 2010 Bonds and the observance and performance of each member of the Obligated Group of all of its covenants, agreements, and obligations under the master indenture. The Obligated Group security interest does not include any interest in the net assets of the Foundation, which aggregated $15,006,375 and $13,679,422 at December 31, 2012 and 2011, respectively, nor any income generated from that interest. As security for its obligations under the Series 2010 Bonds, each of Trinity East and Trinity West has granted to the Master Trustee pursuant to the master indenture for the benefit of the bondholders, a first mortgage lien on the real property and fixtures constituting the existing facilities. The proceeds were used to refund the Series 2007 Bonds, fund a debt service reserve fund for the Series 2010 Bonds, pay amounts due upon termination of the interest rate hedge agreement relating to the Series 2007 Bonds, and pay certain issuance costs.

The Series 2010 Bonds consist of serial bonds, which contain redemption provisions. At the direction of Trinity, the bonds may be redeemed on each October 1 in increasing annual amounts of $1,525,000 on October 1, 2013, to $3,195,000 on October 1, 2030, bearing interest at a fixed rate ranging from 2% to 5%.

5. Long-Term Obligations (continued)

At December 31, 2012, future minimum payments for all long-term obligations are as follows:

	Capital Lease Obligations	Hospital Facilities Revenue Bonds	Total Minimum Payments
2013	$ 348,948	$ 1,525,000	$ 1,873,948
2014	174,474	1,600,000	1,774,474
2015	–	1,675,000	1,675,000
2016	–	1,750,000	1,750,000
2017		1,835,000	1,835,000
Thereafter		32,700,000	32,700,000
Total	523,422	$ 41,085,000	$ 41,608,422
Less amounts representing interest	13,464		
Present value of capital lease obligations	509,958		
Less current maturities of capital lease obligations	337,156		
Long-term capital lease obligations	$ 172,802		

Trinity paid interest costs of approximately $1,832,021 and $1,897,000 in 2012 and 2011, respectively. Capitalized interest was $0 for 2012 and 2011.

In connection with the long-term obligations detailed above, members of the Obligated Group (Trinity Hospital Holding Company and subsidiaries) are subject to certain restrictive covenants that require, among other items, the Obligated Group to maintain certain financial ratios as defined in the debt agreements and to make certain informational filings with its creditors.

6. Related-Party Transactions

Trinity is affiliated with Sylvania Franciscan Health and the Sisters of St. Francis of Sylvania, Ohio (Sisters), and the corporate entities affiliated with these organizations. Trinity makes payments to those organizations for a management fee and for the cost of services performed by the religious order employees. Such payments aggregated approximately $965,412 and $877,485 for the years ended December 31, 2012 and 2011, respectively. In addition, Trinity purchases professional and general liability insurance through Sylvania Franciscan Health at a cost of approximately $1,000,000 per year. As a result of Trinity's overfunded position, this was not incurred for the year ended December 31, 2012.

Trinity has transactions with Tri-State, which relate primarily to the rental of office space and the purchase of employee time, which are not material. Net amounts due from Tri-State of approximately $299,000 and $214,000, respectively, at December 31, 2012 and 2011, are included in due from affiliates.

Trinity purchases management services from Trinity Health System. Trinity purchased approximately $4,569,000 and $4,629,400 of services in the years ended December 31, 2012 and 2011, respectively. Trinity had a payable to Trinity Health System of approximately $1,016,000 and $1,025,000 as of December 31, 2012 and 2011, respectively.

7. Retirement Plans

Trinity West participates with other affiliated organizations in the Sisters of St. Francis Lay Employees' Retirement Plan (the Sisters' Plan), which is a noncontributory defined benefit retirement plan covering eligible lay-employees. The Sisters' Plan provides for retirement and disability retirement benefits based on years of service and an employee's highest consecutive three-year average earnings. The Sisters and Trinity West intend that this will be a permanent plan for the exclusive benefit of its participants, the joint annuitants, and beneficiaries.

In addition, the Sisters and Trinity West intend, but do not guarantee, to make annual contributions to the fund, in an amount not less than the minimum requirements set forth in the actuary's valuation report for the applicable period of time.

7. Retirement Plans (continued)

The Sisters' Plan is accounted for as a multiemployer pension plan. Accordingly, Trinity West records its required contributions to the Sisters' Plan as net period pension expense. Participating employers contribute an amount equal to a percentage of projected covered compensation.

Trinity West recognized net periodic pension expense of $3,684,240 and $3,963,205 for the years ended December 31, 2012 and 2011, respectively, based on amounts funded to the Sisters' Plan. The projected benefit obligation and accumulated benefit obligation of the Sisters' Plan exceeded the fair value of plan assets by $183.9 million and $123.8 million, respectively, at December 31, 2012, using a weighted-average discount rate of 4.120%, an expected long-term rate of return on plan assets of 8.0%, and an expected rate of compensation increase of 3.5%.

Trinity East has three defined benefit pension plans. Benefits under the pension plans are generally based on years of service and the employee's average annual compensation in five of the last ten years prior to retirement in which such earnings are the highest. Trinity East funds at least the amount necessary to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 and the Code.

Included in unrestricted net assets at December 31, 2012, are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized actuarial loss of $26,247,714 and unrecognized net prior service cost of $2,084. The actuarial loss and prior service cost expected to be recognized during the year ending December 31, 2013, is $1,872,570 and $1,602, respectively.

7. Retirement Plans (continued)

The table below sets forth the change in the plan assets and benefit obligation of the Trinity East pension for the years ended December 31, 2012 and 2011. The table also reflects the funded status of the plans.

	Trinity East Pension Benefits	
	2012	**2011**
Change in projected benefit obligation		
Benefit obligation at beginning of year	**$ 55,478,119**	$ 48,831,398
Service cost	**1,051,464**	910,739
Interest cost	**2,498,612**	2,554,831
Actuarial loss	**6,028,187**	5,040,680
Benefits paid	**(1,964,200)**	(1,859,529)
Projected benefit obligation at end of year	**63,092,182**	55,478,119
Change in plan assets		
Fair value of plan assets at beginning of year	**36,659,861**	35,805,835
Actual return on plan assets	**3,833,478**	268,555
Employer contributions	**2,520,000**	2,445,000
Benefits paid	**(1,964,200)**	(1,859,529)
Fair value of plan assets at end of year	**41,049,139**	36,659,861
Funded status and accrued costs	**$ (22,043,043)**	$ (18,818,258)

Accrued pension and other benefits costs are included in retirement benefits payable at December 31, 2012 and 2011.

The accumulated benefit obligation for all Trinity East pension plans was $60,563,719 and $53,162,351 at December 31, 2012 and 2011, respectively.

7. Retirement Plans (continued)

The Trinity East plan assets are invested in an actively managed portfolio that integrates asset allocation strategies across equity and debt markets within the United States. The portfolio objectives are long-term growth balanced with moderate variability with an expected shift to assets to a more fixed income allocation as the plan population ages and nears retirement. The use of an appropriate asset management policy combines the various asset pools to ensure flexibility and to adapt to the changing retirement needs of the plan participants. The plan's objective is to have 45% to 65% invested in equities and 30% to 50% invested in fixed income securities. For the long-term, the primary investment objectives for the portfolio is to earn the highest possible total return consistent with prudent levels of risk. The primary objective overall is to enable the three pension plans to meet their future obligations for employee retirement.

The weighted-average asset allocations by asset category of the Trinity East plans, are as follows:

	December 31	
	2012	**2011**
Asset category:		
Equity securities	**56%**	44%
Debt securities	**44**	45
Cash and cash equivalents	–	11
Total	**100%**	100%

7. Retirement Plans (continued)

The following table summarizes Trinity's pension assets measured at fair value on a recurring basis as of December 31, 2012 and 2011, aggregated by the level in the fair value hierarchy within which those measurements are determined:

		Fair Value Measurement at December 31, 2012, Using:		
	Total Fair Value Measurement at December 31, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash equivalents	**$ 1,065,110**	**$ 1,065,110**	**$ –**	**$ –**
U.S. government and agency obligations	**6,635,592**	**–**	**6,635,592**	**–**
Equities:				
International	**4,684,791**	**4,684,791**	**–**	**–**
Corporate bonds:				
Domestic	**9,836,769**	**–**	**9,836,769**	**–**
International	**418,382**	**–**	**418,382**	**–**
Mutual funds:				
Domestic	**18,408,495**	**18,408,495**	**–**	**–**
Total	**$ 41,049,139**	**$ 24,158,396**	**$ 16,890,743**	**$ –**

7. Retirement Plans (continued)

	Total Fair Value Measurement at December 31, 2011	Fair Value Measurement at December 31, 2011, Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 5,221,587	$ 5,221,587	$ –	$ –
U.S. government and agency obligations	9,409,588	–	9,409,588	–
Equities:				
International	3,942,636	3,942,636	–	–
Corporate bonds:				
Domestic	5,460,331	–	5,460,331	–
International	421,006	–	421,006	–
Mutual funds:				
Domestic	12,204,713	12,204,713	–	–
Total	$ 36,659,861	$ 21,368,936	$ 15,290,925	$ –

Trinity East expects to contribute approximately $2,520,000 to its pension plans in fiscal 2013.

The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the Trinity East pension plans during the year ending December 31:

	Pension Benefits
2013	$ 2,308,092
2014	2,404,494
2015	2,503,185
2016	2,658,730
2017	2,840,729
2018-2022	17,164,290

7. Retirement Plans (continued)

The components of net periodic benefit cost for Trinity East's pension benefit plans were as follows:

	Year Ended December 31	
	2012	**2011**
Service cost	**$ 1,051,464**	$ 910,739
Interest cost	**2,498,612**	2,554,831
Expected return on plan assets	**(2,951,732)**	(3,017,633)
Recognized net actuarial loss	**1,343,200**	844,058
Amortization of prior service cost	**1,602**	1,602
Net periodic benefit cost	**$ 1,943,146**	$ 1,293,597

Actuarial assumptions for the plans are as follows:

	2012	**2011**
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	**3.8%**	4.60%
Expected long-term rate of return on plan assets	**7.5**	8.00
Expected rate of compensation increase	**3.0**	3.00
Weighted-average assumptions used to determine benefit obligations at December 31:		
Discount rate	**4.6**	5.35
Rate of compensation increase	**3.0**	3.00

In selecting the expected long-term return on plan assets, Trinity East plans considered the average rate of earnings on the funds invested or to be invested to provide for the benefits of these plans. This included considering the asset allocation and the expected returns likely to be earned over the life of the plans. This basis is consistent with the prior year.

7. Retirement Plans (continued)

Trinity has supplemental pension and welfare agreements with certain key executives, which provide for fixed payments at the date of retirement, death, or disability and lump-sum life insurance benefits. Trinity is providing for these benefits over the estimated term of employment of the employees to age 65. The present value of these benefits of approximately $1,001,000 and $701,000 at December 31, 2012 and 2011, respectively, has been included in the consolidated statements of financial position as long-term retirement benefits payable. Approximately $293,000 and $6,900 was charged to expense for these benefits for the years ended December 31, 2012 and 2011, respectively. Trinity has purchased life insurance contracts on certain employees, which upon the death of the employee, may be used to fund the supplemental pension and welfare arrangements with the key executives.

8. Commitments and Contingencies

Trinity is party to several lawsuits incidental to its operations. It is not possible at the present time to estimate legal and financial liability, if any, of Trinity with respect to such lawsuits. In the opinion of management, after consultation with legal counsel, adequate insurance exists to cover significant financial exposure, in the event there is any, to Trinity. Accordingly, in the opinion of management, resolution of those matters is not expected to have a material adverse effect on the consolidated financial position.

Accounting Standards Codification (ASC) Topic 410, *Asset Retirement and Environmental Obligations*, clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. Trinity has considered ASC Topic 410, specifically, as it relates to its legal obligations to perform asset retirement activities, such as asbestos removal, on its existing properties. Management of Trinity believes that there is an indeterminate settlement date for the asset retirement obligations because the range of time over which Trinity may settle the obligations is unknown and cannot be estimated. As a result, as of December 31, 2012 and 2011, Trinity cannot reasonably estimate a liability related to these potential asset retirement activities.

9. Functional Expenses

Trinity provides general health care services to residents within its geographic location, including psychiatric care and outpatient surgery. Expenses related to providing these services by functional classification are as follows:

	Year Ended December 31	
	2012	**2011**
Health care services	**$ 170,798,827**	$ 158,101,319
Management and general	**24,165,374**	22,283,409
	$ 194,964,201	$ 180,384,728

10. Leases

Trinity has operating leases for rental of office space and equipment with cancelable and noncancelable lease terms. Rental expense for 2012 and 2011 was approximately $2,042,000 and $1,881,000, respectively, and is included in purchased services, utilities, and other in the consolidated statements of operations and changes in net assets.

Minimum rental commitments for future years are as follows:

2013	$ 1,376,000
2014	1,156,000
2015	1,052,000
2016	893,000
2017	893,000

11. Fair Value of Financial Instruments

The following methods and assumptions were used by Trinity in estimating its fair value disclosures for financial instruments at December 31, 2012 and 2011:

Cash and Cash Equivalents: The carrying amount approximates fair value.

Board-Designated Funds, Foundation Investments, and Other Investments: The fair values for these assets whose use is limited are based upon quoted market prices.

Trustee-Held Funds: The carrying amount for trustee-held funds approximates its fair value.

Long-Term Debt: The fair value of Trinity's debt is estimated using discounted cash flow analyses, based on Trinity's incremental borrowing rate for debt instruments with comparable maturities.

The carrying amounts and the fair values of Trinity's financial instruments are as follows:

	December 31			
	2012		2011	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Cash and cash equivalents	**$ 14,467,574**	**$ 14,467,574**	$ 11,326,721	$ 11,326,721
Assets whose use is limited:				
Board-designated funds	**73,863,747**	**73,863,747**	66,741,491	66,741,491
Trustee-held funds	**4,529,683**	**4,529,683**	4,444,739	4,444,739
Other investments	**1,476,284**	**1,476,284**	1,391,577	1,391,577
Long-term debt:				
Series 2010 Bonds	**41,085,000**	**42,342,497**	42,540,000	41,763,881
Capital lease obligations	**509,958**	**509,958**	836,155	836,155

12. Endowment

Trinity's endowment consists of two individual funds established for a variety of purposes. The endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Trinity has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Trinity classifies as permanently net restricted assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Trinity considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. The duration and preservation of the fund
2. The purposes of Trinity and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of Trinity
7. The investment policies of Trinity

12. Endowment (continued)

Trinity has its investment and spending policies for endowment assets such that it attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Trinity must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce a return, net of inflation, and investment management costs over the long term. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, Trinity relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Trinity targets a diversified asset allocation that places a greater emphasis on equity-based and fixed income investments to achieve its long-term objective within prudent risk constraints.

Trinity records the annual income of the endowment as temporarily restricted and appropriated for expenditure upon meeting donor stipulations. In establishing this policy, Trinity considered the long-term expected return on its endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term.

Trinity has a policy of appropriating for distribution each year all earnings on the endowed funds.

At December 31, 2012 and 2011, respectively, the endowment net asset composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
December 31, 2012				
Donor-restricted funds	**$ –**	**$ –**	**$ 743,000**	**$ 743,000**
December 31, 2011				
Donor-restricted funds	$ –	$ –	$ 743,000	$ 743,000

12. Endowment (continued)

Changes in the endowment net assets for the years ended December 31, 2012 and 2011, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2011	$ –	$ –	$ 743,000	$ 743,000
Investment return:				
Investment income	33,827	–	–	33,827
Net appreciation (realized and unrealized)	(30,000)	–	–	(30,000)
Total investment return	3,827	–	–	3,827
Appropriation of endowment assets for expenditure	(3,827)	–	–	(3,827)
Endowment net assets, December 31, 2011	–	–	743,000	743,000
Investment return:				
Investment income	**29,352**	–	–	**29,352**
Net depreciation (realized and unrealized)	**44,000**	–	–	**44,000**
Total investment return	**73,352**			**73,352**
Appropriation of endowment assets for expenditure	**(73,352)**	–	–	**(73,352)**
Endowment net assets, December 31, 2012	**$ –**	**$ –**	**$ 743,000**	**$ 743,000**

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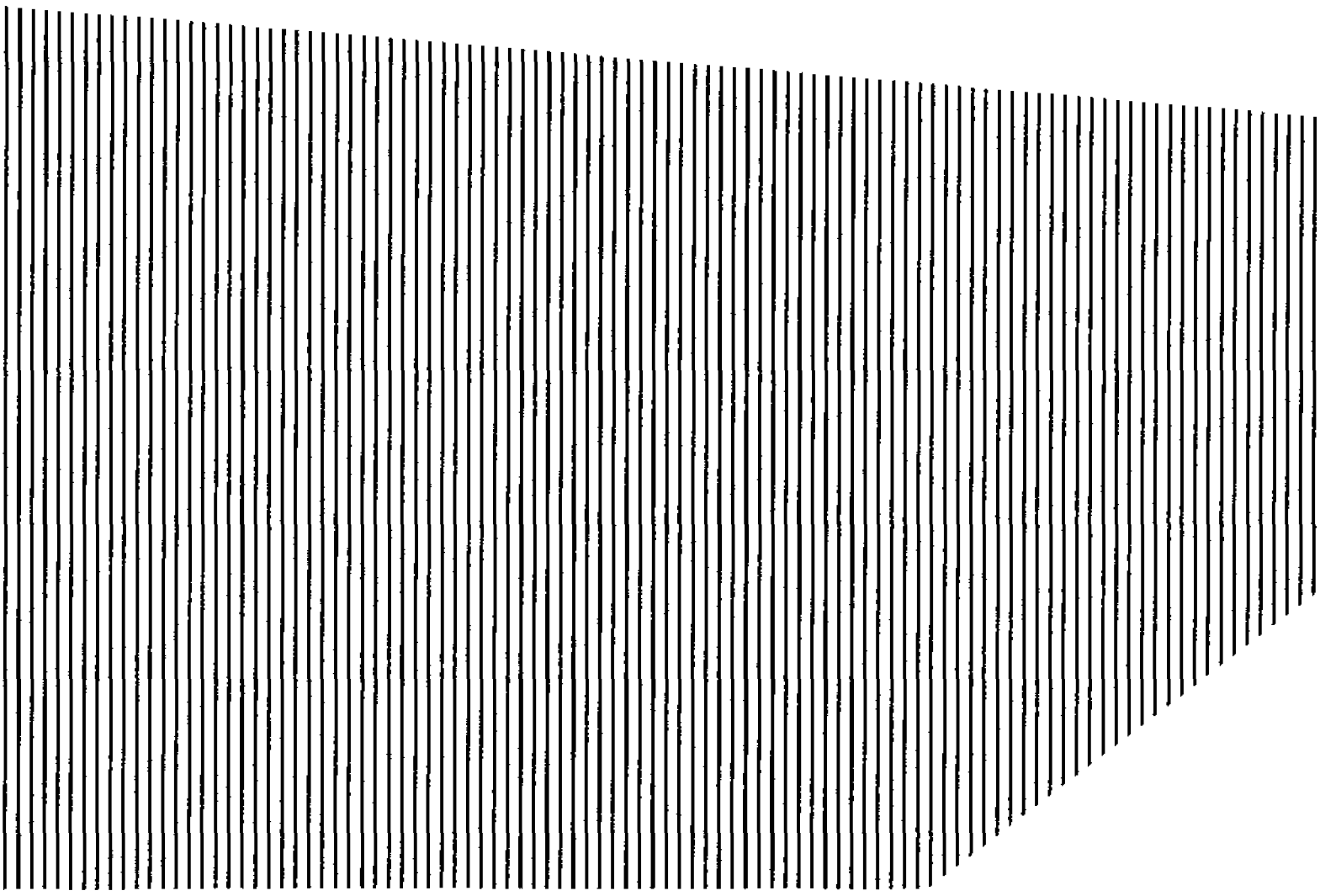

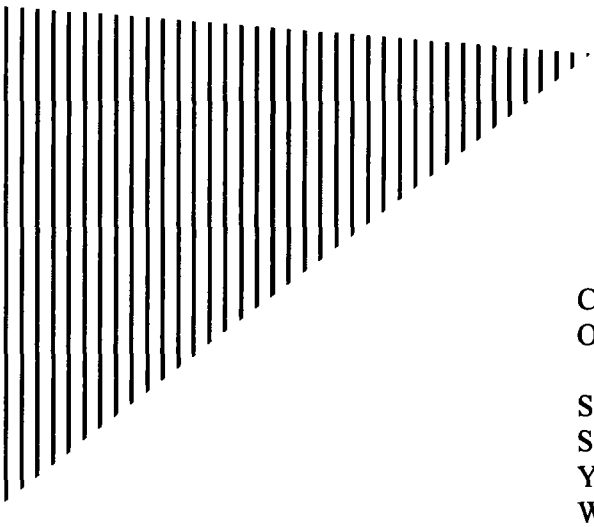

Combined Financial Statements and Other Supplementary Information

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio
Years Ended December 31, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

Ernst & Young

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Financial Statements and
Other Supplementary Information

Years Ended December 31, 2012 and 2011

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Report of Independent Auditors

The Board of Trustees
Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

We have audited the accompanying combined financial statements of Sylvania Franciscan Health and Subsidiaries (the Corporation), which comprise the combined statements of financial position as of December 31, 2012 and 2011, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Sylvania Franciscan Health and Subsidiaries at December 31, 2012 and 2011, and the combined results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

May 17, 2013

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Statements of Financial Position

	December 31	
	2012	**2011**
Assets		
Current assets:		
Cash and cash equivalents	**$ 36,464,001**	$ 31,764,478
Investments	**144,062**	5,135,646
Current portion of trustee-held funds	**5,777,015**	5,161,294
Accounts and notes receivable:		
Patients and residents	**128,246,635**	126,311,963
Less allowances for doubtful accounts	**42,701,911**	44,822,650
	85,544,724	81,489,313
Other receivables	**5,992,856**	5,727,497
	91,537,580	87,216,810
Due from affiliate	**811,346**	954,816
Inventories	**10,893,816**	10,376,122
Prepaid expenses and other	**5,288,322**	6,657,167
Total current assets	**150,916,142**	147,266,333
Assets whose use is limited:		
Board-designated and restricted funds	**81,204,180**	72,367,186
Trustee-held funds, less current portion	**56,151,002**	28,014,950
Self-Insurance Program	**18,303,190**	40,273,598
Foundation investments	**37,943,310**	13,452,791
Other investments	**1,476,283**	1,391,577
	195,077,965	155,500,102
Net property and equipment	**379,516,002**	361,497,871
Other assets:		
Financing costs, net of amortization	**5,672,058**	5,994,009
Notes and other receivables	**3,979,736**	23,709,703
Goodwill	**3,873,161**	2,573,161
Certificate of need, net of amortization	**3,451,995**	3,101,994
Long-term investments	**217,171,484**	178,909,139
Other	**1,071,287**	1,545,840
	235,219,721	215,833,846
Total assets	**$ 960,729,830**	$ 880,098,152

	December 31	
	2012	2011
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses:		
Accounts payable	**$ 44,611,629**	$ 35,727,743
Compensation, fees, and amounts withheld from compensation	**17,600,179**	19,377,129
Accrued interest	**4,927,176**	5,009,789
Due to affiliate	**–**	51,013
Other	**1,380,730**	1,985,000
	68,519,714	62,150,674
Deferred revenue	**119,383**	1,334,210
Settlements payable under third-party reimbursement contracts	**10,879,065**	10,394,019
Lines of credit	**2,778,635**	1,998,968
Current portion of reserve for insurance claims	**2,205,135**	2,020,901
Current portion of retirement and post-retirement obligation	**245,421**	235,038
Current portion of refundable and non-refundable entrance fees	**1,302,265**	1,250,411
Current portion of long-term debt and capital lease obligations	**5,815,908**	4,928,868
Total current liabilities	**91,865,526**	84,313,089
Long-term liabilities:		
Retirement plans	**25,406,885**	21,480,392
Post-retirement benefit obligation	**1,088,548**	1,078,011
Reserve for insurance claims	**8,820,542**	8,083,598
Derivative liability, net	**14,048,674**	14,025,621
Non-refundable and refundable entrance fees, less current portion	**18,436,221**	18,611,664
Long-term debt and capital lease obligations, less current portion	**320,456,825**	283,777,330
Other	**2,337,738**	2,850,967
Total liabilities	**482,460,959**	434,220,672
Net assets:		
Unrestricted	**463,603,406**	431,607,724
Temporarily restricted	**10,465,778**	10,084,962
Permanently restricted	**4,199,687**	4,184,794
Total net assets	**478,268,871**	445,877,480
Total liabilities and net assets	**$ 960,729,830**	$ 880,098,152

See accompanying notes.

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Statements of Operations

	Year Ended December 31	
	2012	**2011**
Revenue, gains, and other support		
Net patient service revenue, net of contractual allowances and discounts	**$ 634,065,518**	$ 603,465,171
Provision for bad debts	**46,922,880**	53,981,535
Net patient service revenue less provision for bad debts	**587,142,638**	549,483,636
Other revenue	**21,003,891**	18,446,509
Rental revenue	**9,264,796**	9,782,537
Net assets released from restrictions	**321,331**	659,739
Total revenue, gains, and other support	**617,732,656**	578,372,421
Expenses		
Salaries and wages	**258,357,724**	244,446,329
Employee benefits	**75,941,595**	66,847,078
Purchased services, utilities, and other	**112,399,595**	102,995,287
Supplies and pharmaceuticals	**98,155,211**	92,612,686
Provision for bad debts	**271,348**	560,186
Depreciation and amortization	**35,265,594**	32,116,703
Professional fees	**20,794,934**	18,487,686
Interest	**13,341,586**	11,393,120
Total expenses	**614,527,587**	569,459,075
Operating income	**3,205,069**	8,913,346
Nonoperating gains (losses)		
Investment income	**20,958,882**	8,922,314
Net unrealized gains (losses) on investments	**8,078,703**	(7,295,150)
Contributions	**1,759,658**	1,500,084
Fundraising expenses	**(1,342,357)**	(1,806,958)
Gains under interest rate swap agreements	**2,074,264**	1,880,645
(Losses) gains on disposal of assets	**(95,438)**	2,475,385
Gain from insurance proceeds	**613,572**	2,217,521
Other	**(520,431)**	–
Excess of fair value of net assets acquired over consideration paid in acquisition of Trinity Hospital Twin City	**–**	9,786,997
Nonoperating gains, net	**31,526,853**	17,680,838
Excess of revenue over expenses	**$ 34,731,922**	$ 26,594,184

See accompanying notes.

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Statements of Changes in Net Assets

	Year Ended December 31	
	2012	**2011**
Unrestricted net assets		
Excess of revenue over expenses	**$ 34,731,922**	$ 26,594,184
Other changes:		
Change in pension liability	**(3,801,639)**	(6,944,098)
Net assets released from restriction	**1,065,399**	898,151
Increase in unrestricted net assets	**31,995,682**	20,548,237
Temporarily restricted net assets		
Contributions	**1,388,945**	1,717,202
Investment income	**198,059**	46,183
Net unrealized gains (losses) on investments	**265,630**	(361,927)
Net assets released from restrictions	**(1,471,818)**	(1,725,012)
Increase (decrease) in temporarily restricted net assets	**380,816**	(323,554)
Permanently restricted net assets		
Investment income	**(1,424)**	157
Net unrealized losses on investments	**366**	(394)
Donations and other, net	**15,951**	(21,667)
Increase (decrease) in permanently restricted net assets	**14,893**	(21,904)
Increase in net assets	**32,391,391**	20,202,779
Net assets at beginning of year	**445,877,480**	425,674,701
Net assets at end of year	**$ 478,268,871**	$ 445,877,480

See accompanying notes

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Statements of Cash Flows

	Year Ended December 31	
	2012	**2011**
Operating activities and nonoperating (losses) gains		
Increase in net assets	**$ 32,391,391**	$ 20,202,779
Adjustments to reconcile increase in net assets to net cash provided by operating activities and nonoperating (losses) gains:		
Gain on acquisition of Trinity Hospital Twin City	**–**	(10,131,893)
Write off of financing costs	**238,109**	–
Amortization of entrance fees	**(1,319,962)**	(1,257,006)
Change in fair value of interest rate swaps	**(196,069)**	(360,673)
Change in unrealized (gains) losses on investments	**(8,344,699)**	7,288,471
Provision for bad debts	**47,194,228**	54,541,721
Restricted contributions and investment income received	**(1,424,019)**	(1,720,536)
Depreciation and amortization	**35,265,594**	32,246,948
Losses (gains) on disposal of assets	**95,438**	(2,475,385)
Gain from insurance proceeds	**(613,572)**	(2,217,521)
Changes in operating assets and liabilities:		
Decrease in restricted cash	**–**	1,770,237
Increase in patients and residents accounts receivable	**(51,249,639)**	(61,080,007)
Decrease (increase) in inventories and other current assets	**769,307**	(4,399,119)
Decrease (increase) in other assets	**693,675**	(9,559,504)
Increase in investments	**(28,207,713)**	(17,703,584)
Increase in accounts payable and other current liabilities	**6,328,995**	8,785,820
Increase in net settlements from third party	**485,046**	4,809,343
Increase in reserve for insurance claims	**921,178**	3,123,542
Increase in other liabilities	**7,084,343**	17,480,490
Net cash provided by operating activities and nonoperating (losses) gains	**40,111,631**	39,344,123

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Combined Statements of Cash Flows (continued)

	Year Ended December 31	
	2012	**2011**
Investing activities		
Payments received on notes receivable	**$ 19,729,967**	$ 613,814
Purchases of property and equipment	**(52,807,826)**	(50,920,994)
Purchases of certificate of needs	**(433,316)**	(58,580)
(Increase) decrease in assets whose use is limited	**(36,911,933)**	20,392,198
Acquisition of Trinity Hospital Twin City, net of cash received	**–**	(4,925,251)
Acquisition of physician practice	**(1,300,000)**	(1,500,000)
Proceeds from insurance claim	**613,572**	2,217,521
Proceeds from sale of assets	**–**	4,629,002
Net cash used in investing activities	**(71,109,536)**	(29,552,290)
Financing activities		
Payments on capital leases	**(582,692)**	(261,339)
Entrance obligation remitted	**(3,354,442)**	(2,605,328)
Repayments of long-term debt	**(11,444,944)**	(10,177,200)
Proceeds from issuance of long term debt	**49,280,000**	6,000,000
Net proceeds from line of credit	**779,667**	1,528,000
Restricted contributions and investment income received	**1,424,019**	1,720,536
Financing costs paid	**(404,180)**	(127,873)
Net cash provided by (used in) financing activities	**35,697,428**	(3,923,204)
Increase in cash and cash equivalents	**4,699,523**	5,868,629
Cash and cash equivalents at beginning of year	**31,764,478**	25,895,849
Cash and cash equivalents at end of year	**$ 36,464,001**	$ 31,764,478
Non-cash activity		
The Corporation acquired $0 and $1,374,695 of equipment capital leases in 2012 and 2011, respectively.	**$ –**	$ 1,374,695

See accompanying notes.

Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Notes to Combined Financial Statements

December 31, 2012

1. Basis of Presentation

Sylvania Franciscan Health (the Combined Group or Corporation) is the formal expression of the sponsored health and human services ministry of the Sisters of St. Francis of Sylvania, Ohio (the Sisters). Among the member organizations in Ohio, Kentucky, and Texas are six hospitals, seven long-term care facilities, four assisted-living facilities, independent senior housing, a counseling center, domestic violence shelter, and other supporting organizations.

The Combined Group includes the accounts of the following:

- Sylvania Franciscan Health (corporate office; Franciscan Services Self-Insurance Program, which was dissolved in November 2012; SFH Assurance, LTD.; and SFH Foundation)

- Franciscan Shelters (d.b.a. Bethany House)

- Sophia Center

- Franciscan Living Communities (corporate office; Providence Care Centers and Subsidiaries, which include Providence Care Centers, The Commons of Providence, Providence Residential Community, and The Providence Care Centers; Franciscan Care Center; Rosary Care Center; St. Leonard and Subsidiaries, which includes St. Leonard, Joseph Bernadine Residence, LLC. and St. Leonard Foundation; Franciscan Properties; Madonna Manor, Inc.; and St. Clare Commons). Effective April 1, 2012, Rosary Care Center was no longer a wholly owned subsidiary of Franciscan Living Communities, and instead became a member of the Corporation.

- St. Joseph Services Corporation d.b.a. St. Joseph Health System and Subsidiaries (St. Joseph Regional Health Center of Bryan, Texas; St. Joseph Foundation of Bryan, Texas; Burleson St. Joseph Health Center; Madison St. Joseph Health Center; Alliance Health Providers of Brazos Valley, Inc.; St. Joseph Physician Network; St. Joseph Physician Associates, Tau Enterprises, Inc. (dissolved effective September 30, 2012); St. Joseph Manor; and Burleson St. Joseph Manor). On March 1, 2013, St. Joseph Services Corporation began transitioning the operations of Bellville General Hospital to itself and will be renaming it Bellville St. Joseph Health Center. The facility and land will continue to be leased from the Bellville Hospital District. In 2012, Belville General Hospital generated approximately $9.5 million in net revenue and had minimal net assets based on unaudited information.

1. Basis of Presentation (continued)

- Trinity Health System Corporation and Subsidiaries (Trinity Hospital Holding Company, including Trinity East and Trinity West; Trinity Health Foundation; and its wholly owned for-profit subsidiary Trinity Management Services Organization, Inc.).

- The Corporation established Trinity Hospital Twin City and on May 9, 2011, it acquired substantially all of the assets of Trinity Twin City, a critical access hospital located in Dennison, Ohio, which had previously been in bankruptcy. This acquisition enabled the Corporation to expand their healthcare services in eastern Ohio. This 2011 acquisition resulted in a gain of approximately $10.1 million based on the excess of net assets acquired of $15.1 million over the acquisition price paid of $5.0 million and was included in excess of revenue over expenses. This gain was reduced by transactions costs of $345,000 paid by the corporate office in 2011. All activity since the date of acquisition has been included in the combined financial statements.

All of the assets, liabilities, revenues, expenses, nonoperating gains and losses, and other changes in net assets of Trinity Health System are reflected in the combined statement of financial position. The Corporation maintains a 50% ownership interest in Trinity Health System.

Significant intercompany balances and transactions between these entities have been eliminated in combination.

2. Significant Accounting Policies

The accounting principles followed by the Combined Group and the methods of applying those principles that materially affect the determination and reporting of combined financial position, results of operations, and cash flows are summarized below.

Operating Activity

The Combined Group's primary mission is to provide health care services through its acute care, specialty care facilities, and other organizations. Only those activities directly associated with the furtherance of this purpose are considered to be operating activities.

2. Significant Accounting Policies (continued)

Other activities that result in gains and losses unrelated to the Combined Group's primary mission are considered to be nonoperating. Nonoperating gains and losses include investment income, net realized and unrealized gains and losses on sale of investments other than trustee-held investments related to borrowed funds, unrestricted contributions, fundraising expenses, change in the fair value of interest rate swaps, gains and losses from insurance proceeds, gains and losses from acquisitions, gains and losses on disposals of property and equipment, and other extraordinary items.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Adjustments to estimates are recorded, as appropriate, in the periods in which they are determined.

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and liquid investments with a maturity of three months or less. Assets whose use is limited by board designation or other arrangements under trust agreements are excluded from cash and cash equivalents in the statement of cash flows.

Investments

Investments are carried at fair value and accounted for as trading securities. Investment income, including realized gains and losses and unrealized gains and losses, is included in excess of revenues over expenses unless restricted by the donor in connection with a gift. In December 2012, the Corporation established a master investment pool (Master Investment Pool) in which certain affiliated organizations participate. The accompanying combined financial statements reflect the total net assets and transactions of the Master Investment Pool. At December 31, 2012 and 2011, certain investments totaling $1,380,757, are carried at cost, adjusted for impairment deemed to be other than temporary, and are included in long-term investments. Management deemed it not practical to estimate the fair value of these investments.

2. Significant Accounting Policies (continued)

Patient Accounts Receivable and Net Patient Service Revenue

Patient accounts receivable consist of amounts due from third-party payors, including federal and state indemnity and managed care programs, managed care health plans and commercial insurance companies, and individual patients for health care services rendered. The Corporation does not require collateral or other security on its patient receivables. Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Corporation analyzes its historical and expected net collections, considering business and economic conditions, trends in health care coverage, and other collection indicators for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon specific accounts, historical write-off experience, and current market conditions. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible receivables.

For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make realization of amounts due unlikely. For receivables associated with self-pay residents, which includes both residents without insurance and residents with deductibles and copayment balances due for which third-party coverage exists for part of the bill, the Corporation records a provision for bad debts on the basis of its past experience. The difference between the standard rates and the amount actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Corporation's allowance for doubtful accounts decreased from 35 percent of accounts receivable at December 31, 2011, to 33 percent of accounts receivable at December 31, 2012. In addition, the Corporation's self-pay write-offs decreased approximately $6 million from $51 million in fiscal year 2011 to $45 million in fiscal year 2012. This decrease was mainly the result of a shift from bad debt to charity as well as Trinity Health System Corporation and Subsidiaries change in their uninsured discount policy for self-pay patients in fiscal year 2012.

2. Significant Accounting Policies (continued)

The Corporation does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

The provision for bad debts is included with net patient service revenue for the Corporation's acute care facilities as they do not assess the patient's ability to pay prior to providing the service, while the long-term care facilities' provision for bad debts is presented as an operating expense as they do assess the residents' ability to pay prior to providing the services and therefore the subsidiaries presentation is retained in the combined financial statements.

The reimbursement of certain inpatient services under the Medicare and Medicaid programs is subject to final determination by the respective agencies. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Provision is made currently in the combined financial statements for estimated settlements under third-party reimbursement contracts and adjusted in future periods as final settlements are determined. These provisions and settlements are included in net patient service revenue. Management is of the opinion that adequate provision has been made for unsettled cost reports and for any adjustments that may result from settlements. Prior-year settlements increased the excess of revenues over expenses by approximately $7,373,200 in 2012 and $4,698,900 in 2011.

For uninsured residents that do not qualify for charity care, the Corporation recognizes revenue on the basis of its standard rates for services provided, or on the basis of discounted rates if negotiated. On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided.

2. Significant Accounting Policies (continued)

Patient service revenue, net of contractual allowances and discounts, recognized as of December 31, 2012 and 2011, from these major payor sources, are approximate vales of the following:

2012	Medicare	Medicaid	Commercial	Self-Pay	Other	Total All Payors
Patient service revenue (net of contractual allowances and discounts)	**$243,000,000**	**$ 52,000,000**	**$155,000,000**	**$113,000,000**	**$ 71,000,000**	**$634,000,000**
2011						
Patient service revenue (net of contractual allowances and discounts)	$ 232,000,000	$ 60,000,000	$136,000,000	$102,000,000	$73,000,000	$603,000,000

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Combined Group believes that it is in compliance with all applicable laws and regulations. Noncompliance with such laws and regulation can be subject to regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Charity Care

The members of the Corporation accept all patients regardless of their ability to pay. A patient is determined to be a charity patient by reference to certain established policies of the hospitals. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the members utilize generally recognized poverty income levels, but also include certain cases where incurred charges are significant when compared to income. Charity care is reported as an adjustment to revenue in the statements of operations.

Contributions and Pledges

Contributions and pledges are recorded at fair value. Contributions not restricted by donors are included in unrestricted net assets. Contributions that are received with donor stipulations that limit the use of the donated asset are recorded as temporarily restricted net 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 in the statement of operations as net assets released from restrictions. Allowances for uncollectible pledges are provided for as deemed necessary.

2. Significant Accounting Policies (continued)

Inventories

Inventories of supplies are stated at the lower of cost, using the first-in, first-out method, or market.

Assets Whose Use is Limited

Certain funds are board-designated for acquisition of property and equipment. Trustee-held funds are for the retirement of revenue bonds and to fund construction programs. The funds for the Self-Insurance Program, as defined in Note 6, are for current and future malpractice claims. Accordingly, these assets have been classified as noncurrent, except for amounts held for current payments on revenue bonds and payments for capital-related expenditures. Foundation investments are used to fund special projects and support the Corporation's activities.

Financing Costs

Financing costs are primarily amortized over the period the obligations are outstanding.

Certificates of Need

The certificates of need relate to Franciscan Living Communities and Rosary Care Center and are recorded at cost. Amortization is based on the straight-line method over the estimated useful life.

Goodwill

Goodwill is the excess of the acquisition cost of a business over the fair value of the identifiable net assets acquired. Goodwill is subject to annual impairment assessments.

Impairment of Long-Lived Assets

When events, circumstances, or operating results indicate that the carrying value of certain long-lived assets that are expected to be held and used might be impaired, the Combined Group prepares projections of the undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the projections indicate that the recorded amounts are not expected to be recoverable, such amounts are reduced to estimated fair value.

2. Significant Accounting Policies (continued)

Fair value may be estimated based upon internal evaluations of each market that include quantitative analyses of revenues and cash flows, review of recent sales of similar facilities, and independent appraisals.

Property and Equipment

Property and equipment are carried at cost or fair value at date of gift. Expenditures for renewals or betterments are capitalized and expenditures for maintenance and repairs are charged to expense. Depreciation of property and equipment and amortization of assets acquired under capital leases are provided by the straight-line method at rates based on the estimated lives or the terms of the leases. Amortization of assets under capital leases is included with depreciation expense. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Entrance Fees

Residents of Providence Residential Community and St. Leonard may pay an entrance fee prior to occupancy. The residency agreements provide that 90% or 50% of entrance fees for Providence Residential Community and 100% or 75% of entrance fees for St. Leonard are refunded after the departure of a resident. Refunds are paid to the former resident within 90 days of departure for Providence Residential Community and once the unit has been reoccupied for St. Leonard. The refundable portion of the St. Leonard entrance fee is amortized on the straight-line method over the expected life of the respective facilities. The nonrefundable portion of entrance fees (10% or 50% for Providence and 25% for St. Leonard) and rental fees paid in advance are deferred and amortized into revenue using the straight-line method over the estimated lives of the residents.

Net Assets

Unrestricted net assets generally result from revenues derived from providing services, producing and delivering goods, receiving unrestricted contributions, and receiving dividends or interest from investing in income-producing assets, less expenses incurred in providing services, producing and delivering goods, raising contributions, and performing administrative functions.

2. Significant Accounting Policies (continued)

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Net assets were released from temporary restriction from continuing operations by incurring expenses and purchasing assets to satisfy the restrictions in the amounts of $1,471,818 and $1,725,012 during the years ended December 31, 2012 and 2011, respectively.

Derivatives

The Corporation uses derivatives to modify the interest rates and manage risks associated with its outstanding debt. The Corporation recognizes all derivatives on the combined statements of financial position at fair value and changes in fair value are recorded through income in excess of revenue over expenses.

Income Taxes

The Combined Group is comprised mostly of nonprofit organizations affiliated with the Sisters. Each nonprofit member of the Combined Group has been granted an exemption from federal income taxes under Section 501(c)(3) or Section 501(a) of the Internal Revenue Code. Alliance Health Providers of Brazos Valley, Inc. is a for-profit corporation and files a federal income tax return on a separate-entity basis. There are no material unrecorded tax liabilities at December 31, 2012 or 2011.

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or update certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

2. Significant Accounting Policies (continued)

The Corporation accounts for HITECH incentive payments under a grant accounting model. Income from Medicare incentive payments is recognized as revenue after the Corporation has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and there is reasonable assurance the grants will be received. The Corporation recognized revenue from Medicaid incentive payments after it has demonstrated compliance with the meaningful use criteria. Incentive payments totaling approximately $6,325,000 for the year ended December 31, 2012, are included in total other operating revenue in the accompanying combined statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment as incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Corporation's compliance with the meaningful use criteria is subject to audit by the federal government.

Adoption of New Accounting Standard

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The amendments in the ASU clarify the FASB's intent regarding the application of existing fair value measurement requirements and change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The pronouncement was effective for annual periods beginning after December 15, 2011, and therefore, was adopted effective January 1, 2012. The adoption of ASU 2011-04 has been reflected in the footnote disclosures included in the combined financial statements.

In July 2012, the FASB issued ASU 2012-01, *Health Care Entities, Continuing Care Retirement Communities-Refundable Advance Fees*. The ASU clarifies that a continuing care retirement community should classify a refundable advance fee as deferred revenue only when its resident contract provides for repayment of the fee upon re-occupancy, and repayment is limited to the proceeds it receives from the new occupant; otherwise, the advance fee is classified as a liability. The pronouncement is effective for fiscal periods beginning after December 15, 2012. The ASU is not expected to have a material impact on the combined financial statements.

2. Significant Accounting Policies (continued)

In July 2012, the FASB issued ASU 2012-02, *Intangibles-Goodwill and Other, Testing Indefinite-Lived Intangible Assets for Impairment.* The ASU adds an optional qualitative assessment for determining whether an indefinite-lived intangible asset is impaired. If it is determined that it is more likely than not that the fair value of such an asset exceeds its carrying amount, it would not need to calculate the fair value of the asset in that year. If it is concluded otherwise, then the fair value of the asset must be calculated and compared to the carrying value. The pronouncement is effective for fiscal periods beginning after September 15, 2012; however, as early adoption is permitted, this was adopted effective January 1, 2012, and did not have an impact on the amounts reported in the combined financial statements.

In October 2012, the FASB issued ASU 2012-04, *Technical Corrections and Improvements.* The ASU provided source literature amendments, guidance clarifications, reference corrections, and relocated guidance. The amendments that are subject to the transition guidance will be effective for fiscal periods beginning after December 15, 2013. The ASU is not expected to have a material impact on the combined financial statements.

In October 2012, the FASB issued ASU 2012-05, *Statement of Cash Flows, Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.* The amendments require cash receipts from the sale of donated financial assets that had no restrictions and were immediately converted to cash to be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which cash those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities. The pronouncement is effective for fiscal years beginning after June 15, 2013. The ASU is not expected to have a material impact on the combined financial statements.

2. Significant Accounting Policies (continued)

Subsequent Events

The Combined Group evaluates subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date. For the year ended December 31, 2012, the Combined Group evaluated the impact of subsequent events through May 17, 2013, representing the date on which the financial statements were available to be issued. No recognized subsequent events were identified for recognition or disclosure in the combined statements of financial position or the accompanying notes to the combined financial statements. A non-recognized subsequent event was identified for disclosure in Note 1 in the accompanying notes to the combined financial statements.

Reclassification

Certain amounts in 2011 have been reclassified to conform to the 2012 presentation.

Immaterial Error Correction

The 2011 unrestricted and temporarily restricted components of net assets have been corrected to reflect the appropriate classification of certain contributions received from 2008 through 2011, which were initially recorded as unrestricted and should have been designated as temporarily restricted. Total net assets are unchanged in 2011.

3. Charity Care

The members of the Combined Group maintain records to identify and monitor the level of charity care they provide. These records include the amount of costs for services and supplies furnished under their charity care policy and equivalent service statistics. The costs of providing care is estimated using the Combined Group's internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association and the Internal Revenue Service. The amount of traditional charity care provided, determined on the basis of cost, was approximately $23,159,000 and $19,176,000 for the years ended December 31, 2012 and 2011, respectively.

4. Assets and Liabilities Measured at Fair Value

Assets whose use is limited are recorded at fair value and consist of the following:

	December 31	
	2012	**2011**
Board-designated funds	**$ 81,204,180**	$ 72,367,186
Trustee-held funds, including current portion of $5,777,015 and $5,161,294 for 2012 and 2011, respectively	**61,928,017**	33,176,244
Self Insurance Program	**18,303,190**	40,273,598
Foundation investments	**37,943,310**	13,452,791
Other investments	**1,476,283**	1,391,577
Total	**200,854,980**	160,661,396
Less amounts in current assets	**5,777,015**	5,161,294
Total assets whose use is limited	**$ 195,077,965**	$155,500,102
Cash and cash equivalents	**$ 24,659,818**	$ 19,860,299
U.S. government securities	**34,110,946**	30,910,243
Corporate bonds	**32,726,884**	16,000,965
Mutual funds	**80,541,824**	60,886,424
Equities	**27,992,063**	31,802,202
Other	**823,445**	1,201,263
Total	**$ 200,854,980**	$ 160,661,396

4. Assets and Liabilities Measured at Fair Value (continued)

Long-term investments consist of the following:

	December 31 2012	2011
Cash and cash equivalents	$ 20,658,451	$ 10,621,493
U.S. government securities	1,524,025	6,580,518
Corporate bonds	5,884,238	7,361,177
Mutual funds	138,902,144	125,063,414
Equities	48,862,857	32,830,525
Other	1,483,831	1,587,658
Total investments	217,315,546	184,044,785
Less amounts in current assets	144,062	5,135,646
Total long-term investments	$ 217,171,484	$ 178,909,139

The following schedule summarizes the investment return and its classification in the combined statements of operations and changes in unrestricted net assets from continuing operations:

	Year Ended December 31 2012	2011
Income:		
Interest and dividends	$ 7,820,354	$ 5,247,635
Net realized gains	13,829,376	3,750,910
Net unrealized gains (losses)	8,344,699	(7,288,471)
Total investment return	$ 29,994,429	$ 1,710,074
Interest income included in operations	$ 494,213	$ 398,891
Nonoperating investment income, realized and unrealized gains	29,500,216	1,311,183
Total investment return	$ 29,994,429	$ 1,710,074

The Combined Group designates investment return on trustee-held funds related to borrowed funds for support of current operations. The remainder is classified as nonoperating.

4. Assets and Liabilities Measured at Fair Value (continued)

Accounting Standards Codification 820, *Fair Value Measurement,* includes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that is either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities that are not active, inputs other than quoted prices that are observable, and market-corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

As of December 31, 2012 and 2011, the assets and liabilities listed in the fair value hierarchy tables below utilize the following valuation techniques and inputs:

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

4. Assets and Liabilities Measured at Fair Value (continued)

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

Equities – The fair value of investments in U.S. and international equity securities is based on the closing price reported on the active market on which the individual securities are traded.

Mutual funds – The fair value of mutual funds are primarily determined using the calculated net asset value. The values of the underlying investments are fair value estimates determined by external fund managers.

Certificates of deposit – The fair value of certificates of deposit is primarily based on cost plus accrued interest.

Derivatives – The fair value of the Corporation's derivatives are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved.

4. Assets and Liabilities Measured at Fair Value (continued)

The following tables represent the Combined Group's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2012, and December 31, 2011, and the basis for that measurement:

		Fair Value Measurement at December 31, 2012 Using:		
	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets whose use is limited				
Cash and cash equivalents	$ 24,659,818	$ 24,659,818	$ –	$ –
U.S government securities	34,110,946	–	34,110,946	–
Fixed income:				
International	1,419	–	1,419	–
Domestic	32,725,465	–	32,725,465	–
Mutual funds				
International	8,867,130	8,867,130	–	–
Domestic	71,674,694	71,674,694	–	–
Equities.				
International	2,242,851	2,242,851	–	–
Domestic	25,749,212	25,749,212	–	–
Other	823,445	313,916	82,423	427,106
	200,854,980	133,507,621	66,920,253	427,106
Other long-term investments:				
Cash and cash equivalents	20,658,451	20,658,451	–	–
U.S. government securities	1,524,025	–	1,524,025	–
Fixed income.				
Domestic	5,884,238	–	5,884,238	–
International				
Mutual funds:				
International	58,681	58,681	–	–
Domestic	138,843,463	138,843,463	–	–
Equities:				
International	9,935,887	9,935,887	–	–
Domestic	38,926,970	38,926,970	–	–
Certificate of deposits	103,074	-	103,074	–
	215,934,789	208,423,452	7,511,337	–
Total investments	$ 416,789,769	$ 341,931,073	$ 74,431,590	$ 427,106
Other assets:				
Derivative asset	$ 378,955	$ –	$ 378,955	$ –
Other long-term liabilities:				
Derivative obligation	$ 14,048,674	$ –	$ 14,048,674	$ –

4. Assets and Liabilities Measured at Fair Value (continued)

	Total Fair Value Measurement	Fair Value Measurement at December 31, 2011 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets whose use is limited.				
Cash and cash equivalents	$ 19,860,299	$ 19,860,299	$ –	$ –
U.S. government securities	30,910,243	–	30,910,243	–
Corporate bonds				
International	337,051		337,051	–
Domestic	15,663,914		15,663,914	–
Mutual funds:				
International	6,466,216	6,466,216	–	–
Domestic	54,420,208	54,420,208	-	–
Equities:				
International	836,629	836,629	–	–
Domestic	30,965,573	30,965,573	–	–
Other	1,201,263	358,213	552,612	290,438
	160,661,396	112,907,138	47,463,820	290,438
Other long-term investments:				
Cash and cash equivalents	10,621,493	10,621,493	–	–
U.S. government securities	6,580,518	–	6,580,518	–
Corporate bonds:				
Domestic	7,259,813	–	7,259,813	-
International	101,364		101,364	–
Mutual funds:				
International	1,204,377	1,204,377	–	–
Domestic	123,859,037	123,859,037	–	–
Equities:				
International	6,019,523	6,019,523	-	–
Domestic	26,811,002	26,811,002	–	-
Certificate of deposits	206,901	–	206,901	–
	182,664,028	168,515,432	14,148,596	-
Total investments	$ 343,325,424	$ 281,422,570	$ 61,612,416	$ 290,438
Other assets·				
Derivative asset	$ 159,833	$ –	$ 159,833	$ –
Other long-term liabilities:				
Derivative obligation	$ (14,025,621)	$ –	$ (14,025,621)	$ –

4. Assets and Liabilities Measured at Fair Value (continued)

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments are recorded at fair value. The carrying value and fair value of the Combined Group's long-term debt, as estimated by discounted cash flow analyses using the current borrowing rate for similar types of borrowing arrangements and adjusted for credit, respectively, were $326,273,000 and $336,367,000, respectively, at December 31, 2012, and $288,706,000 and $288,417,000, December 31, 2011. Other financial instruments reported as noncurrent assets and liabilities have carrying values that approximate fair value.

5. Net Property and Equipment

Net property and equipment consist of the following:

	December 31	
	2012	**2011**
Land and land improvements	**$ 39,095,993**	$ 39,629,096
Buildings and fixed equipment	**464,375,533**	455,935,464
Major movable equipment	**217,200,614**	206,859,089
Construction in progress	**27,220,580**	23,360,986
	747,892,720	725,784,635
Less allowances for depreciation	**(368,376,718)**	(364,286,764)
Totals	**$ 379,516,002**	$ 361,497,871

The estimated cost to complete construction in progress projects was approximately $37,700,000 and $60,800,000 at December 31, 2012 and 2011, respectively.

6. Professional Liability Insurance

The Franciscan Services Self-Insurance Trust (the Self Insurance Program) was established by the Corporation to provide up to $4 million of professional liability, malpractice, and comprehensive general liability insurance coverage on a group basis to the affiliated entities of the Combined Group. Effective April 1, 2012, SFH Assurance, LTD. was established and took over this function. The Self Insurance Program has a claims-made policy and provides for primary level funding. Each affiliated entity makes an annual contribution to the Self Insurance Program which is actuarially determined. The Corporation has also purchased excess coverage insurance.

6. Professional Liability Insurance (continued)

Losses are paid from the Self Insurance Program for covered claims on behalf of each participant in any policy year, assuming the self-insurance limit is not exceeded. Also, if the Self Insurance Program contains insufficient amounts to pay the maximum that can be paid in any policy year, each participant will be assessed the amount of the shortfall based on its historical contributions to the Trust.

The Self Insurance Program accrues for estimated losses attributable to reported claims, the development of these known claims, incurred but not reported claims, and legal expenses for periods covered by the claims-made insurance using a discount rate of 3.12%. The Self Insurance Program accrued approximately $11,026,000 and $10,104,000 at December 31, 2012 and 2011, respectively, related to amounts which potentially will be paid from assets presently held in the Self Insurance Program. Although management believes that the Self Insurance Program's reserves are adequate, there can be no assurance that the reserves will not require material adjustment in future years.

7. Lines of Credit

The Corporation has an unsecured $10 million line of credit through May 31, 2013, with a local bank of which the outstanding balance was $703,635 and $425,000 at December 31, 2012 and 2011. The interest rate was 1.25% and 1.31% at December 31, 2012 and 2011, respectively.

Trinity Hospital Twin City has an unsecured $2,000,000 line of credit, with a local bank of which the outstanding balance was $2,000,000 and $1,500,000 at December 31, 2012 and 2011. The interest rate was 1.7% and 2.3% at December 31, 2012 and 2011.

Rosary has a $100,000 line of credit, with a bank at an interest rate of prime (3.25% at December 31, 2012 and 2011, respectively) and secured by the assets of Rosary. The amount outstanding as of December 31, 2012 and 2011, is $75,000 and $73,968, respectively.

The Trinity Hospital Twin City and Rosary line of credit are guaranteed by the Corporation.

8. Long-Term Debt and Interest Rate Swaps

Long-term debt and capital lease obligations consist of the following:

	December 31 2012	2011
Revenue Bonds		
Brazos County (TX) Health Facilities Development Corporation:		
Series 1993B – St. Joseph Regional Health Center	$ 17,057,800	$ 17,057,800
Series 1997A – St. Joseph Regional Health Center	47,672,000	47,672,000
Series 1997B – St. Joseph Manor	13,895,000	13,895,000
Series 2002 – St. Joseph Regional Health Center	27,500,000	27,500,000
Series 2008 – St. Joseph Regional Health Center	28,090,000	28,610,000
Series 2009 – Burleson St. Joseph Manor	7,140,000	7,445,000
County of Erie, Ohio:		
Series 1996A – Providence Care Centers	895,000	1,310,000
Series 2009C – Providence Care Centers	4,505,000	4,525,000
Series 2009B – The Commons of Providence	3,484,250	3,503,500
Series 2009A – Providence Residential Community Corporation	7,315,000	7,350,000
Series 2009B – The Commons of Providence	2,850,750	2,866,500
County of Montgomery, Ohio:		
Series 2010 – St. Leonard	40,575,000	41,110,000
St. Clare Commons 2012A Project	33,200,000	-
County of Lucas, Ohio:		
Series 2002 – Franciscan Care Center, Sylvania	-	6,075,000
Village of Botkins, Ohio		
Series 2012–Franciscan Care Center	9,760,000	-
Kentucky Economic Development Finance Authority:		
Series 2010 – Madonna Manor, Inc.	28,440,000	28,440,000
City of Steubenville, Ohio:		
Series 2010 – Trinity	41,085,000	42,540,000
County of Tuscarawas, Ohio		
Trinity Hospital Twin City	5,760,000	6,000,000
City of Sylvania, Ohio		
Series 2012–Rosary Care Center	4,395,000	-
Other		
Notes payable to financial institutions, various interest rates with final installments due at various dates from 2012 to 2024	4,202,096	4,058,505
Other notes payable	175,000	193,798
Charitable gift annuity	150,450	171,404
Capital lease obligations collateralized by equipment	541,881	1,113,356
	328,689,227	291,436,863
Less current portion	(5,815,908)	(4,928,868)
Less original discount	(2,416,494)	(2,730,665)
Total long-term debt and capital lease obligations	$ 320,456,825	$ 283,777,330

8. Long-Term Debt and Interest Rate Swaps (continued)

The current members of the Sylvania Franciscan Health Obligated Group (the Obligated Group) are St. Joseph Regional Health Center of Bryan, Texas (St. Joseph); the corporate office of the Corporation; St. Joseph Manor, and St. Joseph Physician Associates (SJPA) effective June 30, 2012, which have adopted a common plan of financing under a Master Trust Indenture.

Under the Master Trust Indenture, each member of the Obligated Group is jointly and severally liable for payment of debt issued pursuant to the Master Indenture. The Obligated Group has issued several series of revenue bonds through Brazos County (Texas) Health Facilities Development Corporation (BCHFDC) in connection with various financing and construction projects. Under a Master Trust Indenture, the Obligated Group is jointly and severally liable for payment of Series 1993B, 1997A, 1997B, 2002, and 2008 Bonds, as a result of each having pledged to meet the principal and interest on each note for so long as any bonds are outstanding. In addition, the Obligated Group has agreed to certain operational and financial restrictions to limit additional indebtedness and guarantees, maintain specified financial ratios, and fulfill sinking fund requirements in various trustee-held accounts, among other covenants. The assets and other accounts of the Franciscan Services Self-Insurance Trust or SFH Assurance, LLC are not subject to the provisions of the Master Trust Indenture.

In addition, the Obligated Group has issued Notes to secure the guaranty by St. Joseph of obligations under the reimbursement agreement relating to the letter of credit securing the BCHFDC Series 2009 Burleson St. Joseph Manor Bonds and the guaranty by Sylvania Franciscan Health of the Kentucky Economic Development Finance Authority Madonna Manor Series 2010 Bonds, St. Clare Commons and the Trinity Hospital Twin City direct financing.

The Series 1993B Bonds consist of term bonds that mature in varying amounts through January 1, 2019, with interest ranging from 4.875% to 6% payable semiannually. Bonds outstanding may be redeemed at par. During 2011, St. Joseph executed an early redemption of $4,355,000 of the Series 1993B Bonds.

The Series 1997A Bonds consist of term bonds that mature in varying amounts annually through January 1, 2028, and bear interest ranging from 4.30% to 5.37%, payable semiannually. Outstanding bonds maturing on or after January 1, 2017, are subject to optional redemption equal to the principal plus accrued interest, if any, to the redemption date.

8. Long-Term Debt and Interest Rate Swaps (continued)

The Series 1997B Bonds consist of term bonds that mature in varying amounts annually beginning January 1, 2020 through January 1, 2028, and bear interest at 5.37%, payable semiannually. Outstanding bonds maturing on or after January 1, 2022, are subject to optional redemption equal to the principal plus accrued interest.

The Series 2002 Bonds consist of term bonds that mature in varying amounts annually beginning January 1, 2029, and bear interest at 5.38%, payable semiannually. Outstanding bonds maturing on or after January 1, 2013, are subject to optional redemption at a premium of 1% plus accrued interest. Bonds outstanding on or after January 1, 2014, may be redeemed at par plus accrued interest.

The Series 2008 Bonds consist of term bonds that mature in varying amount annually through January 1, 2038, and bear interest at a fixed rate ranging from 4.0% to 5.5%.

In connection with the refinancing of its Series 1999 Bonds, BCHFDC issued the Series 2009 Bonds on behalf of Burleson St. Joseph Manor (BSJM), which mature on July 1, 2029, and bear interest at a variable rate. Bond proceeds were borrowed under a loan agreement, with the issuer under which BSJM agrees to make payments sufficient to pay principal and interest as they become due. St. Joseph has been named as guarantor pursuant to the loan agreement. The Series 2009 Bonds are supported by a letter of credit issued by Wells Fargo Bank, N.A. The letter of credit expires on February 26, 2015. As of December 31, 2012, there have been no draws on the letter of credit. The interest rate for the 2009 Bonds, which is determined weekly, averaged approximately 0.27% for 2012, and was 0.25% at December 31, 2012. BSJM may select other interest rate modes for the 2009 Bonds, subject to certain limitations. Outstanding bonds are subject to optional redemption at a price equal to par plus accrued interest to the date of redemption.

Effective February 3, 2004, St. Joseph and Merrill Lynch Capital Services, Inc. (MLCS) entered into a basis swap agreement. The basis swap provides that St. Joseph will receive from MLCS a variable amount of interest based upon the Bond Marketing Association (BMA) Municipal Bond Index and pay MLCS a variable rate of interest at a rate of 76.75% of the London Interbank Offered Rate (LIBOR) on the notional amount of $13,750,000.

8. Long-Term Debt and Interest Rate Swaps (continued)

Effective August 30, 2005, St. Joseph and MLCS entered into two fixed receiver swap agreements (the 2005 Swaps). The 2005 Swaps provide that St. Joseph will receive from MLCS a fixed amount of interest of 5.35% and pay to MLCS a variable rate of interest based upon the BMA Municipal Bond Index on the initial notional amounts of $15,665,000 and $16,555,000. These notional amounts decline each year by the same amount as the amortization of the Series 1993B Bonds.

Effective August 16, 2007, St. Joseph and MLCS entered into five total return swaps and one fixed-payor swap (the 2007 swaps) related to the outstanding 1997A and 1997B Bonds. The total return swaps provide that St. Joseph will receive from MLCS a fixed amount of interest of 4.945% and pay to MLCS a variable rate of interest based upon the SIFMA Index on each notional amount. The fixed payor swap expires on January 1, 2028, and provides that St. Joseph will receive from MLCS a variable rate of interest of three-month LIBOR and pay to MLCS a fixed rate of interest of 3.864% on the notional amount of $48,500,000. Effective March 12, 2008, St. Joseph and MLCS entered into a fixed spread basis swap (2008 Swap) related to the outstanding 2008 Bonds. The 2008 Swap expires on March 1, 2028, and provides that St. Joseph will receive from MLCS a variable rate of interest based upon LIBOR and pay to MLCS a variable rate of interest based upon the BMA Municipal Bond Index on the initial notional amount of $30,000,000. On September 21, 2009, BSJM entered into a swap agreement with respect to the Series 2009 Bonds (the 2009 Swap) with Wells Fargo Bank N.A. The 2009 Swap, which is scheduled to mature on September 1, 2014, provides that BSJM will receive from Wells Fargo a variable rate of interest based upon the SIFMA Municipal Swap Index and pay to Wells Fargo a fixed rate of interest of 2.42% on the initial notional amount of $8,025,000. The notional amount of the swap is reduced each year consistent with the principal payments made on the 2009 Bonds, and the notional amount at December 31, 2012, is $7,140,000.

Interest rate swap contracts between St. Joseph and swap counterparties expose St. Joseph Health to market risk and credit risk. Credit risk is the risk that contractual obligations of the counterparty will not be fulfilled. Counterparty credit risk is managed by requiring high credit standards for the St. Joseph's counterparty. The counterparty to these contracts is a financial institution that carries investment-grade credit ratings. The interest rate swap contracts contain certain collateral provisions applicable to both parties to mitigate credit risk; collateral was not required at December 31, 2012 and 2011. St. Joseph may be required to post additional collateral to secure obligations that would be owed to the counterparty under the agreements if terminated,

8. Long-Term Debt and Interest Rate Swaps (continued)

regardless of whether the agreements are actually terminated. St. Joseph does not anticipate nonperformance by its counterparty. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degrees of market risk that may be undertaken. Management also mitigates risk through periodic reviews of its derivative positions in the context of its blended cost of capital.

At December 31, 2012 and 2011, the market value of these interest rate swap agreements was a liability of $13,290,750 and $13,267,665, respectively.

The County of Erie, Ohio, issued its Series 1996A Bonds on behalf of Providence Care Centers. In connection with the issuance of the Series 1996A Bonds, Providence Care Centers entered into lease and sublease agreements with Erie County, which extend through the term of the Bonds. Payments under the sublease are equal to the principal and interest on the bonds, consisting of serial bonds which are subject to mandatory redemption on each October 1 in increasing annual amounts through October 1, 2014, bearing interest at a variable rate (.20% and 2.19% at December 31, 2012 and 2011, respectively). The bonds are supported by an irrevocable letter of credit of JPMorgan Chase Bank, N.A., which expires on October 15, 2014. The Series 1996A Bonds are secured by property.

The Series 2009A, B, and C bonds consist of serial bonds, which are subject to mandatory redemption on each October 15 in increasing annual amounts through October 5, 2034, bearing interest at a variable rate (2.15% and .12% at December 31, 2012 and 2011, respectively). Each Series of the 2009 bonds is secured by the property of Providence Care Centers, a pledge of the gross revenues of accounts receivable, inventory, equipment, and an assignment of lease rentals, and is cross-collateralized by a grant of subordinate interests in the real property and a pledge of personal properties of the other subsidiaries of Providence Care Centers.

Providence Care Centers has an interest rate swap agreement for $10,023,000 of the total borrowings outstanding. The swap is recorded at fair value, which is a liability of $757,924 and $757,956 at December 31, 2012 and 2011, respectively.

In addition, Providence Care Centers and its subsidiaries have agreed to certain operational and financial restrictions to limit additional indebtedness, guarantees, maintain specified financial ratios, and fulfill sinking fund requirements in various trustee accounts, among other covenants, which have been met.

8. Long-Term Debt and Interest Rate Swaps (continued)

In June 2010, the County of Montgomery, Ohio, issued $41.1 million Demand Revenue Bonds, Series 2010 (Series 2010 Bonds) on behalf of St. Leonard. In connection with the issuance of the Series 2010 Bonds, St. Leonard entered into lease and sublease agreements with Montgomery County, which extend through the term of the bonds. Payments under the sublease are equal to the principal and interest on the bonds. The 2010 bonds are secured by the property of St. Leonard and a pledge of the gross revenues of St. Leonard. The Series 2010 Bonds consist of serial bonds, which are subject to mandatory redemption on each April 1 in increasing annual amounts through April 1, 2040, bearing interest at a fixed rate ranging from 6% to 6.625%. To secure its obligation under the sublease, St. Leonard delivered to the Trustees its Series 2010 Note in the amount of $41.1 million issued pursuant to the St. Leonard Master Indenture, payable in installments and bearing interest in the amounts equal to the principal interest on the Series 2010 Bonds. St. Leonard is the only current member of the Obligated Group under the St. Leonard Master Indenture. The Series 2010 Note is secured by the property of St. Leonard.

On June 15, 2012, St. Clare Commons financed $33.2 million to construct a new continuing care retirement community in Perrysburg, Ohio. St. Clare Commons leased to Fifth Third Bank their interest in this project and in turn, Fifth Third Bank leased this project to the County of Wood, Ohio for sublease to St. Clare Commons. This financing is secured by a pledge St. Clare Commons revenues. All liability associated to this agreement is fully guaranteed by the Corporation. St. Clare Commons has agreed to make rental payments back to Fifth Third Bank which consists of monthly interest payments beginning August 1, 2012, based on a 3.17% rate through June 1, 2022, and quarterly principal payments beginning September 1, 2014 through June 1, 2042.

On March 1, 2012, the Village of Botkins, Ohio issued $9,760,000 of HealthCare Revenue Bonds, Series 2012 (Series 2012 Bonds) and obtained a direct loan in the amount of $1,925,000 to finance an addition consisting of the acquisition of 10 additional beds, the addition of 25 private rooms, and to refinance the Series 2002 Bonds outstanding at December 31, 2011.

The Series 2012 Bonds are subject to redemption semi-annually in varying amounts through March 1, 2018. In connection with the issuance of the Series 2012 Bonds, the Franciscan Care Center entered into lease and sublease agreements with the Village of Botkins, which extend through the terms of the series 2012 Bonds. The series 2012 Bonds are secured by a first mortgage lien on the property. Interest and principal are due semi-annually until maturity on March 1, 2028. The interest rate in effect at December 31, 2012 was 1.64%.

8. Long-Term Debt and Interest Rate Swaps (continued)

The direct loan will be paid in equal monthly installments of $16,043 over the next ten years beginning April 1 and will be secured by a second mortgage on the real estate of Franciscan Care Center, Sylvania and a lien on its business assets including, equipment, inventory, accounts receivable, general intangibles, and deposits. The amount outstanding at December 31, 2012, is $1,764,573. The interest rate in effect at December 31, 2012, was 2.16%.

On January 5, 2010, the Kentucky Economic Development Finance Authority issued $28,440,000 Healthcare Facilities Revenue Bonds (Madonna Manor, Inc. Project), Series 2010. Bond proceeds were borrowed under a loan agreement. Under the loan agreement, a note was issued to the Trustee payable in installments and bearing interest in the amounts equal to the principal and interest on the bonds. All liability under the loan agreement and note is fully guaranteed by the Corporation. The Madonna Manor Series 2010 bonds consist of serial bonds, which are subject to mandatory redemption on each December 1 in increasing annual amounts through December 1, 2039, bearing interest at a rate of 7.00%. The bonds may be redeemed in whole or in part on any business day on or after September 5, 2013, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption. The guarantee of the Corporation is further secured by a Note issued by the Obligated Group under the Sylvania Franciscan Health Master Indenture.

On December 22, 2009, Madonna Manor entered into a total return swap with Bank of America Merrill Lynch for the entire amount of borrowings with an effective date of January 5, 2010, and a termination date of January 5, 2013. In December 2012, this total return swap was renewed through January 5, 2016, with a fixed interest rate based on Bank of America's bond rating. In accordance with the agreement, Madonna Manor makes semiannual (May 15 and November 15) variable interest payments at the USD-SIFMA Municipal Swap Index rate in exchange for a 5.00% fixed rate on the notional amount of outstanding debt. The swap is recorded at its fair value, which is an asset of $378,955 and $159,833 at December 31, 2012 and 2011, respectively. Madonna Manor has certain cash collateral requirements associated with this swap. At December 31, 2012 and 2011, collateral was not required to be posted.

8. Long-Term Debt and Interest Rate Swaps (continued)

In August 2010, Trinity Hospital Holding Company and its subsidiaries, Trinity East and Trinity West (collectively, Trinity) leased certain facilities to the City of Steubenville, Ohio (City) through the year 2030. The City then agreed to loan Trinity the proceeds from the sale by the City of $43,930,000 of Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2010. The City then subleased the facilities to Trinity East and Trinity West for the same term at a rental equal to the debt service on the Series 2010 Bonds. The obligations of Trinity to pay rent under the subleases have been evidenced and secured by the Series 2010 Note issued to The Bank of New York Mellon Trust Company, N.A. (Master Trustee) by Trinity pursuant to the terms of the Trinity Master Indenture dated August 1, 2010.

Trinity has assigned and granted an assignment of and a security interest in all present and future gross receipts of Trinity to secure payment of principal and interest on Series 2010 Bonds and the observance and performance of each member of Trinity of all of its covenants, agreements, and obligations under the Trinity Master Indenture. The security interest does not include any interest in the net assets of the Foundation, which aggregated $15,006,375 and $13,679,421 at December 31, 2012 and 2011, respectively, nor any income generated from that interest. As security for its obligations under the Series 2010 Bonds, each of Trinity East and Trinity West, respectively, has granted to the Trinity Master Trustee pursuant to the Trinity Master Indenture for the benefit of the bondholders, a first mortgage lien on the real property and fixtures constituting the existing facilities.

The Trinity Series 2010 Bonds consist of serial bonds, which are subject to mandatory redemption on each October 1 in increasing annual amounts through October 1, 2030, bearing interest at a fixed rate ranging from 2% to 5%.

During September 2011, the County of Tuscarawas, Ohio entered into a $6 million lease financing agreement with a local bank, and Trinity Hospital Twin City became the sublessee under the agreement in order to finance the acquisition of the hospital. Payments under the sublease are equal to principal and interest which through October 1, 2036, in a semi-annual amount of $120,000, bearing interest at a variable rate (1.9% at December 31, 2012 and 2011).

8. Long-Term Debt and Interest Rate Swaps (continued)

In March 2012, the City of Sylvania, Ohio issued $4,395,000 of City of Sylvania, Ohio Health Care Revenue Bonds, Series 2012 (Rosary Series 2012 Bonds) for the purpose of acquiring, constructing, equipping and improving a 17 unit assisted living facility, including refinancing certain debt and to pay the bond issuance costs. Subsequent to this, these bonds were purchased by Huntington National Bank. The site of these facilities has been leased to Rosary by the Sisters, who fully guarantee this liability. These improvements will then be sub-subleased to Rosary. The Rosary Series 2012 Bonds are subject to redemption semi-annually in varying amounts, with the final payment due on March 1, 2038. The interest rate in effect at December 31, 2012, was 1.64%.

The Corporation also has certain entities that have various outstanding notes payable as of December 31, 2012 and 2011, of $2,612,523 and $4,252,303, respectively.

Required principal payments of the Combined Group's long-term debt, excluding capital lease obligations, in each of the five years subsequent to December 31, 2012, are as follows: 2013 – $5,458,046; 2014 – $8,433,485; 2015 – $9,285,855; 2016 – $9,650,655; 2017 – $9,261,176; and thereafter $286,058,129.

Required principal payments of the Combined Group's capital lease obligations, in each of the years subsequent to December 31, 2012, are as follows: 2013 – $357,862; 2014 – $184,019.

In addition, the Obligated Group and various subsidiaries of the Corporation have agreed to certain operational and financial restrictions to limit additional indebtedness, guarantees, and maintain specified financial ratios among other covenants. As of December 31, 2012, the Corporation met all of its required covenants. Interest paid in 2012 and 2011, was approximately $14,261,000 and $14,391,000, respectively. The Combined Group capitalized interest of approximately $923,000 and $2,720,000 during 2012 and 2011, respectively.

9. Retirement and Postretirement Benefit Plans

The Corporation participates with other affiliated organizations in the Sisters of St. Francis Lay Employees' Retirement Plan (the Sisters' Plan), which is a noncontributory, defined benefit retirement plan covering eligible lay employees. The Sisters' Plan provides for retirement and disability retirement benefits based on years of service and an employee's highest consecutive three-year average earnings. The Sisters and the Corporation intend that this will be a permanent plan for the exclusive benefit of its participants, the joint annuitants, and beneficiaries.

9. Retirement and Postretirement Benefit Plans (continued)

In addition, the Sisters and the Corporation intend, but do not guarantee, to make annual contributions to the fund in an amount equal to a percentage of projected covered compensation. The Sisters' Plan is accounted for as a multiemployer pension plan. Accordingly, the Corporation records its required contributions to the Sisters' Plan as net periodic pension expense. The Corporation recognized net periodic pension expense of $12,427,818 and $13,044,470 for the years ended December 31, 2012 and 2011, respectively, based on amounts funded to the Sisters' Plan. The projected and accumulated benefit obligation exceeded the fair value of plan assets by $183.9 million and $123.8 million, respectively, at December 31, 2012, using a weighted-average discount rate of 4.12%, an expected long-term rate of return on plan assets of 8.0%, and an expected rate of compensation increase of 3.5%.

Trinity East has three defined benefit pension plans. Benefits under the pension plans are generally based on years of service and the employees' average annual compensation in five of the last ten years prior to retirement in which such earnings are the highest. Trinity East funds at least the amount necessary to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code.

Trinity East and Trinity West have other postretirement benefits relating to health insurance coverage for employees who participated in an early retirement program in a prior year. These postretirement benefits are not impacted by the Medicare Prescription Drug Improvement and Modernization Act of 2003 as health care coverage terminates once retirees are Medicare eligible. The Corporation has also assumed a previously owned hospital's postretirement benefit plan. Postretirement benefit costs are funded as incurred.

Amounts included in unrestricted net assets at December 31, 2012, that have not yet been recognized in net periodic pension cost are the net unrecognized prior service cost of $2,084 and net unrecognized actuarial losses of $25,950,499. The net prior service cost and net actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending December 31, 2012, are $1,853,570 and $1,602, respectively.

9. Retirement and Postretirement Benefit Plans (continued)

The table below sets forth the change in the plan assets and benefit obligation of the Trinity East pension plans and the Trinity East, Trinity West, and Providence Hospital postretirement plans for the years ended December 31, 2012 and 2011. The table also reflects the funded status of the plans, as well as recognized and unrecognized amounts in the combined statements of financial position at December 31, 2012 and 2011.

	Trinity East Pension Benefits		Postretirement Benefits	
	2012	**2011**	**2012**	**2011**
Change in benefit obligation:				
Benefit obligation at beginning of year	**$ 55,478,119**	$ 48,831,398	**$ 1,188,005**	$ 1,155,180
Service cost	**1,051,464**	910,739	–	–
Interest cost	**2,498,612**	2,554,831	**51,877**	61,676
Participant contributions	–	–	**7,593**	7,593
Actuarial loss	**6,028,187**	5,040,680	**86,565**	84,964
Benefits paid	**(1,964,200)**	(1,859,529)	**(125,115)**	(121,408)
Benefit obligation at end of year	**63,092,182**	55,478,119	**1,208,925**	1,188,005
Change in plan assets:				
Fair value of plan assets at beginning of year	**36,659,861**	35,805,835	–	–
Actual return on plan assets	**3,833,478**	268,555	–	–
Employer contribution	**2,520,000**	2,445,000	**117,522**	113,815
Participant contributions	–	–	**7,593**	7,593
Benefits paid	**(1,964,200)**	(1,859,529)	**(125,115)**	(121,408)
Fair value of plan assets at end of year	**41,049,139**	36,659,861	–	–
Accrued benefit cost	**$ (22,043,043)**	$ (18,818,258)	**$ (1,208,925)**	$ (1,188,005)

The accumulated benefit obligation for all pension plans was $61,758,026 and $54,328,210 at December 31, 2012 and 2011, respectively.

9. Retirement and Postretirement Benefit Plans (continued)

The Trinity East plan assets are invested in an actively managed portfolio that integrates asset allocation strategies across equity and debt markets within the United States. The portfolio objectives are long-term growth balanced with moderate variab'lity with an expected shift to assets with a more fixed income allocation as the plan population ages and near retirement. The use of an appropriate asset management policy combines the various asset pools to ensure flexibility and to adapt to the changing retirement needs of the plan participants. The plan's objective is to have 45% to 65% invested in equities and 30% to 50% invested in fixed income securities. For the long-term, the primary investment objective for the portfolio is to earn the highest possible total return consistent with prudent levels of risk. The primary objective overall is to enable the three pension plans to meet their future obligations for employee retirement.

The weighted-average asset allocations by asset category of the Tr'nity East plans are as follows:

	December 31	
	2012	**2011**
Asset category:		
Equity securities	**56%**	44%
Debt securities	**44**	45
Other	**–**	11
Total	**100%**	100%

9. Retirement and Postretirement Benefit Plans (continued)

The following table summarizes the Trinity East pension assets measured at fair value on a recurring basis as of December 31, 2012 and 2011, aggregated by the level in the fair value hierarchy within which those measurements are determined:

	Total Fair Value Measurement at December 31, 2012	Fair Value Measurement at December 31, 2012 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 1,065,110	$ 1,065,110	$ –	$ –
U.S. government and agency obligations	6,635,592	–	6,635,592	–
Equities:				
International	4,684,791	4,684,791	–	–
Corporate bonds:				
Domestic	9,836,769	–	9,836,769	–
International	418,382	–	418,382	–
Mutual funds:				
Domestic	18,408,495	18,408,495	–	–
	$ 41,049,139	$ 24,158,396	$ 16,890,743	$ –

	Total Fair Value Measurement at December 31, 2011	Fair Value Measurement at December 31, 2011 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 5,221,578	$ 5,221,578	$ –	$ –
U.S. government and agency obligations	9,409,592	–	9,409,592	–
Equities:				
International	3,942,636	3,942,636	–	–
Corporate bonds:				
Domestic	5,460,332	–	5,460,332	–
International	421,007	–	421,007	–
Mutual funds:				
Domestic	12,204,716	12,204,716	–	–
	$ 36,659,861	$ 21,368,930	$ 15,290,931	$ –

9. Retirement and Postretirement Benefit Plans (continued)

Trinity East expects to contribute $2,520,000 to its pension plans in fiscal 2013. Sylvania Franciscan Health expects to contribute $112,000 to its postretirement plan in 2013.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the Trinity East pension plans and the Trinity East and West and Providence Hospital other benefits during the year ending December 31:

	Pension Benefits	Postretirement Benefits
2013	$ 2,308,092	$ 120,377
2014	2,404,494	120,087
2015	2,503,185	107,754
2016	2,658,730	106,550
2017	2,840,729	104,343
2018-2022	17,164,290	455,037

The components of net periodic benefit cost for the pension plans and other postretirement benefit plans for the years ended December 31, 2012 and 2011, were as follows:

	Pension Benefits		Postretirement Benefits	
	2012	2011	2012	2011
Service cost	$ 1,051,464	$ 910,739	$ –	$ –
Interest cost	2,498,612	2,554,831	51,877	61,676
Expected return on plan assets	(2,951,732)	(3,017,633)	–	–
Recognized net actuarial loss (gain)	1,343,200	844,058	(32,587)	(47,357)
Amortization of prior service cost	1,602	1,602	–	–
Net periodic benefit cost	$ 1,943,146	$ 1,293,597	$ 19,290	$ 14,319

9. Retirement and Postretirement Benefit Plans (continued)

Actuarial assumptions for the Trinity East and Trinity West pension plans are as follows:

	December 31	
	2012	**2011**
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	**3.8%**	4.6%
Expected long-term rate of return on plan assets	**7.5%**	8.0%
Expected rate of compensation increase	**3.0%**	3.0%
Weighted-average assumptions used to determine benefit obligation for years ended December 31:		
Discount rate	**4.6%**	5.35%
Rate of compensation increase	**3.0%**	3.0%

In selecting the expected long-term return on plan assets, Trinity East pension plans considered the average rate of earnings on the funds invested or to be invested to provide for the benefits of these plans. This included considering the asset allocation and the expected returns likely to be earned over the life of the plans. This basis is consistent with prior year.

Actuarial assumptions for the Providence Hospital plan are as follows:

	December 31	
	2012	**2011**
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	**4.67%**	5.75%
Weighted-average assumptions used to determine benefit obligation for years ended December 31:		
Discount rate	**3.62%**	4.67%

An increase of 9.0% in the health care cost trend rate was assumed for Providence Hospital plan next year. This rate is assumed to decrease gradually to 5% in 2021 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. A 1% increase in the heath care cost rate would increase the accumulated postretirement benefit obligation by $113,265 and the net periodic cost by $4,490. A 1% decrease in the health care cost rate would decrease the accumulated postretirement benefit obligation by $100,994 and the net periodic cost by $3,964.

9. Retirement and Postretirement Benefit Plans (continued)

Trinity Hospital Holding Company has supplemental pension and welfare agreements with certain key executives that provide for fixed payments at the date of retirement, death, or disability and lump-sum life insurance benefits. Trinity Hospital Holding Company is providing for these benefits over the estimated term of employment of the employees to age 65. The present value of these benefits of approximately $1,001,000 and $701,000 at December 31, 2012 and 2011, respectively, has been included in the combined statements of financial position as long-term retirement benefits payable. Approximately $293,000 and $6,900 was charged to expense for these benefits for the years ended December 31, 2012 and 2011, respectively. Trinity Hospital Holding Company has purchased life insurance contracts on certain employees, which upon the death of the employee, may be used to fund the supplemental pension and welfare arrangements with the key executives.

The Corporation has a supplemental retirement plan for certain key employees. The Corporation recognizes expense on a prorated basis over the expected service period of the participants. The plan is funded with investments held in a Rabbi Trust. The plan assets are included with assets whose use is limited on the combined statements of financial position and totaled $1,123,035 and $1,114,954 at December 31, 2012 and 2011, respectively. At December 31, 2012 and 2011, respectively, the Corporation has a supplemental retirement obligation of $1,728,481 and $1,769,670.

The Corporation is the sponsor of the 457(b) Plan for Sylvania Franciscan Sponsored Ministries 457(b) plan which was established in 2011 to provide deferred compensation for a select group of management or highly compensated employees. At December 31, 2012 and 2011, respectively, the plan assets of $759,355 and $316,641 are included in assets whose use is limited and a corresponding retirement obligation is recorded.

The Sisters of St. Francis 403(b) Voluntary Employee Deferral Plan is a single-employer, defined contribution employee benefit plan. All entities of the Corporation who have adopted the plan are eligible to participate upon the date of employment. In addition, St. Joseph may elect to make discretionary matching contributions of $.50 for every $1.00 of an employee's elective deferrals, up to 2% of an employee's compensation. Employees become 100% vested in the employer's contribution after three years of service. St. Joseph contributed approximately $681,091 and $551,925 during the years ended December 31, 2012 and 2011, respectively.

10. Related-Party Transactions

Rosary Care Center entered into a lease agreement with the Sisters, which provides monthly rental payments and payments for expenses in connection with the maintenance and operation of the leased premises. Rental expenses amounted to $157,800 for the years ended December 31, 2012 and 2011. The monthly rental payments under the operating lease are approximately $13,150 plus interest on the Sisters debt instrument and expenses relating to maintenance and operating of the premises.

Trinity Health System has transactions with Tri-State, a co-sponsor with the Corporation of Trinity Health System, which relate primarily to the rental of office space and the purchase of employee time which are not material. Net amounts due from Tri-State of approximately $525,000 and $270,000, respectively, at December 31, 2012 and 2011, are included in due from and to affiliates. The Corporation also has other amounts included in due to/from affiliates relating to transactions with the Sisters and related physician practices.

11. Contingencies

The Corporation is party to several lawsuits incidental to its operations. It is not possible at the present time to estimate the ultimate legal and financial liability, if any, of the Corporation with respect to such lawsuits. In the opinion of management, after consultation with legal counsel, adequate insurance exists to cover significant financial exposure, in the event there is any, to the Corporation. Accordingly, in the opinion of management, resolution of those matters is not expected to have a material adverse effect on the combined financial position.

On October 5, 1995, St. Joseph executed an operating lease agreement with Burleson County Hospital District to lease substantially all of the property, plant, and equipment of the acute care facility located in Caldwell, Texas, for five years with three renewal terms of five years each. Effective October 1, 2005, St. Joseph executed a second lease renewal that extended the lease for eight years with one renewal option for an additional period of eight years.

On March 17, 1996, St. Joseph executed an operating lease agreement with Grimes County to lease substantially all the plant, property, and equipment of the acute care facility located in Navasota, Texas, for seven years with two renewal terms of seven years each. The lease was renewed for a seven-year term effective September 17, 2010.

11. Contingencies (continued)

At December 31, 2011, future minimum lease payments under noncancelable operating leases, with initial lease terms of greater than one year, aggregate as follows: 2013 – $17,711,519; 2014 – $11,723,505; 2015 – $8,845,126; 2016 – $4,916,784; 2017–$4,608,512.

Rental expenses for operating leases and medical equipment for the years ended December 31, 2012 and 2011, amounted to $21,745,011 and $20,798,215, respectively.

12. Concentrations of Credit Risk

The members of the Combined Group grant credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows:

	December 31	
	2012	**2011**
Government-related programs	**43%**	42%
Patients	**32**	35
Other third-party payors	**25**	23
	100%	100%

13. Functional Expenses

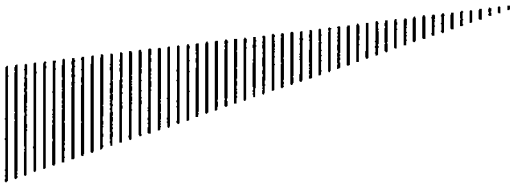
The members of the Combined Group provide general health care services to residents within their geographic locations including medical/surgical, pediatric, critical, emergency care, and post-acute residential care. Expenses from continuing operations relating to providing these services are as follows:

	Year Ended December 31	
	2012	**2011**
Health care services	**$ 435,580,274**	$ 392,006,375
General and administrative	**178,947,313**	177,452,700
	$ 614,527,587	$ 569,459,075

14. Trinity Texas Disaffiliation

In 2010, Trinity Health Services Corporation and Subsidiaries (Trinity Texas) separated from the Corporation. Trinity Texas acquired the Corporation's membership interest through reorganization and paid the Corporation 45% of their net asset value, as defined. This consideration was paid 10% in cash at closing and the remaining was paid over a two-year period with interest. The note receivable at December 31, 2012 and 2011, is $0 and $19,621,710 and earned interest at 5.25%.

Other Supplementary Information



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Report of Independent Auditors on Other Supplementary Information

The Board of Trustees
Sylvania Franciscan Health and Subsidiaries
Sisters of St. Francis of Sylvania, Ohio

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The following combining statement of financial position, combining statement of operations, and combining statement of changes in net assets for the year ended December 31, 2012, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Ernst + [redacted]

May 17, 2013

Sylvania Franciscan Health and Subsidiaries
Sisters of St Francis of Sylvania, Ohio

Combining Statement of Financial Position – Assets

December 31, 2012

	Corporate Office	Franciscan Services Self Insurance Program	SFH Assurance, LTD	SFH Foundation	Combining Adjustments	Subtotal Sylvania Franciscan Health	Franciscan Shelters	Sophia Center	Franciscan Living Communities	St. Joseph Services Corporation and Subsidiaries	Trinity Health System Corporation and Subsidiaries (Ohio)	Trinity Hospital Twin City	Rosary Care Center	Combination Adjustments	Combined
Assets															
Current assets															
Cash and cash equivalents	$ 2,227,042	$ -	$ 51,724	$ 173,020	$ -	$ 2,451,786	$ 193,619	$ 35,805	$ 12,148,260	$ 6,613,318	$ 14,694,717	$ 304,521	$ 21,975	$ -	$ 36,464,001
Investments	-	-	-	-	-		144,062	-	-	-	-	-	-	-	144,062
Current portion of trustee-held funds	-	-	-	-	-				-	4,971,553	805,462	-	-	-	5,777,015
Accounts and notes receivable															
Patients and residents	-	-	-	-	-			114,840	6,375,195	84,562,781	31,201,920	5,456,411	535,481	-	128,246,615
Less allowances for doubtful accounts	-	-	-	-	-			53,000	370,406	31,749,670	7,434,254	3,068,035	26,546	-	42,701,911
	-	-	-	-	-			61,840	6,004,789	52,813,111	23,767,666	2,388,376	508,942		85,544,724
Other receivables	63,181	-		-	-	63,181	16,960	-	469,879	4,269,091	814,627	310,378	48,740	-	5,992,856
	63,181	-	-	-	-	63,181	16,960	61,840	6,474,668	57,082,202	24,582,293	2,698,754	557,682		91,537,580
Due from affiliates	2,664,945	-	-	-	(52,775)	2,612,170		-	105,617	2,478,537	1,534,855	45,853	15,270	(5,980,956)	811,346
Inventories		-	-	-	-	-		-	112,264	6,609,495	3,751,030	393,399	27,628	-	10,893,816
Prepaid expenses and other	86,522	-	200,071	-	-	286,593		1,912	356,592	3,249,148	1,259,096	117,017	17,964	-	5,288,322
Total current assets	5,041,690	-	251,795	173,020	(52,775)	5,413,730	354,641	99,557	19,197,401	81,004,253	46,627,453	3,559,544	640,519	(5,980,956)	150,916,142
Assets whose use is limited															
Board-designated and restricted funds	759,355	-	-	-	-	759,355		-	6,471,229	-	73,863,747	109,849	-	-	81,204,180
Trustee-held funds less current portion	1,123,035	-	-	-	-	1,123,035		-	37,517,433	12,040,326	7,724,221	-	1,749,987		56,151,002
Self-Insurance Program		-	18,303,190	-	-	18,303,190		-	-	-	-	-	-	-	18,303,190
Foundation investments		-	-	23,114,444	-	23,114,444		-	-	-	14,828,866	-	-		37,943,310
Other investments		-	-	-	-			-	-	-	1,476,283	-	-	-	1,476,283
	1,882,390	-	18,303,190	23,114,444	-	43,300,024		-	43,984,662	12,040,326	93,893,117	109,849	1,749,987		195,077,965
Net property and equipment	230,251					230,251	69,230	3,831	124,117,786	183,793,784	52,568,686	14,668,431	4,064,003		379,516,002
Other assets															
Financing costs net of amortization		-	-	-	-			-	2,188,118	3,039,062	270,708	71,982	102,188	-	5,672,058
Notes and other receivables		-	-	-	-			-	2,818,956	479,149	681,631	-	-	-	3,979,736
Due from affiliates		-	-	-	-			-	377,327	6,039,585	2,224,470	144,296	34,864	(8,820,542)	
Goodwill											3,873,161				3,873,161
Certificates of need, net of amortization									3,096,836				355,159		3,451,995
Long-term investments	36,492,227					36,492,227			22,099,368	158,579,889					217,171,484
Other									378,955	447,332	245,000				1,071,287
	36,492,227					36,492,227			30,959,560	168,585,017	7,294,970	216,278	492,211	(8,820,542)	235,219,721
Total assets	$ 43,646,558	$	$ 18,554,985	$ 23,287,464	$ (52,775)	$ 85,436,232	$ 423,871	$ 103,388	$ 218,259,409	$ 445,423,380	$ 200,384,226	$ 18,554,102	$ 6,946,720	$ (14,801,498)	$ 960,729,830

Sylvania Franciscan Health and Subsidiaries
Sisters of St Francis of Sylvania, Ohio

Combining Statement of Financial Position – Liabilities and Net Assets

December 31, 2012

	Corporate Office	Franciscan Service Self-Insurance Program	SFH Assurance, LTD.	SFH Foundation	Combining Adjustments	Subtotal Sylvania Franciscan Health	Franciscan Shelters	Sophia Center	Franciscan Living Communities	St. Joseph Services Corporation and Subsidiaries	Trinity Health System Corporation and Subsidiaries (Ohio)	Trinity Hospital Twin City	Rosary Care Center	Combination Adjustments	Combined
Liabilities and net assets															
Current liabilities															
Accounts payable and accrued expenses															
Accounts payable	$ 32,997	$ -	$ 181 758	$ 17 993	$ (52,703)	$ 180 045	$ 11 795	$ 7,377	$ 10 942,567	$ 18,691 703	$ 13 504 092	$ 950 628	$ 373 978	$ (50 556)	$ 44 611 629
Compensation, fees and amounts withheld from compensation	4 029	-	–	–		4 029	1 865	3 000	1 763 147	10,281 806	5,001 942	429 625	114,765		17 600 179
Accrued interest	–	–	-	-				–	836 160	3 666 807	424 209	–	-		4,927 176
Due to affiliate	197 428	-	–	968 640	(72)	1 165,996		–	201 607	369,912	–	567 635	1 035 114	(3,340,264)	
Other	–	–	-	-					–	–	1,380 710	–	-		1,380,710
	234 454	-	181 758	986 633	(52,775)	1,350 070	13 660	10,377	13 743 481	33 010 228	20,310 973	1 947 888	1 523 857	(3,390 820)	68 519 714
Deferred revenue	–	–	–	-				25 985	93,398	–	–	–	–		119,383
Settlements payable under third-party reimbursement contracts	–	-	–	–				–	467 019	7 844 706	2,408 780	102,403	56 157		10 879 065
Lines of credit	703 635	–	–	-		703 635		-	–	–	-	2,000 000	75 000		2,778 635
Note payable	–	–	-	–	–			–	385 000	-	–	–	-	(385 000)	
Current portion of reserve for insurance claims	-	–	2,205 135			2,205 135		-	94,332	1 509 897	556 117	36 074	8 716	(2,205 136)	2,205 135
Current portion of retirement obligation	237,328	–	-		–	237,328		–	–	-	8 093	–	-		245 421
Current portion of refundable and nonrefundable entrance fees	–	–	-	-				–	1,302,265	–	–	–	–		1,302,265
Current portion of long-term debt and capital lease obligations	–	–	–	–				-	1,447,512	2,175,534	1 862,156	260 706	70,000		5,815,908
Total current liabilities	1 175 417	–	2,386 893	986 633	(52,775)	4 496,168	13 660	36,362	17 531 007	44,540,365	25 146 119	4,347 071	1 733 730	(5,980,956)	91 865 526
Long-term liabilities															
Retirement plans	2,362,792	–	–	–	–	2,362,792		–	–	–	23 044 093	–	-		25 406 885
Postretirement benefit obligation, less current portion	1 082,023	–	-		–	1 082,023		–	–	-	6 525	–	–		1 088,548
Reserve for insurance claims	-	–	8 820 542		–	8,820 542		–	377,327	6 039 585	2,224,470	144,296	34 864	(8 820 542)	8 820 542
Derivative liability net	–	–	-	–	–			–	757 924	13,290 750	–	–	–		14 048 674
Nonrefundable and refundable entrance fees less current portion	–	–	-	-	–			–	18 436,221	–					18 436 221
Long-term debt and capital lease obligations, less current portion	-	-	–	–				–	131 116 203	140 937 640	38 546 765	5,531,217	4,325 000		320 456 825
Other	–	–	–	-				-	97 065	2,240 673					2,337 738
Total liabilities	4,620,232	-	11 207 435	986 633	(52,775)	16 761 525	13 660	36,362	168,317 747	207 049 013	88 967 972	10 022,584	6 093,594	(14,801 498)	482,460 959
Net assets															
Unrestricted	39 026,326	–	7,347 550	22,300 831		68 674 707	400,902	67 026	46 442,297	235 723 684	103 019 995	8,421 669	853 126		463,603 406
Temporarily restricted	–	-	-	–	–		9,309	-	1 416,422	2,650 683	6,279,515	109 849			10 465,778
Permanently restricted	-	–	–		-	–		-	2,082,943	–	2,116,744				4,199,687
Total net assets	39,026,326	–	7,347,550	22,300,831	–	68,674,707	410,211	67,026	49,941,662	238 374,367	111,416,254	8,531,518	853,126		478,268,871
Total liabilities and net assets	$ 43,646,558	$ –	$ 18,554,985	$ 23,287,464	$ (52,775)	$ 85,436,232	$ 423,871	$ 103,388	$ 218,259,409	$ 445,423,380	$ 200,384,226	$ 18,554,102	$ 6,946,720	$ (14,801,498)	$ 960,729,810

Sylvania Franciscan Health and Subsidiaries
Sisters of St Francis of Sylvania, Ohio

Combining Statement of Operations

Year Ended December 31, 2012

	Corporate Office	Franciscan Services Self Insurance Program	SFH Assurance, LTD	SFH Foundation	Combining Adjustments	Subtotal Sylvania Franciscan Health	Franciscan Shelters	Sophia Center	Franciscan Living Communities	St. Joseph Services Corporation and Subsidiaries	Trinity Health System Corporation and Subsidiaries (Ohio)	Trinity Hospital Twin City	Rosary Care Center	Combination Adjustments	Combined
Revenues, gains, and other support															
Net patient service revenue net of contractual allowances and discounts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 343 647	$ 48,561 926	$358,590 015	$202,950 810	$ 20 464 840	$ 3,154,280	$	$634 065 518
Provision for bad debts	-	-	-	-	-	-	-	-		32,364 532	12,410,044	2,148,304			46,922,880
Net patient service revenue less provision for bad debt	-	-	-	-	-	-	-	343,647	48,561 926	326,225 483	190 540 766	18,316,536	3 154,280		587 142 638
Other revenue	3,352 713	1,209 515	-	-	(137 756)	4 424 472	237 132	-	2,677 444	7 048 543	9 798,081	1 157 457	85 234	(4,424 472)	21 005 891
Rental revenue	-	-	-	-	-	-		3 000	8,931,587	-	-	330 209			9,264 796
Net assets released from restrictions	-	-	-	-	-	-	21,825	-	234,278	-	-	65 228			321,331
Total revenue, gains and other support	3,352 713	1 209 515	-	-	(137 756)	4,424 472	258 957	346 647	60 405 235	333,274 026	200,338,847	19 869 430	3 239 514	(4 424 472)	617 732,656
Expenses															
Salaries and wages	2,268 177	-	-	-		2,268 177	212 560	238 412	23,213 837	140 587 418	80,525,582	9 915 117	1,396 621		258,357 724
Employee benefits	643 400	-	-	-	-	643 400		49 545	6,704,790	38 812,302	27 279 665	2 073 407	388,378	(9 892)	75,941 595
Purchased services utilities and other	1 978 566	940 071	1 478 514	73 944	(137 756)	4,333,339	71,058	110 653	12,240,721	66 257 873	29 904,307	2 774 089	1 122,135	(4,414 580)	112,399 595
Supplies and pharmaceuticals	47 828	-	-	-	-	47 828	950	3 016	5 251 463	47 681 875	43 034.852	1 768,296	366,911		98,155,211
Provision for bad debt	-	-	-	-		-	-	4 000	256,319	6 029	-	-	5 000		271,348
Depreciation and amortization	72,258	-	-	-	-	72 258	13 101	1 733	5 636,576	18 691 984	9,570 529	1,205 072	74 341		35 265 594
Professional fees	419 052	1 091 913	188 451	535 899	-	2,235,315	10 559	554	1 188,381	11 762 205	2,954 703	2,511,365	131 852		20 794 934
Interest	360	-	-	-		360	-	-	3,762,361	7,563 003	1,847 497	134,876	13 589		13,341 586
Total expenses	5,429,541	2,031 984	1 666 965	609,843	(137,756)	9,600,577	308,228	407,933	58,254 448	331,362 689	195,117,135	20,402,222	3 498,827	(4,424,472)	614 527 587
Operating (loss) income	(2,076,828)	(822,469)	(1 666,963)	(609 843)	-	(5 176 105)	(49 271)	(61 286)	2,150,787	1 911,337	5 221 712	(532,792)	(259,313)		3,203 069
Nonoperating gains (losses)															
Investment income	1 661,971	1,204 905	169,288	337 527	-	3 373 691	2 804	-	1 508,472	12 767 247	3,306,528	140			20 958 882
Net unrealized gains on investments	582 141	1 403,374	509 785	30 477	-	2,525 777	8 657	-	72,773	364 962	5 106,534	-			8,078 703
Contributions	-	-	-	-	-		-	17 130	292,634	751 702	324,473	47 253	326 466		1 759 658
Fundraising expenses	-	-	-	-	-	-		(5 637)	(268,115)	(960,983)	(107 622)	-			(1,342,357)
Gains under interest rate swap agreement	-	-	-	-	-		-	-	219 154	1 855 110	-	-			2,074,264
(Losses) gains on disposal of assets	-	-	-	-	-		-	-	(21,861)	(94 023)	13,106	7,340			(95,438)
Gain from insurance proceeds	-	-	-	-	-	-		-	613,572	-					613 572
Other								-	(520,431)						(520,431)
Nonoperating gains net	2,244,112	2,608,279	679 073	368,004		5,899 468	11,461	11,493	1,896,198	14 684 015	8,643,019	54,733	326,466		31 526 853
Excess (deficit) of revenues over expenses	$ 167,284	$ 1,785,810	$ (987,890)	$ (241,839)	$	$ 723,363	$ (37,810)	$ (49,793)	$ 4,046,985	$ 16,595,352	$ 13,864,731	$ (478,059)	$ 67,153	$	$ 34,731,922

Sylvania Franciscan Health and Subsidiaries
Sisters of St Francis of Sylvania, Ohio

Combining Statement of Changes in Net Assets

	Year Ended December 31, 2012													
	Corporate Office	Franciscan Services Self-Insurance Program	SFH Assurance, LTD	SFH Foundation	Eliminations	Subtotal Sylvania Franciscan Health	Franciscan Shelters	Sophia Center	Franciscan Living Communities	St. Joseph Services Corporation and Subsidiaries	Trinity Health System Corporation and Subsidiaries (Ohio)	Trinity Hospital Twin City	Rosary Care Center	Combined
Unrestricted net assets														
Excess (deficit) of revenue over expenses	$ 167 284	$ 1 785 810	$ (987 892)	$ (241 839)	$	$ 723 363	$ (37 810)	$ (49 795)	$ 4 046,985	$ 16 595 352	$ 13 864 731	$ (478,059)	$ 67 153	$ 34 731 922
Other changes														
Change in pension liability	–	–	–				–	–	–	–	(3 801 639)		–	(3 801 639)
Net assets released from restriction	–	–	–				–	–	69 154	742,148	254 097		–	1 065,399
Transfer of equity	368,085	(30,857,025)	8,335,442	22,542,670		389,172	–	–	(1,195,145)	20,000	–		785,973	
Increase (decrease) in unrestricted net assets	535 369	(29 071,215)	7,347 550	22,300,831		1 112,535	(37 810)	(49 795)	2,920 994	17 357 500	10,317 189	(478,059)	853 126	31 995 682
Temporarily restricted net assets														
Contributions	–	–	–				27 792	–	111 700	980 996	126,512	141 945	–	1 388 945
Investment income	–	–	–				–	–	190 963	7 096	–		–	198 059
Net unrealized gains on investments	–	–	–				–	–	(66,370)	–	332,000		–	265 630
Net assets released from restrictions	–	–	–				(21,825)	–	(303,432)	(992,406)	(88,927)	(65,228)	–	(1 471,818)
Increase (decrease) in temporarily restricted net assets	–	–	–				5 967	–	(67 139)	(4,314)	369,585	76 717	–	380,816
Permanently restricted net assets														
Investment income	–	–	–				–	–	114	–	(1 538)		–	(1 424)
Net unrealized losses on investment	–	–	–				–	–	366	–	–		–	366
Donations and other net	–	–	–				–	–	–	–	15,951		–	15 951
Increase in permanently restricted net assets	–	–	–	–			–	–	480	–	14,413		–	14,893
Increase (decrease) in net assets	535 369	(29 071 215)	7,347 550	22,300 831		1 112,535	(31 843)	(49,795)	2,854 335	17,353 186	10,701 187	(401,342)	853 126	32,391,391
Net assets at beginning of year	38,490,957	29,071,215	–	–		67,562,172	442,054	116,819	47 087,327	221,021 181	100,715,067	8,932,860	–	445,877,480
Net assets at end of year	$ 39,026,326	$ –	$ 7,347,550	$ 22,300,831	$	$ 68,674,707	$ 410,211	$ 67,026	$ 49,941,662	$ 238,374,367	$ 111,416,254	$ 8,531,518	$ 853,126	$ 478,268,871

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