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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 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
AGNESIAN HEALTHCARE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
430 EAST DIVISION ST

City or town, state or country, and ZIP + 4
FOND DU LAC, WI 53935

D Employer identification number
39-0807236

E Telephone number
(920) 926-2300

G Gross receipts $ 397,721,644

F Name and address of principal officer
STEVEN LITTLE CEO
430 EAST DIVISION ST
FOND DU LAC, WI 53935

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 ▶ 0928

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

J Website: ▶ WWW AGNESIAN COM

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

L Year of formation 1892

M State of legal domicile WI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
AGNESIAN HEALTHCARE IS A LOCALLY-BASED, INTEGRATED HEALTHCARE SYSTEM WHICH BEGAN ITS MISSION IN 1892 THE SYSTEM IS COMPRISED OF SEVEN MINISTRIES - ST AGNES HOSPITAL, WAUPUN MEMORIAL HOSPITAL, RIPON MEDICAL CENTER, ST FRANCIS HOME, FOND DU LAC REGIONAL CLINIC, CONSULTANTS LABORATORY OF WISCONSIN, AND AGNESIAN HEALTHCARE ENTERPRISES AGNESIAN PROVIDES A CONTINUUM OF HEALTHCARE SERVICES FROM BIRTH TO END OF LIFE, PREVENTIVE HEALTHCARE DIAGNOSIS, TREATMENT AND FOLLOWUP, ASSISTED LIVING, AND INDEPENDENT SKILL CARE SERVICES

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**	12
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	3,230
6	Total number of volunteers (estimate if necessary)	**6**	630
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,698,765
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	598,454

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	303,846,638	309,916,813
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,671,883	8,489,027
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	15,415,062	15,364,161
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	323,933,583	333,770,001
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
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)	131,086,985	136,508,008
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)	173,115,111	173,932,625
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	304,202,096	310,440,633
19	Revenue less expenses Subtract line 18 from line 12	19,731,487	23,329,368

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	405,106,873	470,805,863
21	Total liabilities (Part X, line 26)	179,598,113	208,582,531
22	Net assets or fund balances Subtract line 21 from line 20	225,508,760	262,223,332

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

****** | 2014-05-13
Signature of officer | Date

BONNIE SCHMITZ VP AND CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
TERRI REXRODE CPA MST		2014-05-13		P00096513

Firm's name ▶ WIPFLI LLP | Firm's EIN ▶ 39-0758449

Firm's address ▶ PO BOX 12237
GREEN BAY, WI 543072237 | Phone no (920) 662-0016

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

THE MISSION OF AGNESIAN HEALTHCARE IS TO PROVIDE COMPASSIONATE CARE THAT BRINGS HOPE, HEALTH AND WHOLENESS TO THOSE WE SERVE BY HONORING THE SACREDNESS AND DIGNITY OF ALL PERSONS AT EVERY STAGE OF LIFE WE ARE ROOTED IN THE HEALING MINISTRY OF THE CATHOLIC CHURCH AS WE CONTINUE THE MISSION OF OUR SPONSOR, THE CONGREGATION OF SISTERS OF ST AGNES

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 $ 205,719,455 including grants of $) (Revenue $ 293,043,925)

AGNESIAN HEALTHCARE OPERATES ST AGNES HOSPITAL, A 160-BED GENERAL/SURGICAL ACUTE CARE HOSPITAL WHICH PROVIDES INPATIENT AND OUTPATIENT SERVICES TO RESIDENTS OF FOND DU LAC AND THE SURROUNDING COUNTIES DURING FISCAL YEAR 2013, ST AGNES HOSPITAL HAD 6,899 INPATIENT ADMISSIONS, WITH TOTAL PATIENT DAYS OF 28,468 THERE WAS A TOTAL OF 28,016 EMERGENCY ROOM VISITS AND 12,880 SURGERIES PERFORMED IN FY13 IN ADDITION, ST AGNES HOSPITAL PROVIDED 402,034 PHYSICIAN CLINIC VISITS, 106,379 MEDICAL IMAGING PROCEDURES, AND 1,305,390 PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY UNITS THERE WERE 1,614 CARDIAC CATH LAB VISITS AND 41,558 HOSPICE DAYS THE HOSPITAL ALSO OPERATES SAMARITAN CLINIC, A FREE CLINIC OFFERING MEDICAL SERVICES TO QUALIFIED INDIVIDUALS SAMARITAN CLINIC PROVIDED 5,018 VISITS TO PATIENTS, AT A COST OF $686,304 FOR FY13 THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY IT PROVIDES TO ITS PATIENTS THE COST OF SERVICES AND SUPPLIES FURNISHED UNDER THE HOSPITAL'S CHARITY CARE POLICY WAS $3,432,216 IN ADDITION TO QUALITY HEALTH CARE SERVICES, ST AGNES HOSPITAL PROVIDES ITS COMMUNITIES WITH EDUCATION, SUPPORT GROUPS AND OTHER COMMUNITY BENEFITS THE NET COST OF THESE COMMUNITY BENEFITS WAS $3,562,857

4b (Code) (Expenses $ 13,011,665 including grants of $) (Revenue $ 16,373,861)

AGNESIAN HEALTHCARE OPERATES CONSULTANTS LABORATORY OF WISCONSIN, AN INDEPENDENT REFERENCE LAB SERVING FOND DU LAC, DODGE, OUTAGAMIE, WINNEBAGO AND COLUMBIA COUNTIES CLW PROVIDED 1,142,773 TESTS DURING FISCAL YEAR 2013 THE LABORATORY ALSO PROVIDES THE COMMUNITY WITH CAREER EDUCATION, CONTRIBUTIONS AND SERVICES TO SAMARITAN CLINIC THE NET COST OF THESE COMMUNITY BENEFITS WAS $330,846 THE COST OF SERVICES AND SUPPLIES FURNISHED UNDER THE CHARITY CARE POLICY WAS $129,221

4c (Code) (Expenses $ 6,775,122 including grants of $) (Revenue $ 8,978,648)

AGNESIAN HEALTHCARE OPERATES AGNESIAN ENTERPRISES, WHICH IS COMPRISED OF EIGHT PHARMACIES SERVING FOND DU LAC AND SURROUNDING TOWNS, AS WELL AS AGNESIAN HEALTH SHOPPE, WHICH SERVES THE POPULATION WITH HOSPITAL (INPATIENT AND OUTPATIENT), CLINIC AND HOME HEALTH EQUIPMENT AGNESIAN ENTERPRISES FILLED 434,971 PRESCRIPTIONS DURING FY13 AGNESIAN HEALTH SHOPPE PROVIDES RETAIL SALES OF DURABLE MEDICAL EQUIPMENT, AS WELL AS TELECARE AND HOME OXYGEN SERVICES THE COST OF SERVICES AND SUPPLIES FURNISHED UNDER AHE'S CHARITY CARE POLICY WAS $15,000 AGNESIAN HEALTHCARE ENTERPRISES CONTRIBUTES TO COMMUNITY BENEFIT WITH SEVERAL SUPPORT GROUPS THE COST OF COMMUNITY BENEFIT WAS $3,181

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses ▶** 225,506,242

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		No
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	Yes	
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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more 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**		No
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**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
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**		No
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	281		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,230		
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		Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ 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**	12		
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**	Yes	
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**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

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

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 ▶LESLIE STEPHANY 430 EAST DIVISION STREET FOND DU LAC, WI (920) 926-4512

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								7,919,868	0	480,623

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 ▶140

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
FOND DU LAC REGIONAL CLINIC 420 E DIVISION ST FOND DU LAC WI 54935	PHYSICIAN SERVICES	51,442,636
CERNER CORP 2800 ROCKCREEK PKWY KANSAS CITY MO 64141	COMPUTER SERVICES	8,678,458
IBM CORPORATION 1 NEW ORCHARD RD ARMONK NY 105041722	COMPUTER SERVICES	8,534,858
CD SMITH CONSTRUCTION PO BOX 1066 FOND DU LAC WI 54935	CONSTRUCTION	5,686,980
AMERICAN HEALTHCARE SERVICES PO BOX 945 TRAVERSE CITY MI 49685	TEMPORARY STAFFING	1,304,382

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 ▶67

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				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶				
Program Service Revenue		Business Code				
	2a	NET PATIENT SERVICE REVENUE 621400	194,037,946	192,099,590	1,938,356	
	b	MEDICARE/MEDICAID SERVICE REVENUE 621400	115,878,867	115,878,867		
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	309,916,813			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶	5,256,125			5,256,125
	4	Income from investment of tax-exempt bond proceeds . . ▶	95,081			95,081
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 46,130,252 / 73,305				
	b	Less cost or other basis and sales expenses: 43,046,860 / 18,876				
	c	Gain or (loss): 3,083,392 / 54,429				
	d	Net gain or (loss) . . . . . ▶	3,137,821			3,137,821
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	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: 30,494,468				
	b	Less cost of goods sold . . b: 20,885,907				
	c	Net income or (loss) from sales of inventory . . ▶	9,608,561	5,873,295	3,735,266	
		Miscellaneous Revenue / Business Code				
	11a	WORK INJURY - SAH 592512	1,324,359	1,324,359		
	b	CAFETERIA SALES 900099	1,210,918		25,143	1,185,775
	c	CLINIC REIMBURSEMENT 621110	755,420	755,420		
	d	All other revenue	2,464,903	2,464,903		
	e	**Total.** Add lines 11a–11d . . . . . ▶	5,755,600			
	12	**Total revenue.** See Instructions . . . . . ▶	333,770,001	318,396,434	5,698,765	9,674,802

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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
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	4,095,145	464,776	3,630,369	
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	114,954,178	94,463,873	20,490,305	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,015,311	4,517,887	1,497,424	
9 Other employee benefits	3,628,363	252,831	3,375,532	
10 Payroll taxes	7,815,011	6,028,072	1,786,939	
11 Fees for services (non-employees)				
a Management				
b Legal	240,776	1,148	239,628	
c Accounting	136,671		136,671	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	617,224		617,224	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	61,656,928	58,697,102	2,959,826	
12 Advertising and promotion	1,481,765	46,782	1,434,983	
13 Office expenses	49,182,521	45,611,264	3,571,257	
14 Information technology	25,461,758	8,391	25,453,367	
15 Royalties . .				
16 Occupancy	5,235,834	1,667,992	3,567,842	
17 Travel	630,701	520,703	109,998	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	676,277	459,521	216,756	
20 Interest	4,473,513		4,473,513	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,972,000	5,766,957	7,205,043	
23 Insurance	2,329,696	1,303,959	1,025,737	
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 HOSPITAL ASSESSMENT TAX	5,151,952	5,151,952		
b MISCELLANEOUS EXPENSES	2,284,053	236,657	2,047,396	
c LOSS ON DEFEASANCE OF B	734,929		734,929	
d DUES, SUBSCRIPTIONS AND	666,027	306,375	359,652	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	310,440,633	225,506,242	84,934,391	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		5,837,093	1	8,477,558
	2	Savings and temporary cash investments		8,935,657	2	13,801,713
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		44,502,314	4	48,131,908
	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		4,857,997	8	4,643,411
	9	Prepaid expenses and deferred charges		2,612,600	9	2,771,241
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 305,678,988			
	b	Less accumulated depreciation	10b 158,229,944	136,806,603	10c	147,449,044
	11	Investments—publicly traded securities		146,174,087	11	169,914,673
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		55,380,522	15	75,616,315
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		405,106,873	16	470,805,863
Liabilities	17	Accounts payable and accrued expenses		27,123,150	17	31,020,630
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		125,173,728	20	142,479,805
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		27,301,235	25	35,082,096
	26	**Total liabilities.** Add lines 17 through 25		179,598,113	26	208,582,531
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		212,398,409	27	251,329,672
	28	Temporarily restricted net assets		10,649,139	28	8,737,112
	29	Permanently restricted net assets		2,461,212	29	2,156,548
		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		225,508,760	33	262,223,332
	34	Total liabilities and net assets/fund balances		405,106,873	34	470,805,863

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	333,770,001
2	Total expenses (must equal Part IX, column (A), line 25)	2	310,440,633
3	Revenue less expenses Subtract line 2 from line 1	3	23,329,368
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	225,508,760
5	Net unrealized gains (losses) on investments	5	6,047,675
6	Donated services and use of facilities	6	50,848
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	7,286,681
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	262,223,332

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		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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
AGNESIAN HEALTHCARE INC	39-0807236

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		16,982
j	Total Add lines 1c through 1i			16,982
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	OTHER LOBBYING ACTIVITIES LOBBYING PORTION OF WHA AND AHA DUES

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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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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	1,004,976	992,140	996,299	1,020,134	1,014,822
b	Contributions					45,000
c	Net investment earnings, gains, and losses	57,144	15,366	48,126	23,156	-37,548
d	Grants or scholarships					
e	Other expenditures for facilities and programs	40,000		50,000	45,000	
f	Administrative expenses	2,733	2,530	2,285	1,991	2,140
g	End of year balance	1,019,387	1,004,976	992,140	996,299	1,020,134

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

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

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

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		6,165,464		6,165,464
b Buildings		145,319,866	59,666,962	85,652,904
c Leasehold improvements		2,958,597	1,161,294	1,797,303
d Equipment		137,204,580	97,401,688	39,802,892
e Other		14,030,481		14,030,481
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				147,449,044

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
See Additional Data Table	
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	75,616,315

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
CAPITAL LEASE PAYABLE	7,565,556
PHYSICIANS SUPPLEMENTAL BENEFIT PLAN	24,228,143
FUND BAL SWAP MKT ADJUSTMENT	2,055,151
DUE TO MEDICARE/MEDICAID	310,385
EXECUTIVE DEFERRED COMPENSATION PLAN	708,280
LAND CONTRACT - FAMILY FOOT CLINIC	214,581
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	35,082,096

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	AGNESIAN HEALTHCARE, INC HOLDS AN ENDOWMENT FROM THE CONGREGATION OF THE SISTERS OF ST AGNES THE ORIGINAL ENDOWMENT OF $1,000,000 IS PERMANENTLY RESTRICTED INCOME GENERATED FROM THE ENDOWMENT IS UNRESRICTED AND TO BE USED AT THE DISCRETION OF THE CHIEF EXECUTIVE OFFICER TO FUND PROGRAMS SUCH AS DOMESTIC VIOLENCE, CHARITY CARE, ETC
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, ASC TOPIC 740-10, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, REQUIRES AN ORGANIZATION TO ASSESS WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE LIKELY THAN NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS AGNESIAN HEALTHCARE, INC RECORDED NO ASSETS OR LIABILITIES FOR UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS FEDERAL RETURNS FOR THE YEARS ENDED 2010, 2011, AND 2012 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE

Additional Data

Software ID:
Software Version:
EIN: 39-0807236
Name: AGNESIAN HEALTHCARE INC

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

(a) Description	**(b)** Book value
(1) DUE FROM AFFILIATED ENTITIES	1,628,018
(2) LONG-TERM DEBT FROM AFFILIATED ENTITY	5,000,000
(3) INVESTMENT - MERCURY CLINIC	3,005,130
(4) INVESTMENT - SAH FOUNDATION	9,833,328
(5) OTHER RECEIVABLES	800,795
(6) BOND DEFERRED FINANCING COSTS	1,163,208
(7) ASSETS WHOSE USE IS LIMITED - BOND FUNDS	26,345,637
(8) ASSETS WHOSE USE IS LIMITED - PHYSICIAN SUPPLEMENTAL BENEFIT PLAN	24,936,423
(9) MISCELLANEOUS RECEIVABLES	2,228,137
(10) DUE FROM FOUNDATION	675,639

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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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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 16500 0000000000 %			
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)			3,576,437		3,576,437	1 150 %
b Medicaid (from Worksheet 3, column a)			11,380,592		11,380,592	3 670 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			14,957,029		14,957,029	4 820 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,205,960	74,381	1,131,579	0 360 %
f Health professions education (from Worksheet 5)			465,729		465,729	0 150 %
g Subsidized health services (from Worksheet 6)			853,790		853,790	0 280 %
h Research (from Worksheet 7)			1,559		1,559	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,222,756		1,222,756	0 390 %
j **Total.** Other Benefits			3,749,794	74,381	3,675,413	1 180 %
k **Total.** Add lines 7d and 7j			18,706,823	74,381	18,632,442	6 000 %

Part II **Community Building Activities** Complete this 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			987		987	0 %
2	Economic development			3,988		3,988	0 %
3	Community support			1,215		1,215	0 %
4	Environmental improvements						
5	Leadership development and training for community members			5,240		5,240	0 %
6	Coalition building			20,029		20,029	0 010 %
7	Community health improvement advocacy			136		136	0 %
8	Workforce development			152,194		152,194	0 050 %
9	Other			37,682		37,682	0 010 %
10	**Total**			221,471		221,471	0 070 %

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	15,298,309		
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	0		
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	102,118,000		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	137,871,622		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-35,753,622		
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?
1

	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	ST AGNES HOSPITAL 430 E DIVISION STREET FOND DU LAC,WI 54935	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group ST AGNES HOSPITAL

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			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**	Yes	
	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 12			
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**	Yes	
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	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**	Yes	
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**		No
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 165 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 300 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**	Yes	
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?
3

	Name and address	Type of Facility (describe)
1	FOND DU LAC REGIONAL CLINIC 420 E DIVISION STREET FOND DU LAC, WI 54935	OUTPATIENT PHYSICIAN CLINIC
2	CONSULTANTS LAB OF WISCONSIN LLC 430 E DIVISION STREET FOND DU LAC, WI 54935	LABORATORY AND TESTING
3	AGNESIAN HEALTHCARE ENTERPRISES LLC 430 E DIVISION STREET FOND DU LAC, WI 54935	PHARMACEUTICALS, HOME HEALTH, MEDICAL SUPPLIES
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 6A AN ANNUAL COMMUNITY BENEFIT REPORT IS COMPLETED BY THE FINANCE DEPARTMENT AND DISTRIBUTED TO THE PUBLIC THROUGH THE PUBLIC RELATIONS OFFICE OF AGNESIAN HEALTHCARE, INC
		PART I, LINE 7 A COST-TO-CHARGE RATIO WAS USED TO COMPUTE COST OF COMMUNITY BENEFIT SERVICES OVERALL COSTS LESS TAXES WERE DIVISIBLE BY TOTAL CHARGES

Identifier	ReturnReference	Explanation
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDES SAMARITAN CLINIC, A CLINIC OFFERING FREE MEDICAL SERVICES TO QUALIFIED INDIVIDUALS SAMARITAN CLINIC COSTS WERE $686,304 FOR FISCAL YEAR 2013 THE SAMARITAN HEALTH CLINIC PROVIDES PATIENTS WITH IMPORTANT BASIC HEALTH SERVICES, MEDICATIONS AND URGENT DENTAL NEEDS AT NO CHARGE TO THE PATIENT
		PART I, L7 COL(F) BAD DEBT EXPENSES INCLUDED ON FORM 990, PART VIII, LINE 2 WAS $15,298,309 AND WAS EXCLUDED FROM THE DENOMINATOR PER INSTRUCTIONS

Identifier	ReturnReference	Explanation
	PART II, LINE 8	WORKFORCE DEVELOPMENT INCLUDES JOB SHADOWING, CAREERS CAMP, AND THE HEALTHCARE YOUTH APPRENTICE PROGRAM THESE PROGRAMS ALLOW STUDENTS AND OTHERS TO LEARN ABOUT DIFFERENT OCCUPATIONS IN THE HEALTHCARE INDUSTRY BY BECOMING CERTIFIED AND GAINING ACTUAL WORK EXPERIENCE THE PROGRAMS ALSO PROMOTE THESE STUDENTS TO BRING VALUABLE HEALTHCARE KNOWLEDGE BACK TO THEIR FAMILIES AND THE COMMUNITY
		PART III, LINE 4 THE CARRYING AMOUNTS OF ACCOUNTS RECEIVABLE ARE REDUCED BY ALLOWANCES THAT REFLECT MANAGEMENT'S BEST ESTIMATE OF THE AMOUNTS THAT WILL NOT BE COLLECTED MANAGEMENT PROVIDES FOR CONTRACTUAL ADJUSTMENTS UNDER TERMS OF THIRD-PARTY REIMBURSEMENT AGREEMENTS THROUGH A CHARGE TO CONTRACTUAL ADJUSTMENTS AND A CREDIT TO THE ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS IN ADDITION, MANAGEMENT PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS, PRIMARILY FROM UNINSURED PATIENTS AND AMOUNTS PATIENTS ARE PERSONALLY RESPONSIBLE FOR, THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF HISTORICAL COLLECTION LIKELIHOOD AND THE CURRENT STATUS OF INDIVIDUAL ACCOUNTS BALANCES THAT ARE STILL OUTSTANDING AFTER MANAGEMENT HAS USED REASONABLE COLLECTION EFFORTS ARE WRITTEN OFF THROUGH A CHARGE TO THE VALUATION ALLOWANCE AND A CREDIT TO ACCOUNTS RECEIVABLE THE COSTING METHODOLOGY FOR DETERMINING BAD DEBTS IS A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE SHORTFALL IS NOT TREATED AS A COMMUNITY BENEFIT TO ARRIVE AT COST OF MEDICARE SERVICES, THE TOTAL EXPENSE LESS OTHER OPERATING REVENUE IS MULTIPLIED BY THE RATIO OF MEDICARE REVENUE TO TOTAL REVENUE ALTHOUGH MEDICARE SHORTFALL HAS NOT BEEN REPORTED AS A COMMUNITY BENEFIT, IT SHOULD BE TREATED AS A COMMUNITY BENEFIT BECAUSE IT PROMOTES ACCESS TO HEALTHCARE TO THE UNDERSERVED ELDERLY POPULATION, WHO WOULD NOT HAVE ACCESS TO LOCAL CARE IF WE WERE NOT ABLE TO SERVE THEM ALTHOUGH OUR HOSPITAL IS EFFICIENTLY OPERATED, THE CALCULATIONS USED FOR MEDICARE REIMBURSEMENT DO NOT ALLOW FOR PAYMENTS THAT COVER COSTS OF NECESSARY SERVICES
		PART III, LINE 9B A ZERO DOLLAR AMOUNT WAS ESTIMATED FOR THE AMOUNT OF BAD DEBTS ATTRIBUTABLE TO PATIENTS WHO WOULD QUALIFY FOR FINANCIAL ASSISTANCE IF PATIENTS QUALIFY, THEIR EXPENSES ARE RECLASSIFIED AS CHARITY CARE PATIENTS WHO RECEIVED A COLLECTION NOTICE COULD APPLY FOR CHARITY CARE IF THEIR APPLICATION IS APPROVED, THIS WOULD TRIGGER A TRANSFER OF EXPENSES FROM BAD DEBT TO CHARITY CARE

Identifier	ReturnReference	Explanation
	PART III, LINE 9A	AGNESIAN HEALTHCARE, INC HAS A WRITTEN DEBT COLLECTION POLICY PAYMENT IS DUE WITHIN 30 DAYS OF RECEIPT OF A STATEMENT IF PATIENTS DO NOT SET UP ACCEPTABLE PAYMENT ARRANGEMENTS, BILLS WILL BE REFERRED TO AN OUTSIDE COLLECTION AGENCY FINANCIAL COUNSELORS WORK WITH ALL PATIENTS ON AN INDIVIDUAL BASIS AND MAY OFFER EXTENDED MONTHLY PAYMENTS WITHOUT INTEREST BASED ON DOLLAR AMOUNT, PRIVATE PAY DISCOUNTS (INDIVIDUALS WHO DO NOT HAVE INSURANCE COVERING EMERGANCY OR OTHER MEDICALLY NECESSARY CARE ARE BILLED AT A REDUCED RATE), OR GUARANTEED BANK LOANS
ST AGNES HOSPITAL		PART V, SECTION B, LINE 3 THE CHNA WAS COMMISSIONED BY THE FDL COMMUNITY HEALTH ASSESSMENT TASK FORCE, WHICH INCLUDED EXECUTIVES FROM THE FOLLOWING ORGANIZATIONS FDL AREA BUSINESS ON HEALTH, FDL COUNTY HEALTH DEPT, FDL YMCA, AGNESIAN HEALTHCARE, FDL AREA UNITED WAY, FDL SCHOOL DISTRICT, WAUPUN MEMORIAL HOSPITAL, RIPON MEDICAL CENTER, AND AURORA HEALTHCARE THE TASK FORCE REVIEWED COUNTY AND STATE SPECIFIC DISEASE INCIDENCE AND DEATH DATA, AS WELL AS ECONOMIC, DEMOGRAPHIC, AND HEALTH STATUS DATA TO SUPPLEMENT THIS DATA, COMMUNITY AND STAKEHOLDER OPINION SURVEYS WERE CONDUCTED TO DETERMINE WHAT PEOPLE IN FDL COUNTY PERCEIVED AS THE MAJOR HEALTH PROBLEMS IN THE COUNTY COMMUNITY MEMBERS WERE SCIENTIFICALLY SELECTED SO THAT THE SURVEY WOULD BE REPRESENTATIVE OF ALL ADULTS 18 YEARS OLD AND OLDER A TOTAL OF 800 TELEPHONE INTERVIEWS WERE COMPLETED WITH COMMUNITY MEMBERS IN ADDITION, SURVEYS WERE CONDUCTED AMONG FDL COUNTY STAKEHOLDERS STAKEHOLDERS WERE DEFINED AS PEOPLE WHO WERE INVOLVED WITH HUMAN RESOURCE ISSUES SUCH AS BENEFITS, INSURANCE, SICK TIME OR DISABILITY ISSUES AS WELL AS PEOPLE WHO WERE INVOLVED WITH OR AWARE OF THE HEALTH ISSUES RESIDENTS AND FAMILIES FACE THROUGH THEIR PLACE OF WORK OR VOLUNTEER RELATIONSHIPS A TOTAL OF 84 SURVEYS WERE COMPLETED AMONG STAKEHOLDERS AFTER COMPLETION OF THE CHNA, THE FOND DU LAC COUNTY HEALTHY 2020 COALITION WAS FORMED TO ADDRESS THE NEEDS IDENTIFIED IN THE CHNA THE HEALTHY 2020 STEERING COMMITTEE INCLUDES THE FOLLOWING MEMBERS GREGG BREWER, AGNESIAN HEALTHCARE EMPLOYEE ASSISTANCE PROGRAM DIRECTOR JEFF BUTZ, WELLNESS DIRECTOR OF FOND DU LAC AREA BUSINESS ON HEALTH, AN EMPLOYER-OWNED BUSINESS COALITION FOCUSING ON HEALTH, DIANE CAPPOZZO, RN, FOND DU LAC COUNTY HEALTH DEPARTMENT NURSE, DR STEVE DI SALVO, PRESIDENT, MARIAN UNIVERSITY, ERIN GERRED, FDL COUNTY DIRECTOR OF ADMINISTRATION, GREG GILES, FDL FAMILY YMCA EXECUTIVE DIRECTOR, BILL LAMB, CHIEF OF POLICE, FDL CITY POLICE DEPARTMENT, STEVE LITTLE, CEO, AGNESIAN HEALTHCARE, SR MARY MOLLISON, VP OF CARE TRANSITION, AGNESIAN HEALTHCARE, WARREN POST, MD, FDL BOARD OF HEALTH MEDICAL DIRECTOR, TINA POTTER, FDL AREA UNITED WAY EXECUTIVE DIRECTOR, SANDI ROEHRIG, FDL AREA FOUNDATION EXECUTIVE DIRECTOR, MARTY RYAN, ROTARY REPRESENTATIVE, KEVIN SHAW, ST MARY'S SPRINGS ACADEMY PRESIDENT, MARIAN SHERIDAN, FDL SCHOOL DISTRICT HEALTH AND SAFETY COORDINATOR, MICHELLE TIDEMANN, FDL COUNTY UW-EXTENSION, DEANN THURMER, COO, WAUPUN MEMORIAL HOSPITAL, KATHERINE VERGOS, COO, RIPON MEDICAL CENTER, JENNIFER WALTERS, MANAGER OF GROWTH AND MARKET DEVELOPMENT, AURORA HEALTHCARE THE HEALTHY 2020 COMMITTEE HAS TAKEN THE LEAD ON DISTRIBUTION OF INFORMATION TO THE PUBLIC, AS WELL AS CONTINUING COMMUNITY UPDATES AND ASSESSMENT OF PROGRESS

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 4 HOSPITALS INCLUDED IN THE CHNA WERE AGNESIAN HEALTHCARE (ST AGNES HOSPITAL), WAUPUN MEMORIAL HOSPITAL AND RIPON MEDICAL CENTER
ST AGNES HOSPITAL		PART V, SECTION B, LINE 5C IN ADDITION TO THE HOSPITAL'S WEBSITE, THE HEALTHY 2020 COALITION MADE THE RESULTS OF THE CHNA WIDELY AVAILABLE THROUGH A SERIES OF COMMUNITY MEETINGS, DISTRIBUTION OF COMMUNITY HEALTH IMPROVEMENT PLAN FLYERS, NEWSPAPER ARTICLES, AND THE HEALTHY 2020 WEBSITE, WWW LIVINGWELLFDL ORG IN ADDITION, THE FULL REPORT IS AVAILABLE ON THE FOND DU LAC COUNTY WEBSITE

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 6I AS A RESULT OF THE CHNA, FOUR MAJOR AREAS OF CONCERN WERE DETERMINED, AND A STRATEGIC ACTION PLAN HAS BEEN DEVELOPED FOR EACH AREA (1) INCREASE THE NUMBER OF FDL COUNTY RESIDENTS WHO ARE AT A HEALTHY WEIGHT - AGNESIAN HEALTHCARE HAS COLLABORATED WITH THE YMCA BY HIRING AND PROVIDING FUNDING FOR A WELLNESS COORDINATOR FOR OUTREACH INTO THE COMMUNITY THE WELLNESS COORDINATOR IS DEVELOPING AND IMPLEMENTING A COMMUNITY EDUCATION CAMPAIGN ON HEALTHY EATING AND ACTIVE LIVING, INCLUDING THE 5,2,1,0 CAMPAIGN IN THE SCHOOL DISTRICT (2) INCREASE DENTAL CARE ACCESS FOR CHILDREN AND ADULTS WITH MEDICAID - AGNESIAN HEALTHCARE HAS PROVIDED FUNDING TO FOND DU LAC COUNTY TO EXTEND THEIR PROGRAM TO PROVIDE DENTAL CARE TO ADULTS WHO DO NOT CURRENTLY HAVE ACCESS TO DENTAL CARE IN ADDITION, AGNESIAN HEALTHCARE HAS PROVIDED FUNDING TO THE SAVE A SMILE INITIATIVE, WHICH PROVIDES ACCESS TO DENTAL CARE FOR CHILDREN UTILIZING THE MEDICAID PROGRAM (3) IMPROVE MENTAL HEALTH ACCESS - AGNESIAN HEALTHCARE ASSOCIATES ARE PARTICIPATING ON A COMMUNITY-WIDE TASK FORCE TO PROVIDE EDUCATIONAL PROGRAMS TO DECREASE THE STIGMA SURROUNDING MENTAL HEALTH ISSUES AGNESIAN HEALTHCARE IS PARTNERING WITH THE YMCA TO PROVIDE CITY AND COUNTY EVENTS AND EDUCATION FUNDING HAS ALSO BEEN PROVIDED TO SHARDS, A MENTAL HEALTH PROVIDER WHICH PROVIDES MENTAL HEALTH COUNSELING TO THOSE WITHOUT INSURANCE (4) DECREASE BINGE DRINKING AND OVER-CONSUMPTION OF ALCOHOL AMONG YOUTH AND ADULTS - AGNESIAN HEALTHCARE HAS PARTICIPATED ON A TASK FORCE TO ASSIST THE POLICE DEPARMENT IN OBTAINING A GRANT TO INCREASE OWI PATROLS THE TASK FORCE IS ALSO DEVELOPING A DRUG COURT, AND PARTICIPATING IN MEDIA MARKETING CAMPAIGNS TO DISCOURAGE BINGE DRINKING
ST AGNES HOSPITAL		PART V, SECTION B, LINE 7 THE HOSPITAL IS PARTICIPATING IN THE INITIATIVES NOTED IN QUESTION 6 TO ADDRESS THE NEEDS IDENTIFIED IN THE CHNA OUR INITIATIVES ARE ALREADY SHOWING POSITIVE RESULTS THE UNIVERSITY OF WISCONSIN POPULATION HEALTH INSTITUTE PRODUCES A WELL-KNOWN DOCUMENT TITLED "COUNTY HEALTH RANKINGS AND ROADMAPS " THE MOST CURRENT REPORT SHOWS THAT FOND DU LAC COUNTY HAS IMPROVED FROM THE RANK OF 33 TO RANK OF 22 IN THE STATE IN ORDER TO FURTHER HELP COMMUNITY MEMBERS TAKE POSITIVE STEPS IN IMPROVING THEIR HEALTH, AGNESIAN HEALTCARE DISTRIBUTED 2014 WELLNESS CALENDARS TO 78,000 RESIDENTS

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 12H UNINSURED PATIENTS ARE AUTOMATICALLY GIVEN A 15% DISCOUNT
ST AGNES HOSPITAL		PART V, SECTION B, LINE 16E COLLECTION AGENCIES ARE ENGAGED TO COLLECT UNPAID BALANCES THESE AGENCIES ARE AUTHORIZED TO REPORT TO CREDIT AGENCIES COLLECTION AGENCIES ARE AUTHORIZED BY THE HOSPITAL TO ESTABLISH GARNISHMENT AGAINST WAGES ON UNPAID BALANCES THEY ARE ATTEMPTING TO COLLECT

Identifier	ReturnReference	Explanation
ST AGNES HOSPITAL		PART V, SECTION B, LINE 20D UNINSURED PATIENTS AUTOMATICALLY RECEIVE A 15% DISCOUNT OFF GROSS CHARGES
ST AGNES HOSPITAL		PART V, SECTION B, LINE 22 UNINSURED PATIENTS WOULD AUTOMATICALLY RECEIVE A 15% DISCOUNT INSURED PATIENTS WHO ARE PART OF AN INSURANCE PLAN WITHOUT A NEGOTIATED RATE WITH THE HOSPITAL MIGHT PAY FULL CHARGES IF THE ENTIRE CHARGE WAS APPLIED TO THEIR DEDUCTIBLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN ADDITION TO THE CHNA NOTED ABOVE, THE HOSPITAL'S SENIOR LEADERS MEET REGULARLY WITH COMMUNITY LEADERS TO GATHER INPUT FROM AND RESPOND TO PATIENT AND CUSTOMER NEEDS SENIOR LEADERS AND MEMBERS OF THE WORKFORCE PARTICIPATE IN A VARIETY OF ORGANIZATIONS IN SUPPORT OF AGNESIAN HEALTHCARE INC 'S KEY COMMUNITIES THROUGH THE HOSPITAL'S PARTICIPATION IN THESE ACTIVITIES, COMMUNITY MEMBERS LEARN OF THE HOSPITAL'S COMMITTMENT TO COMMUNITY-WIDE HEALTHCARE AND PROVIDE AGNESIAN HEALTHCARE WITH INSIGHTS INTO COMMMUNITY HEALTH NEEDS AND DESIRES
		PART VI, LINE 3 FINANCIAL COUNSELORS AT AGNESIAN HEALTHCARE ASSIST PATIENTS WITH APPLICATION TO COMMUNITY CARE PATIENTS CAN BE REFERRED TO COMMUNITY CARE BY CLERGY, DEPARTMENTS OF AGNESIAN HEALTHCARE, SISTERS OF ST AGNES, AREA SOCIAL AND HEALTH AGENCIES, FAMILY OR SELF THE APPLICATION IS COMPLETED BY THE PATIENT WITH ASSISTANCE FROM THE FINANCIAL COUNSELOR IF NEEDED THE FINANCIAL COUNSELOR WILL COMMUNICATE TO THE PATIENT WHAT PROGRAMS THEY WILL BE ELIGIBLE FOR, AS WELL AS PROVIDE NOTIFICATION OF APPROVAL OR DENIAL OF THEIR APPLICATION IN A TIMELY MANNER

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 COMMUNITY CARE APPLICATIONS ARE ACCEPTED ONLY FROM PATIENTS OF AGNESIAN HEALTHCARE WHO RESIDE IN THE COUNTIES OF CALUMET, COLUMBIA, DODGE, FOND DU LAC, GREEN LAKE, MARQUETTE, WASHINGTON, WAUSHARA OR WINNEBAGO INDIVIDUALS MUST BE A RESIDENT OF ONE OF THOSE AREAS FOR A MINIMUM OF THREE MONTHS AND PROVIDE SUPPORTING DOCUMENTATION ON OCCASION, INDIVIDUALS ARE NOT COMMUNITY MEMBERS BUT MAY NEED ASSISTANCE, THOSE APPLICATIONS ARE CONSIDERED ON A CASE-BY-CASE BASIS THE SAMARITAN CLINIC SERVES PATIENTS FROM FOND DU LAC AND DODGE COUNTIES
		PART VI, LINE 5 AGNESIAN HEALTHCARE LEADERS DEVELOP GRANT APPLICATIONS IN SUPPORT OF PROGRAMS AND SERVICES SERVING THE GREATER NEEDS OF THE COMMUNITY, INCLUDING HOSPICE HOPE, DOMESTIC VIOLENCE PROGRAMS, CARDIAC CARE, AND PREVENTIVE HEALTH SERVICES AND SCREENINGS PROVIDING THESE SERVICES LOCALLY IS A FOCUS OF OUR COMMUNITY BENEFIT PROGRAM AGNESIAN HEALTHCARE OFFERS PROGRAMS TO THE COMMUNITY THAT ALLOW STUDENTS AND OTHERS TO LEARN ABOUT DIFFERENT OCCUPATIONS IN THE HEALTHCARE INDUSTRY BY BECOMING CERTIFIED AND GAINING ACTUAL WORK EXPERIENCE THE DIFFERENT PROGRAMS PROVIDE HANDS-ON OPPORTUNITIES AND ALLOW JOB SHADOWING SO THE FUTURE OF THE PROFESSION CAN GAIN CONFIDENCE AND SKILLS IN ADDITION, AGNESIAN HEALTHCARE SHARES ITS PROFESSIONAL STAFF EXPERTISE TO OFFER HEALTH EDUCATION CLASSES, HEALTH SCREENINGS, SUPPORT GROUPS, AND OTHER HEALTH PROMOTION ACTIVITIES THROUGHOUT THE YEAR OTHER COMMUNITY ACTIVITIES INCLUDE SUPPORT AND TRAINING FOR THE DODGE CORRECTIONAL INSTITUTIONAL HOSPICE PROGRAM, SHARPS DISPOSAL SERVICE, ADOPT-A-FAMILY, DONATIONS TO FOOD PANTRIES, AND LEADERSHIP PARTICIPATION IN COMMUNITY NONPROFIT ORGANIZATIONS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 AGNESIAN HEALTHCARE, INC IS AN INTEGRATED, COMPREHENSIVE NOT-FOR-PROFIT HEALTHCARE DELIVERY SYSTEM COMPRISED OF SEVEN MINISTRIES AGNESIAN HEALTHCARE ENTERPRISES, LLC, CONSULTANTS LAB OF WI, LLC, FOND DU LAC REGIONAL CLINIC, ST AGNES HOSPITAL, ST FRANCIS HOME, WAUPUN MEMORIAL HOSPITAL AND RIPON MEDICAL CENTER AGNESIAN PROVIDES A CONTINUUM OF HEALTHCARE SERVICES FROM BIRTH TO END OF LIFE, PREVENTIVE HEALTHCARE, DIAGNOSIS, TREATMENT AND FOLLOWUP, ASSISTED LIVING, AND INDEPENDENT AND SKILL CARE SERVICES AGNESIAN HEALTHCARE IS COMMITTED TO ENSURING THAT INDIVIDUALS NEEDING VITAL HEALTHCARE SERVICES GET THE HELP THEY NEED AND DESERVE
REPORTS FILED WITH STATES	PART VI, LINE 7	WI

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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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the 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**	Yes	
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 1A	ALL GROSSUP PAYMENTS AND SOCIAL CLUB DUES ARE INCLUDED ON FORM 1099 THESE PAYMENTS ARE MADE FOR TWO MEMBERS OF THE BOARD OF DIRECTORS
	PART I, LINE 4B	ALL EXECUTIVES EXCEPT CEO PARTICIPATE IN A 457(B) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN
	PART I, LINE 5	COMPENSATION FOR SOME EMPLOYED PHYSICIANS IS BASED ON A PERCENTAGE OF GROSS BILLINGS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 39-0807236
Name: AGNESIAN HEALTHCARE INC

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				
STEVEN N LITTLE	(I)	518,132	246,727	0	0	35,201	800,060	0
	(II)	0	0	0	0	0	0	0
ALLAN MILANI MD	(I)	464,776	0	0	0	24,695	489,471	0
	(II)	0	0	0	0	0	0	0
JAMES P MUGAN	(I)	259,237	86,078	0	0	38,946	384,261	0
	(II)	0	0	0	0	0	0	0
BONNIE SCHMITZ	(I)	264,048	32,592	0	0	22,465	319,105	0
	(II)	0	0	0	0	0	0	0
DENNIS YUNK	(I)	239,580	27,354	8,046	0	29,865	304,845	0
	(II)	0	0	0	0	0	0	0
CAROL B HYLAND	(I)	235,027	28,821	0	0	31,734	295,582	0
	(II)	0	0	0	0	0	0	0
DOUGLAS D TROST	(I)	196,306	19,527	4,849	0	30,136	250,818	0
	(II)	0	0	0	0	0	0	0
SR MARY MOLLISON	(I)	149,983	54,324	10,355	0	9,271	223,933	0
	(II)	0	0	0	0	0	0	0
BARBARA LKNUTZEN	(I)	176,359	22,353	6,981	0	25,899	231,592	0
	(II)	0	0	0	0	0	0	0
SUSAN L EDMINSTER	(I)	189,139	13,678	0	0	18,660	221,477	0
	(II)	0	0	0	0	0	0	0
NANCY A BIRSCHBACH	(I)	155,508	19,681	0	0	31,367	206,556	0
	(II)	0	0	0	0	0	0	0
JILL A STENSON	(I)	152,340	20,151	0	0	17,170	189,661	0
	(II)	0	0	0	0	0	0	0
JOHN CHOI MD	(I)	546,794	437,120	0	0	31,933	1,015,847	0
	(II)	0	0	0	0	0	0	0
YASIR HATAHET MD	(I)	527,051	328,323	0	0	40,652	896,026	0
	(II)	0	0	0	0	0	0	0
PONTUS OSTMAN MD	(I)	407,284	394,011	0	0	15,985	817,280	0
	(II)	0	0	0	0	0	0	0
HONG C WANG MD	(I)	595,869	0	0	0	32,562	628,431	0
	(II)	0	0	0	0	0	0	0
STEVEN FLURRY MD	(I)	588,271	0	0	0	30,910	619,181	0
	(II)	0	0	0	0	0	0	0
ROBERT A FALE	(I)	169,948	76,479	231,865	0	13,172	491,464	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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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	WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710BGG1	12-11-2008	49,330,000	REFUNDING OF 2001 ISSUE, PRIVATE ROOM PROJECT		X		X		X
B	WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710BYW6	12-01-2010	57,260,000	REFUNDING OF 2001 ISSUE, PRIVATE ROOM PROJECT		X		X		X
C	WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	NONEAVAIL	12-15-2011	10,020,000	PARTIAL REFUNDING OF 1998 ISSUE		X		X		X
D	WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710B7C0	03-14-2013	5,705,000	CONSTRUCTION AND EXPANSION OF FACILITIES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	1,925,000	2,715,000	1,862,000	
2	Amount of bonds legally defeased				
3	Total proceeds of issue	49,330,000	57,260,000	10,020,000	5,705,000
4	Gross proceeds in reserve funds	4,518,399	4,518,399		
5	Capitalized interest from proceeds	61,653			61,653
6	Proceeds in refunding escrows	31,465,565	31,465,565	9,930,000	
7	Issuance costs from proceeds	430,000	767,686	90,000	32,111
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	48,900,000			
10	Capital expenditures from proceeds	22,727,526	22,727,526		460,633
11	Other spent proceeds				
12	Other unspent proceeds	2,431,172	2,431,172		5,150,603
13	Year of substantial completion	2005	2011		

		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		X		X			X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X			X	X			X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		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		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		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		X		X		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		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	0%		%		%		%	
7	Does the bond issue meet the private security or payment test?	X		X		X		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		X		X		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		X		X		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		X		X		X	
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	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			X		X		X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	PIPER JAFFRAY							
c	Term of hedge	28 000000000000							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						

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		X		X		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		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		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		X		X		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 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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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	WI HEALTH AND EDUC FACILITIES AUTHORITY	39-1337855	97710B7C0	03-14-2013	53,273,496	CONSTRUCTION AND EXPANSION OF FACILITIES		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	53,276,496			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds	569,394			
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	296,559			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	4,254,141			
11	Other spent proceeds				
12	Other unspent proceeds	48,156,402			
13	Year of substantial completion				

		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 ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	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?								
b	Exception to rebate?								
c	No rebate due?								
	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 L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) JOSEPH REITEMEIER	DIRECTOR	373,224	JOSEPH REITEMEIER IS PRESIDENT OF FOND DU LAC ASSOCIATION OF COMMERCE AGNESIAN HEALTHCARE, INC PROVIDED OCCUPATIONAL HEALTH SERVICES TO THE ASSOCIATION OF COMMERCE, BILLING $2,364 FOR THESE SERVICES IN FISCAL YEAR 2013 IN ADDITION, AGNESIAN HEALTHCARE, INC PURCHASED SERVICES TOTALING $370,860 FROM THE ASSOCIATION OF COMMERCE DURING FISCAL YEAR 2013		No
(2) JOSEPH REITEMEIER	DIRECTOR	45,136	JOSEPH REITEMEIER IS PRESIDENT OF FOND DU LAC ASSOCIATION OF COMMERCE HIS DAUGHTER-IN-LAW, JENNIFER REITEMEIER, IS EMPLOYED AS AN RN AT AGNESIAN HEALTHCARE, EARNING AN ANNUAL SALARY OF $45,136		No
(3) WAYNE MATZKE	DIRECTOR	169,106	WAYNE MATZKE IS CEO OF GRANDE CHEESE AGNESIAN HEALTHCARE PROVIDED OCCUPATIONAL HEALTH SERVICES TO GRANDE CHEESE, BILLING $169,106 IN FISCAL YEAR 2013		No
(4) DENISE DEVERAUX	DIRECTOR	482,254	DENISE DEVERAUX IS VICE PRESIDENT OF HUMAN RESOURCES AT MERCURY MARINE AGNESIAN HEALTHCARE PROVIDED OCCUPATIONAL HEALTH SERVICES TO MERCURY MARINE, BILLING $482,254 IN FISCAL YEAR 2013		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE 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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	
	FORM 990, PART VI, SECTION A, LINE 7A	THE CLASS A MEMBERS, WHO ARE THE GENERAL COUNCIL OF THE CONGREGATION OF SISTERS OF ST AGN ES, HAVE THE POWER TO ELECT OR APPOINT THE CLASS B MEMBERS THE CLASS B MEMBERS CONSTITUTE THE BOARD OF DIRECTORS THE CLASS B MEMBERS HAVE THE POWER, UPON THE RECOMMENDATION OF TH E BOARD OF DIRECTORS, TO APPOINT AND REMOVE, WITH OR WITHOUT CAUSE, THE PRESIDENT/CHIEF EX ECUTIVE OFFICER OF THE CORPORATION
	FORM 990, PART VI, SECTION A, LINE 7B	THE CONGREGATION OF THE SISTERS OF ST AGNES SPONSORSHIP MINISTRIES IS THE CLASS B MEMBER WHO IS RESPONSIBLE FOR APPROVING CERTAIN RESERVED POWERS OF THE CORPORATION DELIGATED TO T HEM BY CLASS A THE GENERAL COUNCIL OF THE CONGREGATION OF SISTERS OF ST AGNES IS THE CLA SS A MEMBER WHO IS RESPONSIBLE FOR APPROVING CERTAIN RESERVED POWERS OF THE CORPORATION
	FORM 990, PART VI, SECTION B, LINE 11	THE FINANCE DEPARTMENT PREPARES THE FORM 990 AND THE RETURN IS REVIEWED BY THE DIRECTOR OF FINANCE AND CFO A FINAL COPY OF THE 2012 FORM 990 IS PROVIDED TO THE BOARD EXECUTIVE COM MITTEE FOR REVIEW AND APPROVAL TO THE AGNESIAN HEALTHCARE BOARD BEFORE THE RETURN IS FILED WITH THE IRS
	FORM 990, PART VI, SECTION B, LINE 12C	WE HAVE A WRITTEN CONFLICT OF INTEREST AND INSIDER TRANSACTION POLICY THAT REQUIRES EACH D IRECTOR, PRINCIPAL OFFICER, TRUSTEE OR COMMITTEE MEMBER TO DISCLOSE ON AN ANNUAL BASIS TO THE DESIGNATED AUTHORITY A CONFLICT OF INTEREST DISCLOSURE STATEMENT THE DESIGNATED AUTHO RITY ENSURES THAT ALL STATEMENTS ARE COMPLETED, REVIEWS THEM FOR CONFLICTS, AND SUBMITS TO THE BOARD FOR REVIEW ANY CONFLICT OF INTEREST DISCLOSURE STATEMENTS THAT DISCLOSE ACTUAL OR POTENTIAL CONFLICTS
	FORM 990, PART VI, SECTION B, LINE 15	DETERMINATION OF COMPENSATION OF THE CEO AND OFFICERS INCLUDES ANALYSIS OF COMPARABLE COMP ENSATION SURVEYS BY AN INDEPENDENT COMPENSATION CONSULTANT, WHO RECOMMENDS RANGES OF APPRO PRIATE COMPENSATION TO THE BOARD OF DIRECTORS THE BOARD OF DIRECTORS APPROVES THE COMPENS ATION PACKAGE FOR OFFICERS, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATIONS AND DE CISION IS INCLUDED IN THE BOARD MINUTES THE FINAL AGREEMENT IS DOCUMENTED WITH A WRITTEN CONTRACT, WHICH IS SIGNED BY BOTH PARTIES
	FORM 990, PART VI, SECTION C, LINE 19	AGNESIAN HEALTHCARE'S POLICY AND PROCEDURE FIN1069 DEFINES THE PROCEDURE FOR MAKING ANNUAL INFORMATION RETURNS AVAILABLE FOR PUBLIC INSPECTION INDIVIDUALS REQUESTING INSPECTION AR E REFERRED TO THE ADMINISTRATION OFFICE, WHERE THEY ARE PROVIDED WITH THE DOCUMENTS AND A CONFERENCE ROOM FOR INSPECTING DOCUMENTS PHOTOCOPIES WILL BE PROVIDED TO THE REQUESTOR A NYONE MAY INSPECT THE RETURNS UPON DEMAND, WITHOUT AN APPOINTMENT OR ANY FOREWARNING, DURI NG AGNESIAN HEALTHCARE INC'S NORMAL BUSINESS HOURS GOVERNING DOCUMENTS AND CONFLICT OF IN TEREST STATEMENTS ARE NOT AVAILABLE FOR PUBLIC INSPECTION, BUT CAN BE MADE AVAILABLE IF TH E REQUESTING PARTY HAS A BONAFIDE REASON ALL FINANCIAL STATEMENTS ARE AVAILABLE TO THE PU BLIC THROUGH A POSTING ON A PUBLIC WEBSITE
OTHER FEES	FORM 990, PART IX, LINE 11G	PURCHASED SERVICES - PHYSICIANS PROGRAM SERVICE EXPENSES 53,720,671 MANAGEMENT AND GENER AL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 53,720,671 PURCHASED SERVICES - LAB ORATORY PROGRAM SERVICE EXPENSES 181,137 MANAGEMENT AND GENERAL EXPENSES 479,088 FUNDRA ISING EXPENSES 0 TOTAL EXPENSES 660,225 PURCHASED SERVICES - LAUNDRY PROGRAM SERVICE EX PENSES 0 MANAGEMENT AND GENERAL EXPENSES 651,231 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 651,231 PURCHASED SERVICES - ELEVATOR PROGRAM SERVICE EXPENSES 5,812 MANAGEMENT AND GEN ERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 5,812 PURCHASED SERVICES - MISCEL LANEOUS PROGRAM SERVICE EXPENSES 1,503,369 MANAGEMENT AND GENERAL EXPENSES 398,515 FUND RAISING EXPENSES 0 TOTAL EXPENSES 1,901,884 PURCHASED SERVICES - REFERENCE TESTS PROGRA M SERVICE EXPENSES 866,633 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOT AL EXPENSES 866,633 PURCHASED SERVICES - HOUSEKEEPING PROGRAM SERVICE EXPENSES 64,613 M ANAGEMENT AND GENERAL EXPENSES 161,787 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 226,400 PU RCHASED SERVICES - IT PROGRAM SERVICE EXPENSES 1,279,183 MANAGEMENT AND GENERAL EXPENSES 15,635 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,294,818 PURCHASED SERVICES - TRANSCRIPT ION PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 283,048 FUNDRAISING EXPE NSES 0 TOTAL EXPENSES 283,048 PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 846,224 MANAG EMENT AND GENERAL EXPENSES 250,459 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,096,683 PROF ESSIONAL FEES - MEDICAL DIRECTOR PROGRAM SERVICE EXPENSES 223,977 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 223,977 PROFESSIONAL FEES - COLLECTIO N PROGRAM SERVICE EXPENSES 5,483 MANAGEMENT AND GENERAL EXPENSES 720,063 FUNDRAISING EX PENSES 0 TOTAL EXPENSES 725,546
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CAPITAL CONTRIBUTIONS FROM AFFILIATES 5,000,000 CHANGE IN SWAP FUND BALANCE 1,136,608 CHANGE IN FUND BALANCE - SAH FOUNDATION 1,150,073

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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
AGNESIAN HEALTHCARE INC

Employer identification number
39-0807236

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
(1) CONSULTANTS LABORATORY OF WISCONSIN LLC 430 E DIVISION STREET FOND DU LAC, WI 54935 39-1528550	LAB SERVICES	WI	20,586,441	15,109,731	N/A
(2) AGNESIAN HEALTHCARE ENTERPRISES LLC 430 E DIVISION STREET FOND DU LAC, WI 54935 39-2038757	RETAIL PHARMACY	WI	9,481,185	8,461,959	N/A

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) No
(1) ST FRANCIS HOME OF FOND DU LAC 33 EVERETT STREET FOND DU LAC, WI 54935 39-1029998	NURSING HOME	WI	501(C)(3)	9	N/A		No
(2) CONGREGATION OF SISTERS OF ST AGNES 320 COUNTY ROAD K FOND DU LAC, WI 54935 39-0806217	CONVENT	WI	501(C)(3)	1	N/A		No
(3) AGNESIAN HEALTHCARE FOUNDATION 430 E DIVISION STREET FOND DU LAC, WI 54935 39-1684956	FOUNDATION	WI	501(C)(3)	11	N/A		No
(4) WAUPUN MEMORIAL HOSPITAL 620 WEST BROWN STREET WAUPUN, WI 53963 39-0806265	HOSPITAL	WI	501(C)(3)	3	N/A		No
(5) RIPON MEDICAL CENTER 933 NEWBURY STREET RIPON, WI 54971 39-1101287	HOSPITAL	WI	501(C)(3)	3	N/A		No

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

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	Yes	
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	Yes	
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	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
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
See Additional Data Table			

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	

Software ID:
Software Version:
EIN: 39-0807236
Name: AGNESIAN HEALTHCARE INC

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
AGNESIAN HEALTHCARE FOUNDATION INC	C	809,567	CASH RECEIPTS
ST FRANCIS HOME	D	5,000,000	BOND VALUE
ST FRANCIS HOME	M	35,225	CASH PAYMENTS
CONGREGATION OF SISTERS OF ST AGNES	M	296,295	CASH PAYMENTS
CONGREGATION OF SISTERS OF ST AGNES	O	432,156	CASH PAYMENTS
WAUPUN MEMORIAL HOSPITAL	P	452,829	CASH TRANSFER
RIPON MEDICAL CENTER	P	1,747	CASH TRANSFER

Agnesian HealthCare, Inc. and Affiliates

Fond du Lac, Wisconsin

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

Agnesian HealthCare, Inc. and Affiliates

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

Table of Contents

WIPFLi LLP

Independent Auditor's Report

Board of Directors
Agnesian HealthCare, Inc.
Fond du Lac, Wisconsin

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Agnesian HealthCare, Inc. and Affiliates, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, 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 accordance with accounting principles generally accepted in the United States, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 from 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 Agnesian HealthCare, Inc. and Affiliates as of June 30, 2013 and 2012, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

September 16, 2013
Wausau, Wisconsin

Agnesian HealthCare, Inc. and Affiliates

Consolidated Balance Sheets

June 30, 2013 and 2012

Assets	In Thousands 2013	2012
Current assets		
Cash and cash equivalents	$ 28,823	$ 20,396
Assets limited as to use	1,679	555
Accounts receivable - Net	56,389	53,722
Other receivables	3,226	3,151
Inventory	4,934	5,241
Prepaid expenses and other	2,960	2,882
Total current assets	98,011	85,947
Investments	172,525	148,613
Assets limited as to use	86,666	32,963
Property and equipment - Net	188,906	174,211
Other assets		
Interest in net assets of foundations	16,768	15,446
Deferred financing costs	1,579	1,271
Intangibles - Net	4,037	4,234
Other	333	240
Total other assets	22,717	21,191
TOTAL ASSETS	$ 568,825	$ 462,925

Liabilities and Net Assets	In Thousands 2013	2012
Current liabilities		
Current maturities of long-term debt	$ 3,961	$ 3,639
Current portion of obligations under capital leases	1,691	1,643
Accounts payable	12,537	10,292
Accrued liabilities	23,299	21,128
Amounts payable to third-party reimbursement programs	574	1,320
Total current liabilities	42,062	38,022
Long-term liabilities		
Long-term debt	180,455	123,968
Capital lease obligations	5,043	2,972
Deferred compensation	24,937	19,400
Residency fees on deposit and other	977	985
Interest rate swap valuation	2,055	3,192
Total long-term liabilities	213,467	150,517
Total liabilities	255,529	188,539
Net assets:		
Unrestricted	295,468	257,883
Temporarily restricted	15,356	14,042
Permanently restricted	2,472	2,461
Total net assets	313,296	274,386
TOTAL LIABILITIES AND NET ASSETS	$ 568,825	$ 462,925

See accompanying notes to consolidated financial statements.

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

Years Ended June 30, 2013 and 2012

	In Thousands	
	2013	2012
Unrestricted net assets		
Revenue.		
Patient service revenue (net of contractual adjustments and discounts)	$ 423,768	$ 401,625
Provision for bad debts	(18,623)	(14,943)
Net patient service revenue, less provision for bad debts	405,145	386,682
Other operating revenue	7,772	8,569
Total revenue	412,917	395,251
Operating expenses		
Salaries and wages	150,175	140,505
Fringe benefits	20,213	21,489
Professional fees and purchased services	81,871	78,661
Supplies and other	87,733	82,371
Maintenance and utilities	23,604	23,523
Depreciation and amortization	21,501	19,859
Interest	4,627	4,174
Total operating expenses	389,724	370,582
Income from operations	23,193	24,669
Other income (expense)		
Investment income	8,131	4,162
Income taxes	(213)	(376)
Loss on bond defeasance	(735)	(462)
Gain on disposal of property and equipment	33	17
Total other income - Net	7,216	3,341
Revenue in excess of expenses	30,409	28,010

Agnesian HealthCare, Inc. and Affiliates

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

Years Ended June 30, 2013 and 2012

	In Thousands	
	2013	2012
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investment securities	$ 5,928	$ (4,630)
Interest rate swap valuation adjustment	1,137	(1,618)
Contributions for property and equipment	25	13
Net assets released from restrictions for capital	86	555
Total other changes in unrestricted net assets	7,176	(5,680)
Increase in unrestricted net assets	37,585	22,330
Temporarily restricted net assets.		
Contributions	3	-
Change in interest in net assets of foundations	2,398	1,537
Net assets released from restrictions.		
For capital	(86)	(555)
For operations	(1,001)	(883)
Increase in temporarily restricted net assets	1,314	99
Increase in permanently restricted net assets - Change in interest in net assets of foundations	11	-
Increase in net assets	38,910	22,429
Net assets at beginning	274,386	251,957
Net assets at end	$ 313,296	$ 274,386

See accompanying notes to consolidated financial statements.

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	In Thousands	
	2013	2012
Increase (decrease) in cash and cash equivalents		
Increase in net assets	$ 38,910	$ 22,429
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for bad debts	18,623	14,943
Depreciation and amortization	21,501	19,859
Amortization of bond premium	(113)	(50)
Loss on bond defeasance	735	462
Net realized gain on sale of investments	(3,270)	(552)
Gain on disposal of property and equipment	(33)	(17)
Change in unrealized (gain) loss on investment securities	(5,928)	4,630
Change in interest in net assets of foundations	(2,409)	(1,537)
Distribution of interest in net assets of foundations - For operations	1,001	883
Interest rate swap valuation adjustment	(1,137)	1,618
Deferred compensation	5,537	2,355
Contributions for property and equipment	(25)	(13)
Changes in operating assets and liabilities		
Accounts receivable and other receivables	(21,365)	(22,376)
Inventory	307	124
Prepaid expenses and other	(78)	(218)
Other assets	(93)	277
Accounts payable	635	650
Accrued liabilities	2,171	(4,936)
Amounts payable to third-party reimbursement programs	(746)	61
Total adjustments	15,313	16,163
Net cash provided by operating activities	54,223	38,592

Agnesian HealthCare, Inc. and Affiliates

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2013 and 2012

	In Thousands	
	2013	2012
Cash flows from investing activities		
Purchase of investments and assets limited as to use	$ (111,833)	$ (82,861)
Sale of investments and assets limited as to use	42,292	77,961
Acquisition of intangibles associated with physician clinics	(173)	(105)
Purchase of property and equipment	(30,076)	(39,425)
Proceeds from sale of property and equipment	119	20
Net cash used in investing activities	(99,671)	(44,410)
Cash flows from financing activities		
Proceeds from issuance of bonds payable	60,330	10,020
Principal payments on long-term debt	(3,778)	(13,424)
Principal payments on capital lease obligations	(2,017)	(4,691)
Payment of deferred financing costs	(763)	(103)
Contributions for property and equipment	25	13
Distributions of interest in net assets of foundations - For capital	86	504
Collection (refunds) of residency fees on deposit and other	(8)	45
Net cash provided by (used in) financing activities	53,875	(7,636)
Net increase (decrease) in cash and cash equivalents	8,427	(13,454)
Cash and cash equivalents at beginning	20,396	33,850
Cash and cash equivalents at end	$ 28,823	$ 20,396
Supplemental cash flow information:		
Cash paid for interest (net of amount capitalized)	$ 4,497	$ 4,169
Cash paid for interest capitalized with property and equipment	1,035	1,185
Cash received for investment income capitalized with property and equipment	66	31
Cash paid for income taxes	218	418
Noncash investing and financing activities:		
Accounts payable related to property and equipment	1,783	555
Equipment acquired under capital lease obligation	4,136	433

See accompanying notes to consolidated financial statements.

Note 1 Summary of Significant Accounting Policies

Principal Business Activity and Principles of Consolidation

Agnesian HealthCare, Inc. ("Agnesian HealthCare") is a tax-exempt, nonstock corporation owned and operated by the Congregation of Sisters of St. Agnes of Fond du Lac, Wisconsin (the "Congregation"), a religious community of women within the Roman Catholic Church.

The accompanying consolidated financial statements include the accounts of Agnesian HealthCare, Inc. and its affiliates (collectively "Agnesian"). All significant intercompany balances have been eliminated in consolidation. Following is a brief description of each organization.

- Agnesian HealthCare, Inc. operates St. Agnes Hospital ("St. Agnes"), a 174-bed general acute care hospital, which provides inpatient and outpatient hospital services, inpatient psychiatric services, physician services, and home health services primarily to residents of Fond du Lac and Dodge counties.

- Agnesian HealthCare, Inc. is the sole corporate member of Waupun Memorial Hospital, Inc. ("Waupun"), Ripon Medical Center, Inc. ("Ripon"), and St. Francis Home of Fond du Lac, Wisconsin, Inc. ("St. Francis Home") and is 100% owner of Consultants Laboratory of Wisconsin, LLC ("Consultants Lab") and Agnesian HealthCare Enterprises, LLC ("Enterprises").

  - Waupun operates a Medicare-certified, 25-bed critical access hospital (CAH) that provides inpatient and outpatient services to residents of Fond du Lac and Dodge counties.

  - Ripon operates a Medicare-certified, 25-bed CAH, which provides inpatient and outpatient services to residents of Fond du Lac County and the surrounding areas. Ripon also operates a number of primary care and specialty medical clinics.

Note 1 Summary of Significant Accounting Policies (Continued)

Principal Business Activity and Principles of Consolidation (Continued)

- St. Francis Home is a tax-exempt corporation that operates a 107-bed skilled nursing facility and a facility for senior residents, which includes 30 independent living units and 123 assisted living units. St. Francis Home serves residents of Fond du Lac and the surrounding area.
- Consultants Lab is a limited liability corporation that provides clinical laboratory services to customers located primarily in central and southern Wisconsin. A majority of Consultants Lab's services are provided to Agnesian.
- Enterprises is a limited liability corporation that operates retail pharmacies and sells and rents durable medical equipment. Enterprises serves residents of Fond du Lac, Waupun, and the surrounding area.

Financial Statement Presentation

Agnesian follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Note 1 Summary of Significant Accounting Policies (Continued)

Cash Equivalents

Agnesian considers money market funds and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts held as short-term investments in Agnesian's investment portfolio and amounts limited as to use or restricted.

Accounts Receivable and Credit Policy

Accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. Agnesian bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement. Agnesian does not have a policy to charge interest on past due accounts.

Accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and allowances for doubtful accounts. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to the allowance for contractual adjustments. In addition, management provides for probable uncollectible amounts, primarily from uninsured patients and amounts patients are personally responsible for, through a charge to operations and a credit to a valuation allowance based on its assessment of historical collection likelihood and the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Note 1 Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Credit Policy (Continued)

In evaluating the collectibility of patient accounts receivable, Agnesian analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, Agnesian analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts 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 the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), Agnesian records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Inventory

Inventory is valued at the lower of cost, determined on the first-in, first-out method, or market.

Note 1 Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments, including investments held as assets limited as to use, are measured at fair value in the consolidated balance sheets.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is reported as other income unless the income is restricted by donor or law. Unrealized gains and losses on investment securities are excluded from revenue in excess of expenses unless the investments are trading securities. Realized gains and losses are determined by specific identification.

Agnesian monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than-temporary results in an impairment, and Agnesian reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income.

Fair Value Measurements

Agnesian measures fair value of its financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows.

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Agnesian has the ability to access.

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include.

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets Limited as to Use

Assets limited as to use represent investments set aside under terms of bond trust indenture agreements, amounts related to cash surrender value life insurance policies and other investments designated for deferred compensation agreements, investments set aside to fund restricted donations, and investments designated for residency fees on deposit.

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost if purchased, fair value at date received if contributed, or net book value if transferred from a related party. Depreciation is provided over the estimated useful life of each class of depreciable asset and is generally computed using the straight-line method over the estimated useful life. Equipment under capital lease obligations and leasehold improvements are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life. Such amortization is included with depreciation expense in the accompanying consolidated financial statements. Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 years for buildings and building improvements, 3 to 20 years for fixed equipment, 5 to 10 years for leasehold improvements, 3 to 23 years for movable equipment, and 5 to 10 years for automobiles.

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets in accordance with ASC Topic 835-20, *Capitalization of Interest*.

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

Note 1 Summary of Significant Accounting Policies (Continued)

Asset Retirement Obligations

ASC Topic 410-20, *Asset Retirement Obligations,* clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. Agnesian has considered ASC Topic 410-20 specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. Agnesian believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which Agnesian may settle the obligation is unknown and cannot be estimated. As a result, Agnesian cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2013 and 2012.

Impairment

Agnesian reviews its property and equipment periodically to determine potential impairment by comparing the carrying value of the property and equipment with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, Agnesian would recognize an impairment loss at that time. Agnesian recognized no impairment losses in 2013 or 2012.

Interest in Net Assets of Foundations

Agnesian is financially interrelated with Agnesian HealthCare Foundation, Inc. ("Agnesian Foundation") and Foundation for Ripon Medical Center, Inc. ("Ripon Foundation"). Accordingly, Agnesian recognizes its interest in the net assets of Agnesian Foundation and Ripon Foundation and adjusts its interest for its share of the change in net assets of the foundations in accordance with ASC Topic 958-20, *Financially Interrelated Entities*

Deferred Financing Costs

Costs related to the issuance of long-term debt are amortized over the life of the related debt using the straight-line method.

Note 1 Summary of Significant Accounting Policies (Continued)

Intangibles

Intangibles represent the amount paid for goodwill, patient lists, and other intangibles related to various business acquisitions and combinations. In accordance with ASC 350-20, *Intangibles - Goodwill and Other,* goodwill and other tangible assets deemed to have indefinite lives are not amortized but are subject to tests for impairment at least annually. Agnesian has concluded that no impairment charge was required in 2013. Patient lists and other intangibles are being amortized, on a straight-line basis, over two to five years.

Interest Rate Swap

Agnesian uses an interest rate swap to manage its risk related to interest rate movements. Agnesian's interest rate risk management strategy is to stabilize cash flow requirements by converting a portion of its variable rate debt to a fixed rate. At the inception of the interest rate swap agreement, Agnesian documented its risk management strategy and the effectiveness of the hedged instrument. The interest rate swap was deemed to be effective in achieving this objective and was designated as a cash flow hedge. Under a cash flow hedge, the change in fair value of the interest rate swap related to the effective portion of the hedge is recorded as a change in unrestricted net assets. Any ineffective portion would be reported as other income (expense). If the ineffectiveness of the hedge exceeds certain prescribed levels, the interest rate swap would no longer be eligible for hedge accounting, and all future changes in the fair value of the interest rate swap would be reported in other income (expense) in the consolidated statements of operations and changes in net assets, and the cumulative change that was recorded in net assets from the beginning of the interest rate swap would be amortized into earnings over the remaining life of the swap. In the event the interest rate swap is terminated, the cumulative amount that was recorded in net assets from the beginning of the interest rate swap would be reclassified into earnings.

Note 1 Summary of Significant Accounting Policies (Continued)

Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out Agnesian's mission and include those expendable resources which have been designated for special use by the Board of Directors. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained in perpetuity.

Revenue in Excess of Expenses

The consolidated statements of operations and changes in net assets include the classification revenue in excess of expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investment securities other than trading securities, the effective portion of cash flow hedges, permanent transfer 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.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for community care, Agnesian recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, a significant portion of Agnesian's uninsured patients will be unable or unwilling to pay for the services provided. Thus Agnesian records a significant provision for bad debts related to uninsured patients in the period services are provided. This provision is offset by recoveries on amounts which had previously been deemed uncollectible.

Note 1 Summary of Significant Accounting Policies (Continued)

Community Care

Agnesian provides care to patients who meet certain criteria under its community care policy without charge or at amounts less than its established rates. Agnesian maintains records to identify and monitor the level of community care it provides. These records include the amount of charges forgone for services and supplies furnished under the community care policy.

Agnesian also provides substantial community benefit through the provision of services to individuals supported by public programs such as Medicaid. These services are provided at reimbursement levels that are substantially below Agnesian's established rates.

Donor-Restricted Gifts

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to Agnesian are reported at fair value at the date the promise is received. Conditional promises to give and indications 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 support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Unemployment Compensation

Agnesian has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment compensation claims are paid to the State of Wisconsin as incurred. Agnesian has obtained a letter of credit of approximately $1,181,000 to meet state funding requirements. There were no borrowings against this letter of credit at June 30, 2013 and 2012.

Income Taxes

Agnesian HealthCare, Waupun, Ripon, and St. Francis Home are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income tax on related income pursuant to Section 501(a) of the Code. Agnesian HealthCare, Waupun, Ripon, and St. Francis Home are also exempt from state income tax on related income.

Enterprises and Consultants Lab are limited liability corporations. Enterprises and Consultants Lab's income or loss is required to be reported on Agnesian HealthCare's tax returns. Agnesian pays tax on certain activities considered taxable in accordance with Code regulations.

In order to account for any uncertain tax positions, ASC Topic 740, *Income Taxes*, requires an organization to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements.

Agnesian recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. Federal returns for the years ended 2010 and beyond remain subject to examination by the Internal Revenue Service.

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities*. This ASU amends ASC Topic 954 and requires health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Entities are also required to enhance disclosures about their policies for recognizing revenue and assessing bad debts. In addition, this guidance requires disclosure of qualitative and quantitative information about changes in the allowance for doubtful accounts. Agnesian HealthCare adopted the guidance in ASU 2011-07 for the year ended June 30, 2013. The presentation of the provision for bad debts for the year ended June 30, 2012, has been reclassified in the accompanying consolidated financial statements in order to conform to the reclassifications used in 2013.

Subsequent Events

Subsequent events have been evaluated through September 16, 2013, which is the date the financial statements were issued.

Note 2 Reimbursement Arrangements With Third-Party Payors

Agnesian has agreements with third-party payors that provide for reimbursement at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows

Hospitals

- *St Agnes - Medicare* - Inpatient acute care services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient psychiatric services rendered to Medicare program beneficiaries are paid based on a blend of prospectively determined rates per discharge and a cost reimbursement method limited by a target rate per discharge. Outpatient services are paid primarily on prospectively determined rates, also based on a patient classification system, or fixed fee schedules.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Hospitals (Continued)

- *St Agnes - Medicaid* - Inpatient services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors similar to the Medicare system. Outpatient services are paid based on a prospectively determined rate per occasion of service.

- *Waupun and Ripon - Medicare* - Hospital inpatient, outpatient, and swing-bed services are based upon a cost-reimbursement methodology with the exception of certain lab services which are reimbursed based on a fee schedule.

- *Waupun and Ripon - Medicaid* - Hospital inpatient and outpatient services are paid based upon a cost-reimbursement methodology with the exception of certain lab and therapy services which are reimbursed under fee schedules.

- *St Agnes, Waupun, and Ripon - Other* - St. Agnes, Waupun, and Ripon have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and discounts from established charges.

Nursing Home

- *Medicare* - Reimbursement is based on a predetermined rate per resident day which varies depending on the resident's level of care and the types of services provided.

- *Medicaid* - Reimbursement is based on a predetermined rate formula under a contractual arrangement with the Medicaid program. Rate adjustments under this program are reflected in income when determinable.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Home Health

Medicare and Medicaid - Reimbursement is based upon a predetermined rate which varies depending on the patient's level of care and types of services provided.

Physician Services, Consultants Lab, and Enterprises

Reimbursement from third-party payors for physician, laboratory, and other services is primarily based on established fee schedules.

Accounting for Contractual Arrangements

St. Agnes, Waupun, and Ripon are reimbursed for certain items at an interim rate, with final settlements determined after audit of the hospitals' related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying consolidated financial statements. St. Agnes's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2009. St. Agnes's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through June 30, 2006. Waupun's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through June 30, 2011 and 2008, respectively. Ripon's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries for all years through September 30, 2008, and for the year ended June 30, 2011.

Electronic Health Record (EHR) Incentive Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified EHR technology. These ARRA provisions, collectively referred to as the Health Information Technology for Economic and Clinical Health Act, are intended to promote the adoption and meaningful use of health information technology and qualified EHR technology.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Electronic Health Record (EHR) Incentive Payments (Continued)

Agnesian recognizes revenue for EHR incentive payments when there is reasonable assurance that Agnesian will meet the conditions of the program, primarily demonstrating meaningful use of certified EHR technology for the applicable period. The demonstration of meaningful use is based on meeting a series of objectives. Meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare & Medicaid Services (CMS). At June 30, 2013, Agnesian has not met the necessary criteria to attest to its compliance with the meaningful use criteria established for the Medicare program and, therefore, did not qualify for available Medicare incentives. Agnesian has met the necessary criteria to qualify for Medicaid EHR incentive payments.

Amounts recognized under the Medicare and Medicaid EHR incentive programs are based on management's best estimates that are based, in part, on cost report data that is subject to audit by fiscal intermediaries and, accordingly, amounts recognized are subject to change. In addition, Agnesian's attestation of its compliance with the meaningful use criteria is subject to audit by the federal government or its designee.

Agnesian incurs both capital expenditures and operating expenses in connection with the implementation of its EHR initiative. The amount and timing of these expenditures does not directly correlate with the timing of Agnesian's receipt or recognition of the EHR incentive payments.

For the years ended June 30, 2013 and 2012, Agnesian recognized approximately $32,000 and $944,000, respectively, in EHR incentive payments from the Medicaid program. These payments are included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patients' services. Management believes Agnesian is in substantial compliance with current laws and regulations.

CMS uses recovery audit contractors (RACs) as part of its efforts to ensure accurate payments. RACs search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, CMS makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30

	In Thousands	
	2013	2012
Accounts receivable	$ 117,717	$ 115,919
Less		
Allowance for contractual adjustments	52,027	53,320
Allowance for doubtful accounts	9,301	8,877
Accounts receivable - Net	$ 56,389	$ 53,722

Agnesian's allowance for doubtful accounts as a percentage of gross accounts receivable was 7.9% and 7.7% as of June 30, 2013 and 2012, respectively. In addition, Agnesian's allowance for doubtful accounts increased from 53.5% of self-pay accounts receivable at June 30, 2012, to 62.3% at June 30, 2013. The increase in bad debt allowance was a result of higher net write-offs experienced. Agnesian has not changed its community care or uninsured discount policies during 2013 or 2012.

Note 4 Patient Service Revenue (Net of Contractual Allowances and Discounts)

Patient service revenue (net of contractual allowances and discounts) consisted of the following

	In Thousands	
	2013	2012
Gross patient service revenue.		
Medicare	$ 383,120	$ 355,844
Medicaid	81,433	84,159
Commercial insurance	375,056	353,714
Private pay and other	51,264	44,552
Totals	890,873	838,269
Less - Contractual adjustments and discounts		
Medicare	257,020	239,265
Medicaid	57,078	57,977
Commercial insurance	148,508	135,045
Other	4,499	4,357
Totals	467,105	436,644
Patient service revenue (net of contractual adjustments and discounts)	$ 423,768	$ 401,625

Note 5 Community Benefit and Community Care

Agnesian has a policy of providing health care services, without charge or at amounts less than established rates, to those unable to pay a portion of their charges and who meet certain eligibility criteria established under Agnesian's community care policy. Because Agnesian does not pursue collection of amounts determined to qualify as community care, they are not reported as net patient service revenue. The estimated cost of providing care to patients under Agnesian's community care policy was approximately $4,017,000 and $3,550,000 in 2013 and 2012, respectively, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charity care charges.

Agnesian provides health care services and other financial support through various programs that are designed to enhance the health of the community including the health of low-income patients. Agnesian actively provided or participated in the following community-based activities and programs during 2013 and 2012

- Agnesian, through "Journeys A Health Resource Center," shares its professional staff and expertise to offer health education classes, health screenings, support groups, and other health promotion activities through the year.
- Health information is distributed at no charge on the Agnesian website and through health-related publications. Agnesian also provides services information through service clubs and churches, via the Agnesian parish and school nurse programs, locally at the Samaritan Health Clinic, and through other collaborative efforts.
- Courtesy transportation services are provided to low-income patients to allow safe transportation to clinics, cancer care, and adult day services.
- Support and training are provided for staff and inmate volunteers at the Dodge Correctional Institution in Waupun, which opened a hospice program, the first such program in a Wisconsin correctional setting.
- Agnesian supports efforts to educate families on the importance of tissue donations.
- Agnesian meets the needs of the community through various programs, including Sharps Disposal Services, Adopt-A-Family, donations to food pantries, and leadership participation in community nonprofit organizations.

Note 5 Community Benefit and Community Care (Continued)

Agnesian also provides patients with important basic health services, medications, and urgent dental needs at no charge to the patient through its Samaritan Health Clinic program. Agnesian's expense to operate Samaritan Health Clinic program is estimated to be approximately $615,000 and $570,000 in 2013 and 2012, respectively.

In addition, Agnesian is a provider under the Wisconsin Medicaid program. Under this program, Agnesian is legally bound to accept the amount determined by the state as payment in full for each patient's charges. Accordingly, services provided under this program are reported as net patient service revenue. Medicaid costs in excess of reimbursement are estimated to be approximately $17,949,000 and $17,734,000 in 2013 and 2012, respectively.

Note 6 Investments and Assets Limited as to Use

Investments and assets limited as to use are stated at fair value and consisted of the following at June 30

	In Thousands	
	2013	2012
Cash and cash equivalents	$ 38,475	$ 11,933
Certificates of deposit	3,981	4,189
U.S. government obligations	984	5,811
Corporate debt securities	-	725
Hedge funds	30,665	31,116
Exchange traded funds	14,533	6,539
Cash surrender value of life insurance	22,615	17,606
Mutual funds		
Blend	728	473
Bond	63,162	56,211
Government bonds	26,648	3,591
Growth	15,924	4,309
Value	3,315	1,852

Note 6 Investments and Assets Limited as to Use (Continued)

	In Thousands	
	2013	2012
Common stocks		
Consumer discretionary	$ 4,087	$ 4,609
Consumer staples	2,239	2,812
Energy	10,473	4,365
Financial	5,005	4,685
Health care	4,151	4,631
Industrial	3,827	3,699
Information technology	5,733	8,384
Materials	2,288	2,601
Telecommunication services	1,584	1,520
Utilities	453	470
Total investments and assets limited as to use	260,870	182,131
Less - Amounts classified as assets limited as to use	88,345	33,518
Total investments	$ 172,525	$ 148,613

Assets limited as to use, included in the previous amounts, consisted of the following at June 30:

	In Thousands	
	2013	2012
Limited by trustee under bond indenture	$ 61,413	$ 12,128
Designated for deferred compensation	24,936	19,400
Set aside to fund restricted donations	1,019	1,005
Designated for residency fees on deposit	977	985
Total assets limited as to use	88,345	33,518
Less - Current portion	1,679	555
Total assets limited as to use - Noncurrent	$ 86,666	$ 32,963

Note 6 Investments and Assets Limited as to Use (Continued)

Investment income, and unrealized gains and losses on investments, consisted of the following

	In Thousands	
	2013	2012
Interest and dividend income	$ 5,492	$ 4,183
Net realized gain on sale of investments	3,270	552
Investment fees	(631)	(573)
Total investment income	$ 8,131	$ 4,162
Net unrealized gains and losses	$ 5,928	$ (4,630)
Total investment return	$ 14,059	$ (468)

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Management assesses individual investment securities as to whether declines in market value are other-than-temporary and result in impairment. For equity securities, mutual funds, hedge funds, and exchange traded funds, Agnesian considers whether it has the ability and intent to hold the investment until a market price recovery. Evidence considered in this includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, the issuer's financial condition, and the general market condition in the geographic area or industry in which the investee operates. For debt securities and government obligations, if Agnesian has made a decision to sell the security, or if it is more likely than not Agnesian will sell the security before the recovery of the security's cost basis, an other-than-temporary impairment is considered to have occurred. If Agnesian has not made a decision or does not have an intent to sell the debt security, but the debt security is not expected to recover its value due to a credit loss, an other-than-temporary impairment is considered to have occurred.

Note 6 Investments and Assets Limited as to Use (Continued)

Because Agnesian has the intent and the ability to hold investment securities until a market price recovery or maturity, investment securities at June 30, 2013 and 2012 are not considered other-than-temporarily impaired. No impairment losses were recognized by Agnesian during 2013 and 2012.

The unrealized losses and related fair value of the investments for which fair value is less than cost, aggregated by security type, is as follows at June 30

	In Thousands					
	Less Than 12 Months		More Than 12 Months		Total	
2013	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual funds and common stock	$ 58,056	$ 2,527	$ 2,708	$ 829	$ 60,764	$ 3,356
Corporate debt securities	1,066	5	50	1	1,116	6
Hedge funds	970	29	313	589	1,283	618
Totals	$ 60,092	$ 2,561	$ 3,071	$ 1,419	$ 63,163	$ 3,980
2012						
Mutual funds and common stock	$ 27,172	$ 3,075	$ 3,459	$ 1,517	$ 30,631	$ 4,592
Corporate debt securities	202	2	-	-	202	2
Hedge funds	3,906	1,182	2,873	583	6,779	1,765
Totals	$ 31,280	$ 4,259	$ 6,332	$ 2,100	$ 37,612	$ 6,359

Note 7 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Cash equivalents, consisting primarily of money market fund, are valued using a net asset value (NAV) of $1.
- Publicly traded certificates of deposit, U.S. government obligations, and corporate debt securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data.
- Hedge funds and exchange traded funds are valued at NAV based on the valuation of the underlying investments of the funds.
- Cash surrender value of life insurance is valued based on the underlying investments and represents the guaranteed value that would be received upon surrender of these policies.
- Mutual funds are valued at quoted market prices, which represent the NAV of shares held by Agnesian at year-end.
- Quoted market prices are used to determine the fair value of investments in common stocks
- The interest rate swap agreement is valued using a market approach based on estimates by a third-party valuation service that uses a discounted cash flow analysis using observable market-based inputs, including forward interest rate curves.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Agnesian believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 7 Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, Agnesian's assets and liability at fair value as of June 30

	(In Thousands)			
	2013			Total Assets/
	Fair Value Measurements Using			Liability at
	Level 1	Level 2	Level 3	Fair Value
Assets				
Cash equivalents	$ -	$ 31,743	$ -	$ 31,743
Certificates of deposit	-	2,070	-	2,070
U S government obligations	-	984	-	984
Hedge funds	-	30,665	-	30,665
Cash surrender value of life insurance	-	22,615	-	22,615
Exchange traded funds	14,533	-	-	14,533
Mutual funds				
Blend	728	-	-	728
Bond	63,162	-	-	63,162
Government bonds	26,648	-	-	26,648
Growth	15,924	-	-	15,924
Value	3,315	-	-	3,315
Common stocks				
Consumer discretionary	4,087	-	-	4,087
Consumer staples	2,239	-	-	2,239
Energy	10,473	-	-	10,473
Financial	5,005	-	-	5,005
Health care	4,151	-	-	4,151
Industrial	3,827	-	-	3,827
Information technology	5,733	-	-	5,733
Materials	2,288	-	-	2,288
Telecommunication services	1,584	-	-	1,584
Utilities	453	-	-	453
Total assets at fair value	$ 164,150	$ 88,077	$ -	$ 252,227
Liability - Interest rate swap valuation	$ -	$ 2,055	$ -	$ 2,055

Note 7 Fair Value Measurements (Continued)

	(In Thousands)			
	2012			Total Assets/
	Fair Value Measurements Using			Liability at
	Level 1	Level 2	Level 3	Fair Value
Assets				
Cash equivalents	$ -	$ 5,881	$ -	$ 5,881
Certificates of deposit	-	2,400	-	2,400
U S government obligations	-	5,811	-	5,811
Corporate debt securities	-	725	-	725
Hedge funds	-	31,116	-	31,116
Cash surrender value of life insurance	-	17,606	-	17,606
Exchange traded funds	6,539	-	-	6,539
Mutual funds				
Blend	473	-	-	473
Bond	56,211	-	-	56,211
Government bonds	3,591	-	-	3,591
Growth	4,309	-	-	4,309
Value	1,852	-	-	1,852
Common stocks				
Consumer discretionary	4,609	-	-	4,609
Consumer staples	2,812	-	-	2,812
Energy	4,365	-	-	4,365
Financial	4,685	-	-	4,685
Health care	4,631	-	-	4,631
Industrial	3,699	-	-	3,699
Information technology	8,384	-	-	8,384
Materials	2,601	-	-	2,601
Telecommunication services	1,520	-	-	1,520
Utilities	470	-	-	470
Total assets at fair value	$ 110,751	$ 63,539	$ -	$ 174,290
Liability - Interest rate swap valuation	$ -	$ 3,192	$ -	$ 3,192

Note 7 Fair Value Measurements (Continued)

The following table sets forth additional disclosures of Agnesian's hedge fund investments whose fair values are estimated using NAV per share as of June 30

	(In Thousands)		Unfunded	Redemption		
	2013	2012	Commitments	Frequency	Restrictions	Notice Period
Skybridge Multi-Advisor Hedge Fund (a)	$ 8,074	$ 5,748	-	Quarterly	None	65 days
The Weatherlow Offshore Fund (b)	5,719	5,168	-	Quarterly	None	45 days
Permal Macro Holdings (c)	-	3,987	-	Monthly	None	11 days
Private Advisors Hedged Equity Fund (d)	4,586	4,043	-	Monthly	None	11 days
Paulson Advantage Plus Master (e)	-	612	-	Semi-Monthly	None	68 days
Avenue Strategic Partners (f)	5,335	4,679	-	Quarterly	(f)	60 days
Pointer Offshore Fund (g)	3,533	3,222	-	Quarterly	(g)	117 days
Lighthouse Diversified Fund (h)	3,105	2,933	-	Quarterly	(h)	90 days
Selectinvest ARV Fund (i)	76	297	-	Quarterly	(i)	90 days
Other	237	427	-	Various	Various	Various
Totals	$ 30,665	$ 31,116				

Information regarding investment strategy and redemption restrictions of the hedge funds is as follows.

(a) The Skybridge Multi-Advisor Hedge Fund is designed to serve as a core hedge fund holding with the goal of providing additional diversification to an overall investment portfolio. The fund's investment objective is to seek capital appreciation by realizing attractive risk-adjusted returns over a three- to five-year investment horizon. The portfolio allocation includes 40% fixed income arbitrage mortgage-backed securities, 17% event-driven equity, 10% event-driven multistrategy, and 33% other.

(b) The Weatherlow Offshore Fund is a diversified fund of hedge funds with a mix of investments of approximately 50% equity, 25% event driven, 20% relative value, and 5% global macro.

Note 7 Fair Value Measurements (Continued)

(c) Permal Macro Holdings provides investment opportunities across global financial markets. The investment strategy is global exposure with a mix of investments of approximately 50% discretionary, 30% systematic, 10% natural resources, 5% relative value arbitrage, and 5% cash.

(d) Private Advisors Hedged Equity Fund places its capital with a variety of experienced portfolio managers who employ diverse styles and strategies. The fund anticipates the investment strategies employed will be long/short equity investing driven by fundamental bottom-up research, as well as various investment strategies that may include, but are not limited to, convertible arbitrage, merge or risk arbitrage, distressed debt, multistrategy, and market-neutral strategies. The fund's strategy includes 50% lower volatility multistrategy style, and 50% long/short equity style.

(e) Paulson Advantage Plus Master is a fund that seeks to achieve capital appreciation through trading in securities, primarily by using event-driven strategies, including merger arbitrage, distressed securities, relative value, and special situations. The majority of the positions are mid to large cap (greater than $1 billion market cap).

(f) Avenue Strategic Partners is a fund of hedge funds focused on distressed, special situations, deep-value, or event-driven strategies. The funds capitalize on expertise in the distressed markets and seek to build the optimal combination of portfolio funds to exploit investment opportunities throughout the distressed cycle. The strategy allocation includes 65% distressed, 14% event-driven credit arbitrage, 12% event-driven other, and 9% special situations. Funds are primarily invested in North America and developed non-North American markets, with a small percentage in emerging markets. Avenue Strategic Partners includes a 5% holdback for redemptions during an 18-month lock-up period.

Note 7 Fair Value Measurements (Continued)

(g) Pointer Offshore Fund invests with alternative money managers who specialize in long/short equity based on fundamental, bottom-up research and also typically invests a percentage of assets with managers specializing in distressed/credit, commodities, special situations, etc. The strategy allocation includes 53% hedged global, 16% distressed/credit, 10% commodity related, 6% domestic, 6% special situations, and 9% other. Pointer Offshore Fund redemptions in full are subject to a holdback of 10%. There is a 117-day redemption notice period after a 2-year lock-up has expired.

(h) The Lighthouse Diversified Fund is a group of funds whose investment objective is to seek consistent stable returns by allocating the Lighthouse Diversified Fund's assets to subadvisers who use a variety of different investment strategies and invest across a wide range of financial instruments. The portfolio is composed of relative value arbitrage, market neutral equity, long/short equity, fixed income, global trading, credit, cash, and options. Redemptions in the first year are subject to a redemption fee equal to 2%. There is also a 10% holdback on all redemptions.

(i) The Selectinvest ARV Fund investment objective is to develop and actively maintain an investment portfolio of alternative asset managers who will seek to earn above-average, risk-adjusted, long-term returns with a low correlation to traditional equity and fixed income markets. The allocation strategy includes 33% equity long/short, 14% credit event, 13% event drive, 11% global macro, 10% relative value, 7% commodities, 4% emerging markets, and 8% other. The Selectinvest ARV Fund has a 5% redemption holdback.

Based on Agnesian's borrowing rates currently available for bonds with similar terms and maturities, the estimated fair value of the bonds at June 30, 2013, was approximately $182,473,000.

Note 8 Property and Equipment

Property and equipment consisted of the following at June 30

	In Thousands	
	2013	2012
Land and land improvements	$ 14,873	$ 14,599
Buildings and building improvements	185,301	170,242
Leasehold improvements	3,178	2,821
Fixed equipment	14,037	13,923
Movable equipment	146,433	131,449
Automobiles	1,018	986
Total property and equipment	364,840	334,020
Less - Accumulated depreciation	193,909	176,407
Net depreciated value	170,931	157,613
Construction in progress	17,975	16,598
Property and equipment - Net	$ 188,906	$ 174,211

Construction in progress consisted of the following at June 30

	In Thousands	
	2013	2012
Information technology	$ 7,887	$ 8,029
St. Agnes facility improvements	2,676	6,724
Ripon Hospital	4,744	-
Other	2,668	1,845
Totals	$ 17,975	$ 16,598

Note 8 Property and Equipment (Continued)

At June 30, 2013, Agnesian had commitments totaling $42,644,000 related to construction and equipping of a new hospital and medical clinic in Ripon, expansion of an existing outpatient facility located in Fond du Lac, and construction of a facility located adjacent to an existing surgery center.

Note 9 Bank Lines of Credit

Agnesian has two $10,000,000 variable interest rate bank lines of credit that are unsecured. There were no borrowings against the lines of credit at June 30, 2013 and 2012.

Note 10 Long-Term Debt

In March 2013, Wisconsin Health and Educational Facilities Authority (WHEFA) issued, for Agnesian's benefit, $53,970,000 revenue bonds ("Series 2013 Bonds"). Proceeds from the Series 2013 Bonds will be used to fund the construction and equipping of a new hospital and medical clinic in Ripon, expansion of an existing outpatient facility located in Fond du Lac, and construction of a facility located adjacent to an existing surgery center and to pay certain costs associated with the issuance of the Series 2013 Bonds.

In July 2012, WHEFA issued, for Agnesian's benefit, $11,632,000 of revenue bonds ("Series 2012 Bonds"). Proceeds from Series 2012 Bonds were used to refund the remaining balance on the WHEFA Series 1998 Revenue Bonds and pay certain costs associated with the issuance of the Series 2012 Bonds.

In December 2011, WHEFA issued, for Agnesian's benefit, $10,200,000 of revenue bonds ("Series 2011 Bonds"). Proceeds from Series 2011 Bonds were used to partially refund the WHEFA Series 1998 Revenue Bonds and pay certain costs associated with the issuance of the Series 2011 Bonds.

Note 10 Long-Term Debt (Continued)

In November 2010, WHEFA issued, for Agnesian's benefit, $57,260,000 of adjustable rate revenue bonds ("Series 2010 Bonds"). Proceeds from the Series 2010 Bonds were used to refund the WHEFA Series 2001 Revenue Bonds, fund the acquisition, construction, renovation, and equipment related to the private room construction project, and pay certain costs associated with the issuance of the Series 2010 Bonds.

In December 2008, WHEFA issued, for Agnesian's benefit, $49,330,000 of adjustable rate revenue bonds ("Series 2008 Bonds"). Proceeds from the Series 2008 Bonds were used to refund the WHEFA Series 2005 Revenue Bonds and pay debt issuance costs. In June 2011, the Series 2008 Bonds were converted to bank-owned direct purchase bonds. Prior to June 30, 2011, the Series 2008 Bonds were secured by an irrevocable direct-pay letter of credit totaling $50,043,596. As a result of the conversion to bank-owned bonds, the letter of credit was terminated.

In June 1997, WHEFA issued, for Agnesian's benefit, $12,000,000 of adjustable rate revenue bonds ("Series 1997 Bonds"). Proceeds of the Series 1997 Bonds were used to pay the cost of acquisition, construction, and equipping of facilities for St. Francis Home.

As security for the payment of the revenue bonds, Agnesian has granted to the Master Trustee a security interest in all of Agnesian's rents, revenue, income, and receipts, including all rights, title, and interest in and to all monies, earnings, and receivables, whether now owed or hereafter acquired subject to certain exceptions. Each organizational member of the Obligated Group (Agnesian HealthCare, Waupun, Ripon, Consultants Lab, Enterprises, and St. Francis Home) is jointly and severally liable for the guarantee of principal and interest on all Master Notes issued under the Master Indenture.

The Master Indenture requires the creation of funds to be held by a trustee for payment of construction costs and bond principal and interest. These funds, which are not available for general purposes, are classified as assets limited as to use. In addition, the Master Indenture requires maintenance of certain debt service coverage ratios, limits additional borrowings, and requires compliance with various other restrictive covenants. Management believes Agnesian is in compliance with all covenants at June 30, 2013.

Note 10 Long-Term Debt (Continued)

Long-term debt consisted of the following at June 30

	In Thousands	
	2013	2012
WHEFA Revenue Bonds, Series 2013B, dated March 14, 2013, with an interest rate of 5 0%, due in varying annual amounts ranging from $1,130,000 in 2025 to $10,485,000 in 2037	$ 48,265	$ -
JP Morgan Revenue Bonds, Series 2013A, dated March 14, 2013, with an interest rate of 1 89%, due in varying annual amounts ranging from $190,000 in 2017 to $1,100,000 in 2037	5,705	-
Note payable, interest at 4.5%, payable in monthly installments of $21,439 including interest through December 2017	1,046	-
WHEFA Revenue Bonds, Series 2012, dated July 6, 2012, with an interest rate of 4 0%, amounts ranging from $22,510 in 2014 to $1,833,390 in 2017	11,597	-
WHEFA Revenue Bonds, Series 2011, dated December 31, 2011, with interest at 2 78%, due in varying annual amounts ranging from $1,004,000 in 2014 to $1,342,00 in 2020	8,158	9,112
WHEFA Revenue Bonds, Series 2010, dated November 15, 2010, with rates of interest varying from 5 00% to 5 75%, due in varying annual amounts ranging from $1,035,000 in 2014 to $1,750,000 in 2040	54,545	55,530

Note 10 Long-Term Debt (Continued)

	In Thousands	
	2013	2012
WHEFA Adjustable Rate Revenue Bonds, Series 2008, dated December 1, 2008, variable rate of interest (1.036% and 1 222% at June 30, 2013 and 2012, respectively), due in varying annual amounts ranging from $950,000 in 2014 to $5,465,000 in 2035	$ 47,405	$ 48,330
WHEFA Revenue Bonds, Series 1998, dated June 24, 1998, with rates of interest varying from 4 900% to 5 125%, refinanced with the Series 2011 Bonds and Series 2012 Bonds	-	11,430
WHEFA Revenue Bonds, Series 1997, variable rates of interest (0.30% and 0 28% at June 30, 2013 and 2012, respectively), due in varying amounts ranging from $735,000 in 2014 to $165,000 in 2016	1,660	2,370
Ripon Medical Center WHEFA Revenue Bonds, Series 1998, paid during 2013	-	65
Subtotals	178,381	126,837
Unamortized bond premium	6,035	770
Total long-term debt	184,416	127,607
Less - Current portion	3,961	3,639
Long-term portion	$ 180,455	$ 123,968

Note 10 Long-Term Debt (Continued)

Required payments of principal of the long-term debt, including current maturities, are as follows

	In Thousands
2014	$ 3,961
2015	4,122
2016	4,169
2017	4,487
2018	5,329
Thereafter	156,313
Total	$ 178,381

Note 11 Interest Rate Swap

Agnesian has a master swap agreement dated April 27, 2005, with a financial institution for an interest rate swap transaction for the purpose of hedging the variable interest rate on a portion of the Series 2008 Revenue Bonds (Note 10). The interest rate swap has a notional amount which amortizes over the term of the agreement and which totaled $14,000,000 and $14,350,000 at June 30, 2013 and 2012, respectively. The agreement, which matures July 1, 2033, converts the hedged Series 2008 Revenue Bonds to a fixed rate of 3.545%.

Agnesian assesses the effectiveness of the interest rate swap as a cash flow hedge instrument on a periodic basis, and for the years ended June 30, 2013 and 2012, determined the hedge to be effective, thus the change in the fair value of the hedge is shown as a change in unrestricted net assets.

Agnesian is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap. However, Agnesian does not anticipate nonperformance by the counterparty.

The interest rate swap agreement is recorded at fair value and is recorded as a liability of $2,055,000 and $3,192,000 as of June 30, 2013 and 2012, respectively.

Note 12 Leases

Agnesian leases various equipment under capital lease obligations. Property and equipment included the following amounts at June 30 for leases which have been capitalized.

	In Thousands	
	2013	2012
Movable equipment	$ 16,576	$ 23,507
Less - Accumulated amortization	8,622	16,895
Totals	$ 7,954	$ 6,612

Agnesian has also entered into various noncancelable operating lease agreements primarily for equipment and buildings. Future minimum payments, by year and in the aggregate, under capital leases and noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following

	In Thousands	
	Capital Leases	Operating Leases
2014	$ 1,893	$ 4,500
2015	1,706	2,054
2016	1,621	1,019
2017	1,141	742
2018	658	470
Thereafter	525	461
Total minimum lease payments	7,544	$ 9,246
Amount representing interest	810	
Present value of net minimum lease payments	6,734	
Less - Current portion	1,691	
Long-term obligations under capital leases	$ 5,043	

Rent expense totaled approximately $6,202,000 and $6,314,000 in 2013 and 2012, respectively.

Note 13 Temporarily Restricted Net Assets

Temporarily restricted net assets primarily include the interest in net assets of foundations, along with assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets are expendable to support the following purposes at June 30:

	In Thousands	
	2013	2012
Interest in Agnesian HealthCare Foundation		
Hospice	$ 935	$ 950
St. Francis Home - Patient care and other	3,049	3,052
Other health services and initiatives	7,747	6,590
Interest in Foundation for Ripon Medical Center, Inc.	3,565	3,393
Agnesian HealthCare - Patient care and other	60	57
Total temporarily restricted net assets	$ 15,356	$ 14,042

Note 14 Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income of which was expendable to support patient care and other services at June 30

	In Thousands	
	2013	2012
Interest in Agnesian HealthCare Foundation		
Other health services and initiatives	$ 1,151	$ 1,146
St. Francis Home	321	315
Agnesian HealthCare	1,000	1,000
Total permanently restricted net assets	$ 2,472	$ 2,461

Note 15 Malpractice Insurance

Agnesian's professional liability insurance for claim losses of up to $1,000,000 per claim and $3,000,000 per aggregate covers professional liability claims reported during a policy year (claims-made coverage). Losses in excess of these policy amounts are covered through mandatory participation in the Injured Patients and Family Compensation Fund of the State of Wisconsin. The professional liability and umbrella insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending to July 1, 2014. In addition, Agnesian maintains umbrella coverage for claims in excess of the general liability limits to a maximum of $15,000,000 per occurrence and $15,000,000 per year.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with Agnesian. Although there exists the possibility of claims arising from services provided to patients through June 30, 2013, which have not been asserted, Agnesian is unable to determine the ultimate cost, if any, of such possible claims and, accordingly, no provision has been made for them.

Note 16 Professional Services Agreement

Agnesian HealthCare has entered into a multiyear professional services agreement (PSA) with Fond du Lac Regional Clinic, SC (FDLRC SC). Under this agreement, Agnesian purchases physician services from FDLRC SC in exchange for the rights to all proceeds from billings for such services. Payments to FDLRC SC are made on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined in accordance with the PSA. For 2013 and 2012, professional fees and purchased services expense included approximately $52,359,000 and $50,633,000, respectively, for FDLRC SC professional services.

Note 17 Retirement Plans

Agnesian has established the Retirement Savings Plan Plus (the "Savings Plan") and a related trust to provide retirement benefits for employees of Agnesian, Waupun, Ripon, St. Francis Home, Consultants Lab, Enterprises, and certain sisters of the Congregation. The Savings Plan is a defined contribution plan available to employees who have attained age 18. Participating employees can elect to contribute all or part of their qualifying earnings to the Savings Plan and/or to contribute a fixed sum. Agnesian contributes a discretionary amount based upon eligible employee compensation and contributions to the Savings Plan. Total contribution expense was approximately $7,430,000 and $6,813,000 during 2013 and 2012, respectively.

Ripon also has a defined contribution retirement plan that was frozen on January 1, 2012, at which point Ripon employees became eligible to participate in the Savings Plan. There are no further employee or employer contributions to the Ripon plan effective January 1, 2012.

Note 18 Deferred Compensation

Under terms of the PSA with FDLRC SC discussed in Note 16, Agnesian has a deferred compensation plan that permits eligible employees of FDLRC SC to defer portions of their compensation. Participating eligible employees earn investment income on the deferred amounts. The salaries that have been deferred since the plan's inception, along with the related investment earnings, have been accrued as part of the deferred compensation liability. Agnesian has established a trust to finance obligations under the plan with corporate-owned life insurance contracts on the related employees.

Agnesian has deferred compensation liabilities related to this plan totaling approximately $22,616,000 and $17,606,000 at June 30, 2013 and 2012, respectively.

Note 18 Deferred Compensation (Continued)

Agnesian also has deferred compensation plans under Section 457 of the Code. These plans provide enhanced benefits to eligible executives and physicians. Under the terms of these plans, amounts are deposited into investment accounts which have been designated for the benefit of the participant. Agnesian has deferred compensation liabilities related to this plan totaling approximately $2,321,000 and $1,794,000 at June 30, 2013 and 2012, respectively.

The assets designated to finance the deferred compensation liabilities totaled approximately $24,936,000 and $19,400,000 at June 30, 2013 and 2012, respectively, and are included in assets limited as to use on the accompanying consolidated balance sheets.

For the years ended June 30, 2013 and 2012, Agnesian's expenses related to the deferred compensation plans totaled approximately $3,081,000 and $3,236,000, respectively.

Note 19 Self-Funded Health and Dental Insurance

Agnesian sponsors a self-funded health care plan which provides medical and dental benefits to substantially all of its employees and their dependents. Employees share in the cost of health benefits. The health care expense is based upon actual claims paid, administration fees, and provisions for unpaid and unreported claims at year-end.

At June 30, 2013 and 2012, the provision for unpaid and unreported claims included in accrued liabilities was approximately $2,016,000 and $2,618,000, respectively. Management believes these liabilities are sufficient to cover estimated claims, including claims incurred but not yet reported.

Note 20 Functional Expenses

Agnesian's functional expenses are as follows

	In Thousands	
	2013	2012
Health care services	$ 318,272	$ 302,587
General and administrative services	71,452	67,995
Total expenses	$ 389,724	$ 370,582

Note 21 Concentration of Credit Risk

Financial instruments that potentially subject Agnesian to credit risk consist principally of cash deposits in excess of insured limits, accounts receivable, and investments which are uninsured.

Agnesian maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are FDIC insured up to $250,000. At June 30, 2013, Agnesian exceeded the insured limits by approximately $33,022,000. In addition, other investments held by financial institutions are uninsured.

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies. The mix of receivables from patients and third-party payors was as follows at June 30:

	2013	2012
Medicare	39%	39%
Medicaid	7%	8%
Commercial insurance and other	42%	39%
Private pay	12%	14%
Totals	100%	100%

Note 22 Transactions With Affiliated Organizations

Agnesian employs certain sisters of the Congregation. Sisters' salaries and related costs totaled approximately $432,000 and $473,000 for 2013 and 2012, respectively.

St. Francis Home recorded approximately $1,930,000 and $1,917,000 of revenue from the Congregation for 2013 and 2012, respectively, for services provided to Congregation members.

Agnesian Foundation is a tax-exempt corporation organized by the Congregation exclusively for charitable, educational, religious, and scientific purposes. St. Agnes donates management and general services to Agnesian Foundation. Total expenses incurred by St. Agnes for these donated services and supplies approximated $270,000 and $277,000 in 2013 and 2012, respectively. Agnesian Foundation made grants to Agnesian totaling approximately $866,000 and $1,200,000 in 2013 and 2012, respectively. Agnesian Foundation had grants payable to Agnesian totaling approximately $676,000 and $822,000 at June 30, 2013 and 2012, respectively.

Ripon Foundation is a tax-exempt corporation that receives gifts and bequests, raises funds for specific projects or needs, administers and invests funds, and disburses payments to and for the benefit of Ripon at the discretion of Ripon Foundation's Board of Directors. Ripon donates management and general services to Ripon Foundation. Total expenses donated by Ripon for these services and supplies approximated $23,000 and $30,000 in 2013 and 2012, respectively.

Note 23 Long-Term Contract Commitment

Agnesian HealthCare has entered into an Information Technology Services Agreement (ITSA) with IBM. The ITSA includes delivery management services, asset services, help desk services, user support services, server systems management services, data network services, enterprise security management services, application management services, remote hosting services, and disaster recovery services. The initial agreement period ends December 31, 2014.

Note 23 Long-Term Contract Commitment (Continued)

The base fees (fixed annual charges) together with various indexing adjustments are payable in accordance with a predetermined pricing agreement. The agreement allows adjustments to the base fee for changes in services to be provided. In addition, the contract requires certain service level credits, which are reviewed and audited against source data on a monthly basis. At June 30, 2013, the future estimated fees, exclusive of consumer price indexing adjustments and obligations outside of the ITSA, are as follows

	In Thousands
2014	$ 8,413
2015	4,161
Total	$ 12,574

Supplementary Information

WIPFLi LLP

Independent Auditor's Report on Supplementary Information

Board of Directors
Agnesian HealthCare, Inc.
Fond du Lac, Wisconsin

We have audited the consolidated financial statements of Agnesian HealthCare, Inc. and Affiliates as of and for the years ended June 30, 2013 and 2012, and our report thereon dated September 16, 2013, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information appearing on pages 52 through 55 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP

September 16, 2013
Wausau, Wisconsin

Agnesian HealthCare, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2013 (With Comparative Totals for June 30, 2012)

	In Thousands		
Assets	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Current assets.			
Cash and cash equivalents	$ 10,219	$ 5,959	$ 739
Assets limited as to use	86	-	1,593
Accounts receivable - Net	44,190	5,172	2,632
Other receivables	6,066	46	280
Inventory	1,410	-	248
Prepaid expenses and other	2,485	105	68
Total current assets	64,456	11,282	5,560
Investments	168,895	-	527
Assets limited as to use, less current portion	52,215	-	33,474
Property and equipment - Net	144,392	17,800	8,811
Other assets.			
Interest in net assets of foundations	9,833	-	3,565
Investment in unconsolidated affiliate	18,278	-	-
Deferred financing costs	1,163	-	378
Intangibles - Net	3,335	-	561
Other	5,329	-	1
Total other assets	37,938	-	4,505
TOTAL ASSETS	$ 467,896	$ 29,082	$ 52,877

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated 2013	Consolidated 2012
$ 8,624	$ 1,649	$ 1,633	$ -	$ 28,823	$ 20,396
-	-	-	-	1,679	555
1,830	453	2,112	-	56,389	53,722
739	1	112	(4,018)	3,226	3,151
75	42	3,159	-	4,934	5,241
271	16	15	-	2,960	2,882
11,539	2,161	7,031	(4,018)	98,011	85,947
1,803	1,300	-	-	172,525	148,613
-	977	-	-	86,666	32,963
1,767	14,846	1,290	-	188,906	174,211
-	3,370	-	-	16,768	15,446
-	-	-	(18,278)	-	-
-	38	-	-	1,579	1,271
-	-	141	-	4,037	4,234
1	2	-	(5,000)	333	240
1	3,410	141	(23,278)	22,717	21,191
$ 15,110	$ 22,694	$ 8,462	$ (27,296)	$ 568,825	$ 462,925

Agnesian HealthCare, Inc. and Affiliates

Consolidating Balance Sheet (Continued)

June 30, 2013 (With Comparative Totals for June 30, 2012)

	In Thousands		
Liabilities and Net Assets	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Current liabilities.			
Current maturities of long-term debt	$ 3,226	$ -	$ -
Current portion of obligations under capital leases	1,691	-	-
Accounts payable	9,886	1,450	1,211
Accrued liabilities	18,226	1,544	811
Amounts payable to third-party reimbursement programs	310	264	-
Total current liabilities	33,339	3,258	2,022
Long-term liabilities			
Long-term debt	140,300	-	39,230
Capital lease obligations	5,043	-	-
Deferred compensation	24,937	-	-
Residency fees on deposit and other	-	-	-
Interest rate swap valuation	2,055	-	-
Total long-term liabilities	172,335	-	39,230
Total liabilities	205,674	3,258	41,252
Net assets			
Unrestricted	251,329	25,824	8,060
Temporarily restricted	8,742	-	3,565
Permanently restricted	2,151	-	-
Total net assets	262,222	25,824	11,625
TOTAL LIABILITIES AND NET ASSETS	$ 467,896	$ 29,082	$ 52,877

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated 2013	Consolidated 2012
$ -	$ 735	$ -	$ -	$ 3,961	$ 3,639
-	-	-	-	1,691	1,643
659	542	2,807	(4,018)	12,537	10,292
1,157	890	671	-	23,299	21,128
-	-	-	-	574	1,320
1,816	2,167	3,478	(4,018)	42,062	38,022
-	5,925	-	(5,000)	180,455	123,968
-	-	-	-	5,043	2,972
-	-	-	-	24,937	19,400
-	977	-	-	977	985
-	-	-	-	2,055	3,192
-	6,902	-	(5,000)	213,467	150,517
1,816	9,069	3,478	(9,018)	255,529	188,539
13,294	10,255	4,984	(18,278)	295,468	257,883
-	3,049	-	-	15,356	14,042
-	321	-	-	2,472	2,461
13,294	13,625	4,984	(18,278)	313,296	274,386
$ 15,110	$ 22,694	$ 8,462	$ (27,296)	$ 568,825	$ 462,925

Agnesian HealthCare, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2013 (With Comparative Totals for the Year Ended June 30, 2012)

	In Thousands		
	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Unrestricted net assets			
Revenue:			
Patient service revenue (net of contractual adjustments and discounts)	$ 320,483	$ 40,901	$ 21,769
Provision for bad debts	(14,549)	(1,959)	(1,343)
Net patient service revenue, less provision for bad debts	305,934	38,942	20,426
Other operating revenue	6,177	1,659	1,253
Total revenue	312,111	40,601	21,679
Operating expenses			
Salaries and wages	106,808	13,811	8,821
Fringe benefits	26,835	3,042	1,581
Professional fees and purchased services	79,710	8,161	5,478
Supplies and other	51,013	6,015	2,887
Maintenance and utilities	18,772	1,506	1,352
Depreciation and amortization	16,224	1,917	1,460
Interest	4,474	-	45
Total operating expenses	303,836	34,452	21,624
Income from operations	8,275	6,149	55
Other income (expense):			
Investment income	7,794	5	50
Income taxes	-	-	-
Loss on bond defeasance	(735)	-	-
Gain (loss) on disposal of property and equipment	48	-	(20)
Other	7,946	-	-
Total other income (expense) - Net	15,053	5	30
Revenue in excess of expenses	23,328	6,154	85

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated 2013	Consolidated 2012
$ 29,121	$ 12,135	$ 30,544	$ (31,185)	$ 423,768	$ 401,625
(700)	(22)	(50)	-	(18,623)	(14,943)
28,421	12,113	30,494	(31,185)	405,145	386,682
89	409	2	(1,817)	7,772	8,569
28,510	12,522	30,496	(33,002)	412,917	395,251
8,792	6,476	5,467	-	150,175	140,505
2,512	2,053	1,314	(17,124)	20,213	21,489
2,086	370	520	(14,454)	81,871	78,661
5,535	1,367	21,445	(529)	87,733	82,371
1,797	598	474	(895)	23,604	23,523
653	953	294	-	21,501	19,859
-	108	-	-	4,627	4,174
21,375	11,925	29,514	(33,002)	389,724	370,582
7,135	597	982	-	23,193	24,669
37	245	-	-	8,131	4,162
(127)	-	(86)	-	(213)	(376)
-	-	-	-	(735)	(462)
4	-	1	-	33	17
-	-	-	(7,946)	-	-
(86)	245	(85)	(7,946)	7,216	3,341
7,049	842	897	(7,946)	30,409	28,010

Agnesian HealthCare, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets (Continued)

Year Ended June 30, 2013 (With Comparative Totals for the Year Ended June 30, 2012)

	In Thousands		
	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Other changes in unrestricted net assets			
Net asset transfer	$ 5,000	$ (2,500)	$ -
Change in unrealized gains and losses on investment securities	6,048	-	(38)
Interest rate swap valuation adjustment	1,137	-	-
Contributions for property and equipment	-	13	12
Net assets released from restrictions for capital	50	-	-
Total other changes in unrestricted net assets	12,235	(2,487)	(26)
Increase (decrease) in unrestricted net assets	35,563	3,667	59
Temporarily restricted net assets			
Contributions	3	-	-
Change in interest in net assets of foundations	2,193	-	172
Net assets released from restrictions			
For capital	(50)	-	-
For operations	(1,001)	-	-
Increase (decrease) in temporarily restricted net assets	1,145	-	172
Increase in permanently restricted net assets - Change in interest in net assets of foundations	5	-	-
Increase in net assets	36,713	3,667	231
Net assets at beginning	225,509	22,157	11,394
Net assets at end	$ 262,222	$ 25,824	$ 11,625

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated 2013	Consolidated 2012
$ (5,000)	$ (2,500)	$ -	$ 5,000	$ -	$ -
-	(82)	-	-	5,928	(4,630)
-	-	-	-	1,137	(1,618)
-	-	-	-	25	13
-	36	-	-	86	555
(5,000)	(2,546)	-	5,000	7,176	(5,680)
2,049	(1,704)	897	(2,946)	37,585	22,330
-	-	-	-	3	-
-	33	-	-	2,398	1,537
-	(36)	-	-	(86)	(555)
-	-	-	-	(1,001)	(883)
-	(3)	-	-	1,314	99
-	6	-	-	11	-
2,049	(1,701)	897	(2,946)	38,910	22,429
11,245	15,326	4,087	(15,332)	274,386	251,957
$ 13,294	$ 13,625	$ 4,984	$ (18,278)	$ 313,296	$ 274,386

Additional Data

Software ID:
Software Version:
EIN: 39-0807236
Name: AGNESIAN HEALTHCARE INC

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

(A) Name and Title	(B) Average hours per week (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			
STEVEN N LITTLE PRESIDENT AND CEO	50 00	X		X				764,859	0	35,201
SR MARY NOEL BROWN EX-OFFICIO	1 00	X						0	0	0
JAMES R CHATTERTON VICE CHAIRPERSON	1 00	X		X				0	0	0
DENISE DEVERAUX DIRECTOR	1 00	X						0	0	0
JOAN KARSTEN DIRECTOR	1 00	X						0	0	0
SR ANN KOERNER EX-OFFICIO	1 00	X						0	0	0
SR HERTHA LONGO DIRECTOR	1 00	X						0	0	0
STEPHEN MASSICK MD DIRECTOR	1 00	X						0	0	0
WAYNE MATZKE TREASURER	1 00	X		X				0	0	0
ROBERT MIKKELSON MD DIRECTOR	1 00	X						0	0	0
H JACK POLLEI DIRECTOR	1 00	X						10,042	0	0
JOSEPH REITEMEIER CHAIRPERSON	1 00	X		X				0	0	0
JAMES B SIMON SECRETARY	1 00	X		X				4,859	0	0
MICHAEL STRINGENZ MD DIRECTOR	1 00	X						0	0	0
JEFFERY STRONG MD DIRECTOR	1 00	X						0	0	0
DR JUDITH WESTPHAL DIRECTOR	1 00	X						0	0	0
ALLAN MILANI MD EX-OFFICIO	1 00	X						464,776	0	24,695
JAMES P MUGAN SR VP CLINICAL SERVICES &	50 00				X			345,315	0	38,946
BONNIE SCHMITZ CHIEF FINANCIAL OFFICER	50 00				X			296,640	0	22,465
DENNIS YUNK SR VP CLINIC ADMINISTRATOR	50 00				X			274,980	0	29,865
CAROL B HYLAND PRESIDENT AND CEO - CLW	50 00				X			263,848	0	31,734
DOUGLAS D TROST CEO - ST FRANCIS HOME	50 00				X			220,682	0	30,136
SR MARY MOLLISON VP SPIRITUALITY AND CARE T	50 00				X			214,662	0	9,271
BARBARA LKNUTZEN PRES AND CEO-AHE AND PERFO	50 00				X			205,693	0	25,899
SUSAN L EDMINSTER VP - HUMAN RESOURCES	50 00				X			202,817	0	18,660

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

(A) Name and Title	(B) Average hours per week (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			
NANCY A BIRSCHBACH VP - CIO	50 00				X			175,189	0	31,367
JILL A STENSON VP NURSING	50 00				X			172,491	0	17,170
JOHN CHOI MD ANESTHESIOLOGIST - PAIN RE	50 00					X		983,914	0	31,933
YASIR HATAHET MD INTENSIVIST	50 00					X		855,374	0	40,652
PONTUS OSTMAN MD ANESTHESIOLOGIST - PAIN RE	50 00					X		801,295	0	15,985
HONG C WANG MD RADIATION ONCOLOGIST	50 00					X		595,869	0	32,562
STEVEN FLURRY MD ANESTHESIOLOGIST	50 00					X		588,271	0	30,910
ROBERT A FALE FORMER PRESIDENT AND CEO	40 00						X	478,292	0	13,172