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**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2013****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

<b>A</b> For the 2013 calendar year, or tax year beginning <b>JULY 1</b> , 2013, and ending <b>JUNE 30</b> , 20 <b>14</b>	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.</b>
	Doing Business As
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>33 EVERETT STREET</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>FOND DU LAC, WI 54935</b>
	<b>F</b> Name and address of principal officer: <b>DOUGLAS TROST</b> <b>33 EVERETT STREET, FOND DU LAC, WI 54935</b>
<b>D</b> Employer identification number <b>39-1029998</b>	
<b>E</b> Telephone number <b>920-923-7980</b>	
<b>G</b> Gross receipts \$ <b>14,528,950</b>	
<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>H(c)</b> Group exemption number ▶ <b>0928</b>	
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ <b>WWW.AGNESIAN.COM</b>	
<b>K</b> Form of organization <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input checked="" type="checkbox"/> Other ▶	<b>L</b> Year of formation. <b>1978</b> <b>M</b> State of legal domicile <b>WI</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE COMPASSIONATE CARE THAT BRINGS HOPE, HEALTH AND WHOLENESS TO ALL WE SERVE.</b>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) <b>3</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <b>7</b>
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a) <b>0</b>
	<b>6</b> Total number of volunteers (estimate if necessary) <b>97</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 <b>0</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 <b>0</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) <b>0</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) <b>12,543,029</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) <b>258,682</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <b>0</b>
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <b>12,801,711</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) <b>0</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) <b>0</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) <b>8,529,135</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) <b>0</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) <b>3,430,514</b>
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) <b>11,959,649</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 <b>842,062</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) <b>22,693,540</b>
	<b>21</b> Total liabilities (Part X, line 26) <b>9,068,728</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 <b>13,624,812</b>

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer <i>Leslie S. Stephany</i>	Date <b>4-25-15</b>			
	Type or print name and title <b>Leslie S. Stephany, Director of Finance</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶		Phone no	
	Firm's address ▶				

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No 11282Y

Form 990 (2013)

917 3

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒

- 1** Briefly describe the organization's mission:  
TO PROVIDE COMPASSIONATE CARE THAT BRINGS HOPE, HEALTH AND WHOLENESS TO ALL WE SERVE. THE ORGANIZATION PROVIDES SKILLED NURSING CARE, INDEPENDENT LIVING AND ASSISTED LIVING FACILITIES. ST. FRANCIS HOME IS THE HEART OF ITS CARE CAMPUS. THIS 107-BED MEDICARE-CERTIFIED SKILLED NURSING FACILITY SPECIALIZES IN LONG-TERM CARE FOR THE ELDERLY. IT PROVIDES THE LATEST IN NURSING HOME CARE, STRESSING A HOMELIKE ATMOSPHERE (SEE SCH O)
- 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 \$ 9,707,007 including grants of \$ ) (Revenue \$ 12,979,784)

ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC. OPERATES A NURSING HOME AND RELATED HEALTH CARE FACILITIES PROVIDING VARIOUS PROGRAMS FOR THE CARE OF THE ELDERLY, INJURED AND SICK.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O.)  
 (Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **9,707,007**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	<b>1</b> ✓	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	<b>2</b>	✓
<b>3</b> 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 . . . . .	<b>3</b>	✓
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	<b>4</b>	✓
<b>5</b> 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 . . . . .	<b>5</b>	✓
<b>6</b> 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 . . . . .	<b>6</b>	✓
<b>7</b> 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 . . . . .	<b>7</b>	✓
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	<b>8</b>	✓
<b>9</b> 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 . . . . .	<b>9</b>	✓
<b>10</b> 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 . . . . .	<b>10</b>	✓
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	<b>11a</b> ✓	
<b>b</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 . . . . .	<b>11b</b>	✓
<b>c</b> 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 . . . . .	<b>11c</b>	✓
<b>d</b> 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 . . . . .	<b>11d</b> ✓	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	<b>11e</b> ✓	
<b>f</b> 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 . . . . .	<b>11f</b> ✓	
<b>12 a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	<b>12a</b>	✓
<b>b</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 . . . . .	<b>12b</b> ✓	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	<b>13</b>	✓
<b>14 a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<b>14a</b>	✓
<b>b</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. . . . .	<b>14b</b>	✓
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .	<b>15</b>	✓
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV. . . . .	<b>16</b>	✓
<b>17</b> 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) . . . . .	<b>17</b>	✓
<b>18</b> 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 . . . . .	<b>18</b>	✓
<b>19</b> 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 . . . . .	<b>19</b>	✓
<b>20 a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	<b>20a</b>	✓
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	<b>20b</b>	

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>	<b>21</b>	✓
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III . . . . .</i>	<b>22</b>	✓
<b>23</b> 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? <i>If "Yes," complete Schedule J . . . . .</i>	<b>23</b> ✓	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .</i>	<b>24a</b>	✓
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>	
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>	
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>	
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25a</b>	✓
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I . . . . .</i>	<b>25b</b>	✓
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II . . . . .</i>	<b>26</b>	✓
<b>27</b> 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? <i>If "Yes," complete Schedule L, Part III . . . . .</i>	<b>27</b>	✓
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28a</b>	✓
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28b</b>	✓
<b>c</b> 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? <i>If "Yes," complete Schedule L, Part IV . . . . .</i>	<b>28c</b>	✓
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>29</b>	✓
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M . . . . .</i>	<b>30</b>	✓
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I . . . . .</i>	<b>31</b>	✓
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II . . . . .</i>	<b>32</b>	✓
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I . . . . .</i>	<b>33</b>	✓
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .</i>	<b>34</b> ✓	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .	<b>35a</b> ✓	
<b>b</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)? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>35b</b>	✓
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2 . . . . .</i>	<b>36</b>	✓
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI . . . . .</i>	<b>37</b>	✓
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b> ✓	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .	<b>1a</b> 0		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	<b>1b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	<b>1c</b>		
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 0		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . . <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) . . . . .	<b>2b</b>		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . .	<b>3a</b>		✓
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O . . . . .	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	<b>4a</b>		✓
<b>b</b> If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	<b>5a</b>		✓
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	<b>5b</b>		✓
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T? . . . . .	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . .	<b>6a</b>		✓
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	<b>7a</b>		✓
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	<b>7b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	<b>7c</b>		✓
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<b>7e</b>		✓
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<b>7f</b>		✓
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . .	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966? . . . . .	<b>9a</b>		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders . . . . .	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? . . . . . <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>		
<b>b</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 . . . . .	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand . . . . .	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? . . . . .	<b>14a</b>		✓
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . . . .	<b>14b</b>		

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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . .	<b>1a</b> 9		
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>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . .	<b>1b</b> 7		
<b>2</b> 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? . . . . .	<b>2</b>		<input checked="" type="checkbox"/>
<b>3</b> 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? . . . . .	<b>3</b>		<input checked="" type="checkbox"/>
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	<b>4</b>		<input checked="" type="checkbox"/>
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	<b>5</b>		<input checked="" type="checkbox"/>
<b>6</b> Did the organization have members or stockholders? . . . . .	<b>6</b>	<input checked="" type="checkbox"/>	
<b>7a</b> 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? . . . . .	<b>7a</b>	<input checked="" type="checkbox"/>	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	<b>7b</b>	<input checked="" type="checkbox"/>	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
<b>a</b> The governing body? . . . . .	<b>8a</b>	<input checked="" type="checkbox"/>	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	<input checked="" type="checkbox"/>	
<b>9</b> 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 . . . . .	<b>9</b>		<input checked="" type="checkbox"/>

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

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>	<input checked="" type="checkbox"/>
<b>b</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? . . . . .	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11a</b>	<input checked="" type="checkbox"/>
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. . . . .		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	<input checked="" type="checkbox"/>
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	<input checked="" type="checkbox"/>
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	<b>12c</b>	<input checked="" type="checkbox"/>
<b>13</b> Did the organization have a written whistleblower policy? . . . . .	<b>13</b>	<input checked="" type="checkbox"/>
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	<input checked="" type="checkbox"/>
<b>15</b> 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?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	<input checked="" type="checkbox"/>
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>	<input checked="" type="checkbox"/>
<b>b</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? . . . . .	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► **WI**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: ► **DOUGLAS TROST - (920) 923-7980 - 33 EVERETT STREET, FOND DU LAC, WI 54935**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DOUGLAS TROST CEO AND PRESIDENT	40	✓		✓				0	209,927	33,483
(2) TIMOTHY A. GUIDEN DIRECTOR	3	✓						0	0	0
(3) GERALD A. LAUBY CHAIRPERSON	.3	✓		✓				0	0	0
(4) M. STEPHANIE MARTIN SECRETARY/TREASURER	.3	✓		✓				0	0	0
(5) JOHN J. SHANAHAN DIRECTOR	.3	✓						0	0	0
(6) CATHERINE J. ZIMMERMAN VICE CHAIRPERSON	.3	✓		✓				0	0	0
(7) STEVEN N. LITTLE EX-OFFICIO BOARD MEMBER	.3	✓						0	680,469	35,642
(8) MARY NOEL BROWN, CSA EX-OFFICIO BOARD MEMBER	.3	✓						0	0	0
(9) MARIE SCOTT, CSA EX-OFFICIO BOARD MEMBER	.3	✓						0	0	0
(10)										
(11)										
(12)										
(13)										
(14)										



**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			
(15) .....										
(16) .....										
(17) .....										
(18) .....										
(19) .....										
(20) .....										
(21) .....										
(22) .....										
(23) .....										
(24) .....										
(25) .....										
<b>1b Sub-total</b> .....									<b>890,396</b>	<b>69,124</b>
<b>c Total from continuation sheets to Part VII, Section A</b> .....										
<b>d Total (add lines 1b and 1c)</b> .....									<b>890,396</b>	<b>69,124</b>

**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 ▶

**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 .....

	Yes	No
<b>3</b>		✓
<b>4</b>	✓	
<b>5</b>		✓

**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 .....

**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 .....

**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
NONE		
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶	<b>0</b>	

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>				
	<b>d</b>	Related organizations . . . . .	<b>1d</b>				
	<b>e</b>	Government grants (contributions)	<b>1e</b>				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .					
<b>Program Service Revenue</b>				<b>Business Code</b>			
	<b>2a</b>	<b>PATIENT REVENUE</b>	<b>623000</b>	<b>12,654,819</b>	<b>12,654,819</b>		
	<b>b</b>	<b>OTHER SERVICE REVENUE</b>	<b>900099</b>	<b>324,965</b>	<b>324,965</b>		
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue .					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .		<b>12,979,784</b>			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . .		<b>76,526</b>			<b>76,526</b>
	<b>4</b>	Income from investment of tax-exempt bond proceeds					
	<b>5</b>	Royalties . . . . .					
		(i) Real	(ii) Personal				
	<b>6a</b>	Gross rents . . . . .					
	<b>b</b>	Less: rental expenses					
	<b>c</b>	Rental income or (loss)					
	<b>d</b>	Net rental income or (loss) . . . . .					
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities <b>1,463,590</b>	(ii) Other <b>9,050</b>			
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .	<b>1,312,025</b>	<b>9,794</b>			
	<b>c</b>	Gain or (loss) . . . . .	<b>151,565</b>	<b>(744)</b>			
	<b>d</b>	Net gain or (loss) . . . . .		<b>150,821</b>			<b>150,821</b>
	<b>8a</b>	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>				
	<b>b</b>	Less: direct expenses . . . . .	<b>b</b>				
	<b>c</b>	Net income or (loss) from fundraising events . . . . .					
	<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>				
	<b>b</b>	Less: direct expenses . . . . .	<b>b</b>				
	<b>c</b>	Net income or (loss) from gaming activities . . . . .					
	<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>				
	<b>b</b>	Less: cost of goods sold . . . . .	<b>b</b>				
<b>c</b>	Net income or (loss) from sales of inventory . . . . .						
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .						
<b>12</b>	<b>Total revenue.</b> See instructions. . . . .		<b>13,207,131</b>	<b>12,979,784</b>		<b>227,347</b>	

**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 or note to any line 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
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	6,437,469	5,634,160	803,309	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	327,862	288,055	39,807	
<b>9</b> Other employee benefits	1,634,350	1,181,162	453,188	
<b>10</b> Payroll taxes	458,119	407,855	50,264	
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal	459		459	
<b>c</b> Accounting	4,426		4,426	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees	14,285		14,285	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	532,664	382,243	150,421	
<b>12</b> Advertising and promotion	16,472	613	15,859	
<b>13</b> Office expenses	995,104	957,575	37,529	
<b>14</b> Information technology	142,956		142,956	
<b>15</b> Royalties				
<b>16</b> Occupancy	619,439	614,360	5,079	
<b>17</b> Travel	1,767	164	1,603	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	8,668	1,539	7,129	
<b>20</b> Interest	110,049		110,049	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	925,580		925,580	
<b>23</b> Insurance	90,284		90,284	
<b>24</b> 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.)				
<b>a</b> BAD DEBTS	17,903	17,903		
<b>b</b> BED TAX	218,280	218,280		
<b>c</b> DUES, SUBSCRIPTIONS, LICENSE FEES	1,383	591	792	
<b>d</b> MISCELLANEOUS	28,297	2,507	25,790	
<b>e</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24e	12,585,816	9,707,007	2,878,809	
<b>26</b> 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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	1,250	<b>1</b>	1,000
	<b>2</b> Savings and temporary cash investments . . . . .	1,648,005	<b>2</b>	1,491,733
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	453,344	<b>4</b>	622,254
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> 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 . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	42,040	<b>8</b>	54,401
	<b>9</b> Prepaid expenses and deferred charges . . . . .	14,943	<b>9</b>	11,869
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 25,823,353		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 11,427,231	<b>10c</b>	14,396,122
	<b>11</b> Investments—publicly traded securities . . . . .	2,276,801	<b>11</b>	2,606,687
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	3,411,479	<b>15</b>	3,360,430
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	22,693,540	<b>16</b>	22,544,496	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	1,387,152	<b>17</b>	1,132,691
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	47,076	<b>19</b>	36,829
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> 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 . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	6,660,000	<b>23</b>	5,925,000
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> 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 . . . . .	974,500	<b>25</b>	1,043,500
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	9,068,728	<b>26</b>	8,138,020
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	10,254,586	<b>27</b>	11,069,810
	<b>28</b> Temporarily restricted net assets . . . . .	3,049,226	<b>28</b>	3,016,166
	<b>29</b> Permanently restricted net assets . . . . .	321,000	<b>29</b>	320,500
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> <b>Total net assets or fund balances</b> . . . . .	13,624,812	<b>33</b>	14,406,476
	<b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .	22,693,540	<b>34</b>	22,544,496

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☒

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	13,207,131
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	12,585,816
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	621,315
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	13,624,812
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	118,909
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	41,440
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	14,406,476

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

- 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? . . .  
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? . . .  
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? . . .  
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? . . .
- 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.

	Yes	No
<b>1</b>		
<b>2a</b>		✓
<b>2b</b>	✓	
<b>2c</b>	✓	
<b>3a</b>		✓
<b>3b</b>		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

Employer identification number

ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.

39-1029998

**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)(vii)**. (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?

- (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? . . . . .
- (ii) A family member of a person described in (i) above? . . . . .
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? . . . . .

	Yes	No
11g(i)		
11g(ii)		
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	
(A)									
(B)									
(C)									
(D)									
(E)									
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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>4 Total.</b> Add lines 1 through 3 . . . . .						
<b>5</b> 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) . . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4 . . . . .						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	%
<b>15</b> Public support percentage from 2012 Schedule A, Part II, line 14 . . . . .	<b>15</b>	%
<b>16a 33 1/3% support test—2013.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>b 33 1/3% support test—2012.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>17a 10%-facts-and-circumstances test—2013.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>b 10%-facts-and-circumstances test—2012.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . .		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .		<input type="checkbox"/>

**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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	381,716	6,867				388,583
<b>2</b> 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 . . . .	11,453,952	11,945,569	12,293,076	12,239,131	12,654,819	60,586,547
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513	32,921	33,140	165,585	303,898	324,965	860,509
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . .	11,868,589	11,985,576	12,458,661	12,543,029	12,979,784	61,835,639
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . .						
<b>b</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 . . . .						
<b>c</b> Add lines 7a and 7b . . . .						
<b>8 Public support.</b> (Subtract line 7c from line 6.) . . . .						61,835,639

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6 . . . .	11,868,589	11,985,576	12,458,661	12,543,029	12,979,784	61,835,639
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . .	99,188	63,702	55,481	75,227	76,526	370,124
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . .						
<b>c</b> Add lines 10a and 10b . . . .	99,188	63,702	55,481	75,227	76,526	370,124
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . .	11,967,777	12,049,278	12,514,142	12,618,256	13,056,310	62,205,763
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) . . . .	<b>15</b>	99.40 %
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15 . . . .	<b>16</b>	99.34 %

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2013</b> (line 10c, column (f) divided by line 13, column (f)) . . . .	<b>17</b>	.59 %
<b>18</b> Investment income percentage from <b>2012</b> Schedule A, Part III, line 17 . . . .	<b>18</b>	.66 %
<b>19a 33 1/3% support tests—2013.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization . . . . <input checked="" type="checkbox"/>		
<b>b 33 1/3% support tests—2012.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization . . . . <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . <input type="checkbox"/>		



## Part IV

**Supplemental Information.** 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).

[illegible]

**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.

► Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

Employer identification number

ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.

39-1029998

**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? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> 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? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> 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). <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> 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.	<b>Held at the End of the Tax Year</b>
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? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> 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)? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> 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 **d** ☐ Loan or exchange programs
- b** ☐ Scholarly research **e** ☐ Other .....
- c** ☐ Preservation for future generations
- 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    |
|--|-----------|
| <b>c</b> Beginning balance             | <b>1c</b> |
| <b>d</b> Additions during the year     | <b>1d</b> |
| <b>e</b> Distributions during the year | <b>1e</b> |
| <b>f</b> Ending balance                | <b>1f</b> |
- 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	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

- 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 ▶ ..... %
- 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
<b>(i)</b> unrelated organizations	<b>3a(i)</b>	
<b>(ii)</b> related organizations	<b>3a(ii)</b>	
<b>b</b> If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	<b>3b</b>	

- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. 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
<b>1a</b> Land		1,809,994		1,809,994
<b>b</b> Buildings		18,439,646	7,809,891	10,629,755
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		5,231,402	3,413,224	1,818,178
<b>e</b> Other		342,311	204,116	138,195
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				14,396,122

**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. 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 . . . . .		
(3) Other . . . . .		
(A) . . . . .		
(B) . . . . .		
(C) . . . . .		
(D) . . . . .		
(E) . . . . .		
(F) . . . . .		
(G) . . . . .		
(H) . . . . .		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTEREST IN NET ASSETS OF AGNESIAN HEALTHCARE FOUNDATION	3,331,166
(2) UNAMORTIZED DEBT ISSUE	29,264
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ▶	3,360,430

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) RESIDENCY FUND	1,043,500
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,043,500

2. Liability for uncertain tax positions. 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.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	<b>13,174,943</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	<b>13,174,943</b>
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	<b>14,285</b>
<b>b</b>	Other (Describe in Part XIII.) . . . . .	<b>4b</b>	<b>17,903</b>
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	<b>32,188</b>
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) . . . . .	<b>5</b>	<b>13,207,131</b>

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	<b>12,553,628</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	<b>12,553,628</b>
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	<b>14,285</b>
<b>b</b>	Other (Describe in Part XIII.) . . . . .	<b>4b</b>	<b>17,903</b>
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	<b>32,188</b>
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) . . . . .	<b>5</b>	<b>12,585,816</b>

**Part XIII Supplemental Information.**

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.

**PART X, LINE 2: IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, ST. FRANCS HOME DETERMINES****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. ST. FRANCIS HOME RECORDED NO ASSETS FOR UNCERTAIN TAX****POSITIONS OR UNRECOGNIZED TAX BENEFITS. FEDERAL RETURNS FOR THE YEARS ENDED 2011 AND BEYOND REMAIN SUBJECT****TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.****PART XI, LINE 4B - OTHER ADJUSTMENTS:****BAD DEBT CONTRACTUALS \$ 17,903****PART XII, LINE 4B - OTHER ADJUSTMENTS:****BAD DEBT CONTRACTUALS \$ 17,903**

**Part XIII** Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

**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 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

**ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.**

Employer identification number

**39-1029998**

**FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

**FOR RESIDENTS AND OFFERING A SPECIAL UNIT DEDICATED TO THE CARE OF RESIDENTS WITH ALZHEIMER'S DISEASE. ST. CLARE  
TERRACE OFFERS INDEPENDENT LIVING OPTIONS. THIS SAFE, SECURE COMMUNITY LIVING ENVIRONMENT PROVIDES RESIDENTS  
A FULFILLING LIFESTYLE IN THEIR RETIREMENT YEARS. ST. FRANCIS TERRACE OFFERS ASSISTED LIVING CARE. THIS IS AN  
INTERIM CARE OPTION THAT PROVIDES SOME NURSING SUPPORT AND ASSISTANCE, YET ALLOWS PEOPLE TO LIVE  
INDEPENDENTLY. ST. FRANCIS HOME HAS EXPANDED ITS ASSISTED LIVING CAPACITY WITH 42 NEW APARTMENTS.**

**FORM 990, PART VI, SECTION A, LINE 6: THE ORGANIZATION HAS ONE CORPORATE MEMBER - AGNESIAN HEALTHCARE, INC., A  
NONPROFIT ENTITY.**

**FORM 990, PART VI, SECTION A, LINE 7A: AGNESIAN HEALTHCARE, INC. A NONPROFIT ORGANIZATION HAS THE FINAL APPROVAL  
ON BOARD MEMBER NOMINATION.**

**FORM 990, PART VI, SECTION A, LINE 7B: AGNESIAN HEALTHCARE, INC., A NONPROFIT ORGANIZATION AND THE SOLE CORPORATE  
MEMBER, HAS THE ULTIMATE AUTHORITY FOR APPROVING ANY HIGH LEVEL DECISIONS SUCH AS THE OPERATING BUDGET AND ANY  
LARGE CAPITAL PROJECTS. THE DAY TO DAY OPERATIONS ARE AT THE DISCRETION OF ST. FRANCIS HOME OF FOND DU LAC.**

**FORM 990, PART VI, SECTION B, LINE 11B: REVIEWED BY LONG TERM CARE ACCOUNTING SUPERVISOR AND EMAILED TO CEO &  
BOARD MEMBERS FOR REVIEW PRIOR TO APPROVAL AND SUBMISSION.**

**FORM 990, PART VI, SECTION B, LINE 12C: A QUESTIONNAIRE IS DISTRIBUTED ANNUALLY. EACH DIRECTOR, PRINCIPAL OFFICER,  
TRUSTEE OR COMMITTEE MEMBER SHALL DISCLOSE THE EXISTENCE OR PROPOSAL OF ANY FINANCIAL INTEREST AND ALL  
MATERIAL FACTS WITH RESPECT TO SUCH EXISTING OR PROPOSED TRANSACTION OR ARRANGEMENT. THE INTERESTED PERSON  
SHALL LEAVE THE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED. THE REMAINING AUTHORITY  
MEMBERS SHALL DECIDE IF A CONFLICT EXISTS. IF SO, THE DESIGNATED AUTHORITY SHALL, IF APPROPRIATE:**

Name of the organization

ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.

Employer identification number

39-1029998

APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION,

DETERMINE BY A MAJORITY VOTE OF DISINTERESTED MEMBERS WHETHER THE TRANSACTION IS IN AN ENTITY'S BEST INTEREST

AND FAIR FOR ITS OWN BENEFIT, AND CONSIDER REQUIRING ANY PROPOSED TRANSACTION TO CONTAIN A PROVISION

REQUIRING THE PARTIES TO TAKE APPROPRIATE CORRECTIVE ACTION IN THE EVENT THAT THE TRANSACTION IS LATER

DETERMINED BY THE BOARD OR THE IRS TO BE AN EXCESS BENEFIT TRANSACTION.

FORM 990, PART VI, SECTION B, LINE 15: MARKET STUDIES ARE USED TO DETERMINE COMPENSATION FOR THE ADMINISTRATOR,

AS WELL AS THE ASSISTANT ADMINISTRATOR.

FORM 990, PART VI, SECTION C, LINE 19: INFORMATION IS MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN INTEREST IN NET ASSETS OF AGNESIAN HEALTHCARE FOUNDATION \$ (33,560)

CAPITAL CONTRIBUTIONS TO FOUNDATION 75,000

NET CHANGE IN FUND BALANCE \$ 41,440



**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Related Organizations and Unrelated Partnerships**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

39-1029998

ST. FRANCIS HOME OF FOND DU LAC WISCONSIN, INC.

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on 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) .....					
(2) .....					
(3) .....					
(4) .....					
(5) .....					
(6) .....					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) AGNESIAN HEALTHCARE, INC. - 39-0807236 430 E. DIVISION ST., FOND DU LAC, WI 54935	HEALTHCARE	WISCONSIN	501(C)(3)	170 (B)(1)(A)	CONGREGATION		✓
(2) CONGREGATION OF SISTERS OF ST. AGNES - 39-0806217 320 COUNTY RD K, FOND DU LAC, WI 54935	CONVENT	WISCONSIN	501(C)(3)	LINE 1 N/A			✓
(3) AGNESIAN HEALTHCARE FOUNDATION - 39-1684956 430 EAST DIVISION ST., FOND DU LAC, WI 54935	FOUNDATION	WISCONSIN	501(C)(3)	LINE 11A, I	AGNESIAN HEA	✓	
(4) WAUPUN MEMORIAL HOSPITAL - 39-0806265 620 WEST BROWN STREET, WAUPUN, WI 53963	HOSPITAL	WISCONSIN	501(C)(3)	LINE 3	AGNESIAN HEA	✓	
(5) RIPON MEDICAL CENTER - 39-1101287 845 PARKSIDE ST, RIPON, WI 54971	HOSPITAL	WISCONSIN	501(C)(3)	LINE 3	AGNESIAN HEA	✓	
(6) .....							
(7) .....							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50135Y

Schedule R (Form 990) 2013

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(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	
(1) .....												
(2) .....												
(3) .....												
(4) .....												
(5) .....												
(6) .....												
(7) .....												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) .....									
(2) .....									
(3) .....									
(4) .....									
(5) .....									
(6) .....									
(7) .....									

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**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 organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity . . . . .	<b>1a</b>	<input checked="" type="checkbox"/>
<b>b</b> Gift, grant, or capital contribution to related organization(s) . . . . .	<b>1b</b>	<input checked="" type="checkbox"/>
<b>c</b> Gift, grant, or capital contribution from related organization(s) . . . . .	<b>1c</b>	<input checked="" type="checkbox"/>
<b>d</b> Loans or loan guarantees to or for related organization(s) . . . . .	<b>1d</b>	<input checked="" type="checkbox"/>
<b>e</b> Loans or loan guarantees by related organization(s) . . . . .	<b>1e</b>	<input checked="" type="checkbox"/>
<b>f</b> Dividends from related organization(s) . . . . .	<b>1f</b>	<input checked="" type="checkbox"/>
<b>g</b> Sale of assets to related organization(s) . . . . .	<b>1g</b>	<input checked="" type="checkbox"/>
<b>h</b> Purchase of assets from related organization(s) . . . . .	<b>1h</b>	<input checked="" type="checkbox"/>
<b>i</b> Exchange of assets with related organization(s) . . . . .	<b>1i</b>	<input checked="" type="checkbox"/>
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) . . . . .	<b>1j</b>	<input checked="" type="checkbox"/>
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) . . . . .	<b>1k</b>	<input checked="" type="checkbox"/>
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) . . . . .	<b>1l</b>	<input checked="" type="checkbox"/>
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) . . . . .	<b>1m</b>	<input checked="" type="checkbox"/>
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .	<b>1n</b>	<input checked="" type="checkbox"/>
<b>o</b> Sharing of paid employees with related organization(s) . . . . .	<b>1o</b>	<input checked="" type="checkbox"/>
<b>p</b> Reimbursement paid to related organization(s) for expenses . . . . .	<b>1p</b>	<input checked="" type="checkbox"/>
<b>q</b> Reimbursement paid by related organization(s) for expenses . . . . .	<b>1q</b>	<input checked="" type="checkbox"/>
<b>r</b> Other transfer of cash or property to related organization(s) . . . . .	<b>1r</b>	<input checked="" type="checkbox"/>
<b>s</b> Other transfer of cash or property from related organization(s) . . . . .	<b>1s</b>	<input checked="" type="checkbox"/>

**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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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	
(1) .....													
(2) .....													
(3) .....													
(4) .....													
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(9) .....													
(10) .....													
(11) .....													
(12) .....													
(13) .....													
(14) .....													
(15) .....													
(16) .....													

## Part VII Supplemental Information

**Supplemental information**  
Provide additional information for responses to questions on Schedule R (see instructions).

This image shows a full page of a handwriting practice worksheet. It consists of multiple sets of three horizontal dashed lines, providing a guide for letter height and placement. The lines are evenly spaced across the entire page, which is otherwise blank white space. There are no margins, text, or other markings present.

# **Agnesian HealthCare, Inc. and Affiliates**

Fond du Lac, Wisconsin

## **Consolidated Financial Statements and Supplementary Information**

Years Ended June 30, 2014 and 2013

# Agnesian HealthCare, Inc. and Affiliates

## Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2014 and 2013

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Supplementary Information	
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## **Independent Auditor's Report**

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

We have audited the accompanying consolidated financial statements of Agnesian HealthCare, Inc. and Affiliates, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In our opinion, the 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, 2014 and 2013, 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 15, 2014  
Wausau, Wisconsin

# Agnesian HealthCare, Inc. and Affiliates

## Consolidated Balance Sheets

June 30, 2014 and 2013

<i>Assets</i>	In Thousands	
	2014	2013
Current assets:		
Cash and cash equivalents	\$ 24,600	\$ 28,823
Assets limited as to use	2,443	1,679
Accounts receivable - Net	60,963	56,389
Other receivables	2,870	3,226
Inventory	6,302	4,934
Prepaid expenses and other	3,319	2,960
Total current assets	100,497	98,011
Investments	207,344	172,525
Assets limited as to use, less current portion	62,764	86,666
Property and equipment - Net	218,312	188,906
Other assets:		
Interest in net assets of foundations	15,728	16,768
Due from Foundation for Ripon Medical Center, Inc.	2,400	-
Deferred financing costs	1,495	1,579
Intangibles - Net	3,906	4,037
Other	330	333
Total other assets	23,859	22,717
<b>TOTAL ASSETS</b>	<b>\$ 612,776</b>	<b>\$ 568,825</b>

<i>Liabilities and Net Assets</i>	In Thousands	
	2014	2013
Current liabilities:		
Current maturities of long-term debt	\$ 4,122	\$ 3,961
Current portion of obligations under capital leases	1,568	1,691
Accounts payable	13,666	12,537
Accrued liabilities	24,653	23,299
Amounts payable to third-party reimbursement programs	1,170	574
Total current liabilities	45,179	42,062
Long-term liabilities:		
Long-term debt, less current maturities	176,074	180,455
Capital lease obligations, less current portion	3,532	5,043
Deferred compensation	30,094	24,937
Residency fees on deposit and other	1,044	977
Interest rate swap valuation	2,076	2,055
Total long-term liabilities	212,820	213,467
Total liabilities	257,999	255,529
Net assets:		
Unrestricted	335,265	295,468
Temporarily restricted	17,038	15,356
Permanently restricted	2,474	2,472
Total net assets	354,777	313,296
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 612,776</b>	<b>\$ 568,825</b>

# Agnesian HealthCare, Inc. and Affiliates

## Consolidated Statements of Operations and Changes in Net Assets

Years Ended June 30, 2014 and 2013

	In Thousands	
	2014	2013
Unrestricted net assets:		
Revenue:		
Patient service revenue - Net of contractual adjustments and discounts	\$ 427,741	\$ 423,768
Provision for bad debts	(17,420)	(18,623)
Net patient service revenue, less provision for bad debts	410,321	405,145
Other operating revenue	11,129	7,772
Total revenue	421,450	412,917
Operating expenses:		
Salaries and wages	156,368	150,175
Fringe benefits	22,164	20,213
Professional fees and purchased services	84,688	81,871
Supplies and other	90,581	87,733
Maintenance and utilities	25,125	23,604
Depreciation and amortization	22,478	21,501
Interest	4,584	4,627
Total operating expenses	405,988	389,724
Income from operations	15,462	23,193
Other income (expense):		
Investment income	7,266	8,131
Income taxes	(100)	(213)
Loss on bond defeasance	-	(735)
Gain (loss) on disposal of property and equipment	(17)	33
Total other income - Net	7,149	7,216
Excess of revenue over expenses	22,611	30,409

# Agnesian HealthCare, Inc. and Affiliates

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

Years Ended June 30, 2014 and 2013

	In Thousands	
	2014	2013
Other changes in unrestricted net assets:		
Change in net unrealized gains on investment securities	\$ 16,891	\$ 5,928
Interest rate swap valuation adjustment	(21)	1,137
Contributions for property and equipment	22	25
Net assets released from restrictions for capital	294	86
Total other changes in unrestricted net assets	17,186	7,176
Increase in unrestricted net assets	39,797	37,585
Temporarily restricted net assets:		
Contributions	324	3
Change in interest in net assets of foundations	2,937	2,398
Net assets released from restrictions:		
For capital	(294)	(86)
For operations	(1,285)	(1,001)
Increase in temporarily restricted net assets	1,682	1,314
Increase in permanently restricted net assets - Change in interest in net assets of foundations	2	11
Increase in net assets	41,481	38,910
Net assets at beginning	313,296	274,386
Net assets at end	\$ 354,777	\$ 313,296

# Agnesian HealthCare, Inc. and Affiliates

## Consolidated Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	In Thousands	
	2014	2013
Increase (decrease) in cash and cash equivalents:		
Increase in net assets	\$ 41,481	\$ 38,910
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for bad debts	17,420	18,623
Depreciation and amortization	22,478	21,501
Amortization of bond premium	(259)	(113)
Loss on bond defeasance	-	735
Net realized gain on sale of investments	(2,989)	(3,270)
(Gain) loss on disposal of property and equipment	17	(33)
Change in net unrealized gains on investment securities	(16,891)	(5,928)
Change in interest in net assets of foundations	(2,939)	(2,409)
Distribution of interest in net assets of foundations - For operations	1,285	1,001
Interest rate swap valuation adjustment	21	(1,137)
Deferred compensation	5,157	5,537
Contributions for property and equipment	(22)	(25)
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(21,638)	(21,365)
Inventory	(1,368)	307
Prepaid expenses and other	(359)	(78)
Other assets	3	(93)
Accounts payable	(332)	635
Accrued liabilities	1,354	2,171
Amounts payable to third-party reimbursement programs	596	(746)
Total adjustments	1,534	15,313
Net cash provided by operating activities	43,015	54,223

# Agnesian HealthCare, Inc. and Affiliates

## Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2014 and 2013

	In Thousands	
	2014	2013
Cash flows from investing activities:		
Purchase of investments and assets limited as to use	\$ (43,073)	\$ (111,833)
Sale of investments and assets limited as to use	51,272	42,292
Acquisition of intangibles associated with physician clinics	-	(173)
Purchase of property and equipment	(50,268)	(30,076)
Proceeds from sale of property and equipment	92	119
Net cash used in investing activities	(41,977)	(99,671)
Cash flows from financing activities:		
Proceeds from issuance of bonds payable	-	60,330
Principal payments on long-term debt	(3,961)	(3,778)
Principal payments on capital lease obligations	(1,683)	(2,017)
Payment of deferred financing costs	-	(763)
Contributions for property and equipment	22	25
Distributions of interest in net assets of foundations - For capital	294	86
Collection (refunds) of residency fees on deposit and other	67	(8)
Net cash provided by (used in) financing activities	(5,261)	53,875
Net increase (decrease) in cash and cash equivalents	(4,223)	8,427
Cash and cash equivalents at beginning	28,823	20,396
Cash and cash equivalents at end	\$ 24,600	\$ 28,823
Supplemental cash flow information:		
Cash paid for interest (net of amount capitalized)	\$ 4,323	\$ 4,497
Cash paid for interest capitalized with property and equipment	2,448	1,035
Cash received for investment income capitalized with property and equipment	57	66
Cash paid for income taxes	291	218
Noncash investing and financing activities:		
Accounts payable related to property and equipment	3,247	1,786
Equipment acquired under capital lease obligation	49	4,136

See accompanying notes to consolidated financial statements.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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 and its affiliates (collectively "Agnesian"). All significant intercompany balances have been eliminated in consolidation. Following is a brief description of each organization:

- Agnesian HealthCare operates St. Agnes Hospital ("St. Agnes"), a 160-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 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 area. Ripon also operates a number of primary care and specialty medical clinics.
  - St. Francis Home 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.



# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### Principal Business Activity and Principles of Consolidation (Continued)

- 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.

#### 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### 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 an allowance 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 the allowance for doubtful accounts 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 allowance for doubtful accounts and a credit to accounts receivable.

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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### Accounts Receivable and Credit Policy (Continued)

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.

#### 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 excess of revenue over 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### 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.

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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### Assets Limited as to Use

Assets limited as to use represent investments set aside under terms of bond trust indenture agreements, investments designated for deferred compensation agreements, investments set aside to fund restricted donations, investments designated for residency fees on deposit, and amounts designated by the Board of Directors for other purposes.

#### 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 excess of revenue over 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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, 2014 and 2013.

#### 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 2014 or 2013.

#### 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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 Topic 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 2014. 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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.

#### **Excess of Revenue Over Expenses**

The consolidated statements of operations and changes in net assets include the classification excess of revenue over 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.



# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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.

#### 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 \$1,496,000 to meet state funding requirements. There were no borrowings against this letter of credit at June 30, 2014 and 2013.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies (Continued)

#### 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, Agnesian determines 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 2011 and beyond remain subject to examination by the Internal Revenue Service.

#### Subsequent Events

Subsequent events have been evaluated through September 15, 2014, which is the date the financial statements were available to be issued.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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.
- *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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### 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.

#### 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, 2012. 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### Electronic Health Record (EHR) Incentive Payments

During 2014 and 2013, Agnesian recognized \$3,524,000 and \$32,000, respectively, in EHR incentive payments from the Medicare and Medicaid programs. These payments are included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets. As of June 30, 2014, outstanding receivables from Medicare and Medicaid for EHR incentive payments totaled \$210,000, and are included in amounts payable to third-party reimbursement programs in the accompanying consolidated balance sheets. There were no amounts receivable as of June 30, 2013.

#### 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30:

	In Thousands	
	2014	2013
Accounts receivable	\$ 124,944	\$ 117,717
Less:		
Contractual adjustments	54,126	49,801
Allowance for community care and doubtful accounts	9,855	11,527
Accounts receivable - Net	\$ 60,963	\$ 56,389

Agnesian's allowance for community care and doubtful accounts as a percentage of gross accounts receivable was 7.9% and 9.8% as of June 30, 2014 and 2013, respectively. In addition, Agnesian's allowance for community care and doubtful accounts decreased from 77.2% of self-pay accounts receivable at June 30, 2013, to 70.2% at June 30, 2014. The decrease in the allowance for community care and doubtful accounts was a result of a decrease in the amount of self-pay revenue. Agnesian has not changed its community care or uninsured discount policies during 2014 or 2013.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### Note 4 Patient Service Revenue - Net of Contractual Adjustments and Discounts

Patient service revenue - net of contractual adjustments and discounts consisted of the following at June 30:

	In Thousands	
	2014	2013
Gross patient service revenue:		
Medicare	\$ 392,071	\$ 383,120
Medicaid	90,201	81,433
Commercial insurance	383,594	375,056
Private pay and other	43,364	51,264
Totals	909,230	890,873
Less - Contractual adjustments and discounts:		
Medicare	264,482	257,020
Medicaid	62,280	57,078
Commercial insurance	150,575	148,508
Other	4,152	4,499
Totals	481,489	467,105
Patient service revenue - Net of contractual adjustments and discounts	\$ 427,741	\$ 423,768

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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 \$4,013,000 and \$4,017,000 in 2014 and 2013, respectively, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated community 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 2014 and 2013:

- 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 and 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.



# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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 \$621,000 and \$615,000 in 2014 and 2013, 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 \$18,950,000 and \$17,949,000 in 2014 and 2013, 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	
	2014	2013
Cash and cash equivalents	\$ 27,410	\$ 38,475
Certificates of deposit	4,061	3,981
U.S. government obligations	1,317	984
Hedge funds	53,895	30,665
Exchange traded funds	30,959	14,533
Cash surrender value of life insurance	27,155	22,615
Mutual funds:		
Blend	1,221	728
Bond	38,844	63,162
Government bonds	9,468	26,648
Growth	20,717	15,924
Value	10,654	3,315

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

	2014	2013
Common stocks:		
Consumer discretionary	\$ 4,909	\$ 4,087
Consumer staples	2,078	2,239
Energy	15,147	10,473
Financial	5,147	5,005
Health care	5,126	4,151
Industrial	3,718	3,827
Information technology	6,889	5,733
Materials	1,637	2,288
Telecommunication services	1,469	1,584
Utilities	730	453
Total investments and assets limited as to use	272,551	260,870
Less - Amounts classified as assets limited as to use	65,207	88,345
Total investments	\$ 207,344	\$ 172,525

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

	In Thousands	
	2014	2013
Limited by trustee under bond indenture	\$ 32,922	\$ 61,305
Designated for deferred compensation	30,094	24,937
Set aside to fund restricted donations	1,040	1,019
Designated for residency fees on deposit	1,044	977
Designated by board of directors for other purposes	107	107
Total assets limited as to use	65,207	88,345
Less - Current portion	2,443	1,679
Total assets limited as to use, less current portion	\$ 62,764	\$ 86,666

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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	
	2014	2013
Interest and dividend income	\$ 5,010	\$ 5,492
Net realized gain on sale of investments	2,989	3,270
Investment fees	(733)	(631)
Total investment income	\$ 7,266	\$ 8,131
Change in net unrealized gains on investment securities	\$ 16,891	\$ 5,928
Total investment return	\$ 24,157	\$ 14,059

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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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, 2014 and 2013 are not considered other-than-temporarily impaired. No impairment losses were recognized by Agnesian during 2014 and 2013.

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

	In Thousands					
	Less Than 12 Months		More Than 12 Months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
<b>2014</b>						
Mutual funds and common stock	\$ 20,912	\$ 820	\$ 12,790	\$ 494	\$ 33,702	\$ 1,314
Certificates of deposit	550	5	746	2	1,296	7
Hedge funds	-	-	774	545	774	545
<b>Totals</b>	<b>\$ 21,462</b>	<b>\$ 825</b>	<b>\$ 14,310</b>	<b>\$ 1,041</b>	<b>\$ 35,772</b>	<b>\$ 1,866</b>
<b>2013</b>						
Mutual funds and common stock	\$ 58,056	\$ 2,527	\$ 2,708	\$ 829	\$ 60,764	\$ 3,356
Certificates of deposit	1,066	5	50	1	1,116	6
Hedge funds	970	29	313	589	1,283	618
<b>Totals</b>	<b>\$ 60,092</b>	<b>\$ 2,561</b>	<b>\$ 3,071</b>	<b>\$ 1,419</b>	<b>\$ 63,163</b>	<b>\$ 3,980</b>

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Fair Value Measurements

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

- Cash equivalents, consisting primarily of a money market fund, are valued using a net asset value (NAV) of \$1.
- Publicly traded certificates of deposit and U.S. government obligations 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 the daily closing prices reported by the fund. Mutual funds held by Agnesian are open-end mutual funds that are registered with the Securities and Exchange Commission. Those funds are required to publish their daily NAV and to transact at that price.
- 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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)				
	2014				Total Assets/
	Fair Value Measurements Using				Liability at
	Level 1	Level 2	Level 3		Fair Value
Assets:					
Cash equivalents	\$ -	\$ 23,820	\$ -	\$ -	23,820
Certificates of deposit	-	2,140	-	-	2,140
U.S. government obligations	-	1,317	-	-	1,317
Hedge funds	-	53,895	-	-	53,895
Cash surrender value of life insurance	-	27,155	-	-	27,155
Exchange traded funds	30,959	-	-	-	30,959
Mutual funds	80,904	-	-	-	80,904
Common stocks	46,850	-	-	-	46,850
Total assets at fair value	\$ 158,713	\$ 108,327	\$ -	\$ -	267,040
Liability - Interest rate swap valuation	\$ -	\$ 2,076	\$ -	\$ -	2,076

	(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
US 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	109,777	-	-	-	109,777
Common stocks	39,840	-	-	-	39,840
Total assets at fair value	\$ 164,150	\$ 88,077	\$ -	\$ -	252,227
Liability - Interest rate swap valuation	\$ -	\$ 2,055	\$ -	\$ -	2,055

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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 Commitments	Frequency	Redemption	
	2014	2013			Restrictions	Notice Period
SkyBridge Multi-Advisor Hedge Fund (a)	\$ 12,157	\$ 8,074	-	Quarterly	None	65 days
The Weatherlow Offshore Fund I, Ltd (b)	-	5,719	-	Quarterly	None	45 days
Private Advisors Hedged Equity Fund (c)	9,084	4,586	-	Monthly	None	11 days
Avenue Strategic Partners, Ltd (d)	7,833	5,335	-	Quarterly	(d)	60 days
Pointer Offshore Fund (e)	9,148	3,533	-	Quarterly	(e)	117 days
Lighthouse Diversified Fund, Ltd (f)	7,640	3,105	-	Quarterly	(f)	90 days
Selectinvest ARV Fund (g)	-	76	-	Quarterly	(g)	90 days
Blackstone Real Estate Income Fund II (h)	7,813	-	-	Quarterly	(h)	95 days
Other	220	237	-	Various	Various	Various
Totals	\$ 53,895	\$ 30,665				

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

- (a) 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 investment objective is to seek capital appreciation. In doing so, the fund seeks to realize attractive risk-adjusted returns, net of fees and expenses, over a three- to five-year investment horizon. The portfolio allocation includes 40.4% Fixed Income Arbitrage Mortgage Backed Securities, 17.2% Event-Driven Equity, 9.3% Event-Driven Multi Strategy, and 33.1% Other.
- (b) Weatherlow Offshore Fund I, Ltd. - This fund is a diversified fund of hedge funds allocating to 20 to 25 underlying managers. The strategy mix in the fund's portfolio will be roughly 50% Equity Long/Short, 25% Event Driven, 20% Relative Value, and 5% Global Macro. This fund is in the medium volatility category.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Fair Value Measurements (Continued)

- (c) 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.
- (d) Avenue Strategic Partners, Ltd. is a fund of hedge funds focused on distressed, special situations, deep-value, or event-driven strategies. The funds capitalize on Avenue Strategic Partners, Ltd.'s 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 64.5% Distressed, 14.0% Event Driven-Credit Arbitrage, 11.9% Event-Driven Other, and 9.3% Special Situations. Funds are primarily invested in North America and Developed Non-North America markets, with a small percentage in Emerging Markets. Avenue Strategic Partners, Ltd. includes a 5% holdback for redemptions during an 18-month lock-up period.
- (e) Pointer Offshore Fund invests with a selection of alternative money managers who specialize in long/short equity based on fundamental, bottom-up research. Pointer Offshore Fund also typically invests a percentage of assets with managers specializing in distressed/credit, commodities, special situations, etc. The fund's strategy includes 53.4% hedged global, 15.6% distressed/credit, 9.5% commodity related, 6.4% domestic, 5.8% special situations, and 9.3% other. Pointer has medium volatility relative to other funds of hedge funds. There is a 117-day redemption notice period after a 2-year lock-up has expired.



# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Fair Value Measurements (Continued)

- (f) Lighthouse Diversified Fund, Ltd. is a fund of funds whose investment objective is to seek consistent stable returns by allocating the fund's assets to sub-advisers 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. Redemption in the first year is subject to a redemption fee equal to 2%. There is also a 10% holdback on all redemptions.
- (g) 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 included 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 had a 5% redemption holdback.
- (h) Blackstone Real Estate Income Fund II is a closed-end, nondiversified, management investment company. The fund's investment objective is to seek long-term total return, with an emphasis on current income, by primarily investing in a broad range of real estate-related debt investments. The fund's managed assets are invested in liquid investments in public and private real estate debt, including commercial mortgage-backed securities, mortgages, loans, mezzanine, and other forms of debt. Redemption in the first year is subject to a redemption fee equal to 2%.

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, 2014, was approximately \$177,000,000.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### Note 8 Property and Equipment

Property and equipment consisted of the following at June 30:

	In Thousands	
	2014	2013
Land and land improvements	\$ 16,043	\$ 14,873
Buildings and building improvements	193,064	185,301
Leasehold improvements	3,302	3,178
Fixed equipment	14,045	14,037
Movable equipment	161,992	146,433
Automobiles	1,127	1,018
Total property and equipment	389,573	364,840
Less - Accumulated depreciation	214,208	193,909
Net depreciated value	175,365	170,931
Construction in progress	42,947	17,975
Property and equipment - Net	\$ 218,312	\$ 188,906

Construction in progress consisted of the following at June 30:

	In Thousands	
	2014	2013
Information technology	\$ 2,542	\$ 7,887
St. Agnes Hospital facility improvements	-	2,676
Surgery center expansion	5,500	-
Ripon Medical Center, Inc. hospital and medical office building	30,631	4,744
Other	4,274	2,668
Totals	\$ 42,947	\$ 17,975

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### **Note 8**      **Property and Equipment (Continued)**

At June 30, 2014, Agnesian had commitments totaling \$28,712,000 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, construction of a facility located adjacent to an existing surgery center, and other construction and equipment expenditures.

### **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, 2014 and 2013.

### **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, 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.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### Note 10 Long-Term Debt (Continued)

As security for the payment of the various 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, 2014.

	In Thousands	
	2014	2013
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	\$ 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	5,705
Family Foot Clinic note dated January 1, 2013, with an interest rate of 4.5%, due in monthly amounts of \$21,439, including interest through December 2017	832	1,046

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### Note 10 Long-Term Debt (Continued)

Long-term debt consisted of the following at June 30:

	In Thousands	
	2014	2013
WHEFA Revenue Bonds, Series 2012, dated July 6, 2012, with an interest rate of 4.0%, due in varying annual amounts ranging from \$23,420 in 2015 to \$1,833,390 in 2027	\$ 11,574	\$ 11,597
WHEFA Revenue Bonds, Series 2011, dated December 31, 2011, with interest at 2.78%, due in varying annual amounts ranging from \$1,054,000 in 2015 to \$1,342,000 in 2020	7,154	8,158
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 \$1,085,000 in 2015 to \$1,750,000 in 2040	53,510	54,545
WHEFA Adjustable Rate Revenue Bonds, Series 2008, dated December 1, 2008, variable rate of interest (1.036% and 1.222% at June 30, 2014 and 2013, respectively), due in annual amounts ranging from \$975,000 in 2015 to \$5,465,000 in 2035	46,455	47,405
WHEFA Revenue Bonds, Series 1997, variable rates of interest (0.24% and 0.28% at June 30, 2014 and 2013, respectively), due in varying amounts ranging from \$760,000 in 2015 to \$165,000 in 2016	925	1,660
Subtotals	174,420	178,381
Unamortized bond premium	5,776	6,035
Total long-term debt	180,196	184,416
Less - Current maturities	4,122	3,961
Long-term debt, less current maturities	\$ 176,074	\$ 180,455

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 10 Long-Term Debt (Continued)

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

	In Thousands
2015	\$ 4,122
2016	3,979
2017	4,427
2018	4,699
2019	5,398
Thereafter	151,795
Total	\$ 174,420

### 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 \$13,650,000 and \$14,000,000 at June 30, 2014 and 2013, respectively. The agreement, which matures July 1, 2033, converts the hedged Series 2008 Bonds' variable interest rate 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, 2014 and 2013, determined the hedge to be highly 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 \$2,076,000 and \$2,055,000 as of June 30, 2014 and 2013, respectively.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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	
	2014	2013
Movable equipment	\$ 9,466	\$ 12,776
Less - Accumulated amortization	4,060	5,218
Totals	\$ 5,406	\$ 7,558

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
2015	\$ 1,718	\$ 5,421
2016	1,633	2,310
2017	1,152	1,679
2018	682	1,132
2019	223	531
Thereafter	-	170
Total minimum lease payments	5,408	\$ 11,243
Amount representing interest	308	
Present value of net minimum lease payments	5,100	
Less - Current portion	1,568	
Long-term obligations under capital leases	\$ 3,532	

Rent expense totaled approximately \$5,905,000 and \$6,202,000 in 2014 and 2013, respectively.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 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	
	2014	2013
Interest in Agnesian HealthCare Foundation, Inc.:		
Hospice	\$ 851	\$ 935
St. Francis Home of Fond du Lac, Wisconsin, Inc. -		
Patient care and other	3,016	3,049
Other health services and initiatives	8,955	7,747
Interest in Foundation for Ripon Medical Center, Inc.	1,432	3,565
Due from Foundation for Ripon Medical Center, Inc.	2,400	-
Agnesian HealthCare, Inc. - Patient care and other	384	60
Total temporarily restricted net assets	\$ 17,038	\$ 15,356

### 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	
	2014	2013
Interest in Agnesian HealthCare Foundation, Inc.:		
Other health services and initiatives	\$ 1,153	\$ 1,151
St. Francis Home of Fond du Lac, Wisconsin, Inc.	321	321
Agnesian HealthCare, Inc.	1,000	1,000
Total permanently restricted net assets	\$ 2,474	\$ 2,472



# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### **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. 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. 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, 2015.

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, 2014, 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). Under this agreement, which expires December 31, 2014, Agnesian purchases physician services from FDLRC in exchange for the rights to all proceeds from billings for such services. Payments to FDLRC 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 2014 and 2013, professional fees and purchased services expense included approximately \$54,168,000 and \$52,359,000, respectively, for FDLRC professional services. Agnesian had net amounts payable to the PSA of approximately \$2,025,000 and \$426,000 as of June 30, 2014 and 2013, respectively. In addition, as discussed in Note 17, Agnesian has a deferred compensation plan under terms of the PSA with related assets held in trust and deferred compensation liabilities totaling approximately \$27,155,000 and \$22,616,000 at June 30, 2014 and 2013, respectively.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### **Note 17**      **Deferred Compensation**

Under terms of the PSA with FDLRC discussed in Note 16, Agnesian has a deferred compensation plan that permits eligible employees of FDLRC 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 assets designated by the Board of Directors, reported as assets limited as to use, and deferred compensation liabilities related to this plan totaling approximately \$27,155,000 and \$22,616,000 at June 30, 2014 and 2013, respectively.

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 liabilities related to this plan totaling approximately \$2,939,000 and \$2,321,000 at June 30, 2014 and 2013, respectively.

For the years ended June 30, 2014 and 2013, Agnesian's expenses related to the deferred compensation plans totaled approximately \$3,148,000 and \$3,081,000, respectively.

### **Note 18**      **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 \$7,857,000 and \$7,430,000 during 2014 and 2013, respectively.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 18 Retirement Plans (Continued)

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 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, 2014 and 2013, the provision for unpaid and unreported claims included in accrued liabilities was approximately \$2,074,000 and \$2,016,000, 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	
	2014	2013
Health care services	\$ 324,052	\$ 318,272
General and administrative services	81,936	71,452
Total expenses	\$ 405,988	\$ 389,724

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 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, 2014, Agnesian exceeded the insured limits by approximately \$27,210,000. 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:

	2014	2013
Medicare	39%	39%
Medicaid	9%	7%
Commercial insurance and other	41%	42%
Private pay	11%	12%
Totals	100%	100%

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 22      Transactions With Affiliated Organizations

Agnesian employs certain Sisters of the Congregation. Sisters' salaries and related costs totaled approximately \$402,000 and \$432,000 for 2014 and 2013, respectively.

St. Francis Home recorded approximately \$2,003,000 and \$1,930,000 of revenue from the Congregation for 2014 and 2013, 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 \$304,000 and \$270,000 in 2014 and 2013, respectively. Agnesian Foundation made grants to Agnesian totaling approximately \$1,443,000 and \$866,000 in 2014 and 2013, respectively. St. Agnes had grants receivable from Agnesian Foundation totaling approximately \$966,000 and \$676,000 at June 30, 2014 and 2013, which are included in other receivables in the consolidated balance sheets. Agnesian has an interest in the net assets of Agnesian Foundation totaling \$14,296,000 and \$13,203,000 at June 30, 2014 and 2013, 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 in 2013.

Agnesian has a receivable totaling \$2,400,000 from Ripon Foundation. These funds will be used to fund construction of a wellness center at Ripon Hospital. In addition, Agnesian has an interest in the net assets of Ripon Foundation totaling \$1,432,000 and \$3,565,000 at June 30, 2014 and 2013, respectively.

# Agnesian HealthCare, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 23      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. Agnesian has informed IBM that they will not continue the contract past the initial agreement period.

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, 2014, the future estimated fees, exclusive of consumer price indexing adjustments and obligations outside of the ITSA, are \$4,122,000.

## **Supplementary Information**



## 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, 2014 and 2013, and our report thereon dated September 15, 2014, 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 consolidating information appearing on pages 48 through 51 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Wipfli LLP*

Wipfli LLP

September 15, 2014  
Wausau, Wisconsin



# Agnesian HealthCare, Inc. and Affiliates

## Consolidating Balance Sheet

June 30, 2014 (With Comparative Totals for June 30, 2013)

<i>Assets</i>	In Thousands		
	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Current assets:			
Cash and cash equivalents	\$ 8,585	\$ 3,789	\$ 646
Assets limited as to use	1,023	-	1,420
Accounts receivable - Net	46,938	6,012	3,277
Other receivables	6,966	2,866	180
Inventory	2,345	8	239
Prepaid expenses and other	2,964	71	67
Total current assets	68,821	12,746	5,829
Investments	203,434	-	533
Assets limited as to use, less current portion	46,309	-	15,411
Property and equipment - Net	153,405	16,921	30,627
Other assets:			
Interest in net assets of foundations	10,959	-	1,432
Due from Foundation for Ripon Medical Center, Inc.	-	-	2,400
Investment in unconsolidated affiliate	18,426	-	-
Deferred financing costs	1,104	-	362
Intangibles - Net	3,266	-	500
Other	5,328	-	1
Total other assets	39,083	-	4,695
<b>TOTAL ASSETS</b>	<b>\$ 511,052</b>	<b>\$ 29,667</b>	<b>\$ 57,095</b>

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2014	2013	
\$ 8,463	\$ 1,493	\$ 1,624	\$ -	\$ 24,600	\$ 28,823	
-	-	-	-	2,443	1,679	
1,547	622	2,567	-	60,963	56,389	
1,042	-	192	(8,376)	2,870	3,226	
67	54	3,589	-	6,302	4,934	
174	6	37	-	3,319	2,960	
11,293	2,175	8,009	(8,376)	100,497	98,011	
1,814	1,563	-	-	207,344	172,525	
-	1,044	-	-	62,764	86,666	
1,687	14,396	1,276	-	218,312	188,906	
-	3,337	-	-	15,728	16,768	
-	-	-	-	2,400	-	
-	-	-	(18,426)	-	-	
-	29	-	-	1,495	1,579	
-	-	140	-	3,906	4,037	
1	-	-	(5,000)	330	333	
1	3,366	140	(23,426)	23,859	22,717	
\$ 14,795	\$ 22,544	\$ 9,425	\$ (31,802)	\$ 612,776	\$ 568,825	

# Agnesian HealthCare, Inc. and Affiliates

## Consolidating Balance Sheet (Continued)

June 30, 2014 (With Comparative Totals for June 30, 2013)

<i>Liabilities and Net Assets</i>	In Thousands		
	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Current liabilities:			
Current maturities of long-term debt	\$ 3,362	\$ -	\$ -
Current portion of obligations under capital leases	1,568	-	-
Accounts payable	13,129	620	4,135
Accrued liabilities	19,082	1,712	1,054
Amounts payable to third-party reimbursement programs	153	595	422
Total current liabilities	37,294	2,927	5,611
Long-term liabilities:			
Long-term debt, less current maturities	136,825	-	39,084
Capital lease obligations, less current portion	3,532	-	-
Deferred compensation	30,094	-	-
Residency fees on deposit and other	-	-	-
Interest rate swap valuation	2,076	-	-
Total long-term liabilities	172,527	-	39,084
Total liabilities	209,821	2,927	44,695
Net assets:			
Unrestricted	288,888	26,740	8,568
Temporarily restricted	10,190	-	3,832
Permanently restricted	2,153	-	-
Total net assets	301,231	26,740	12,400
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 511,052</b>	<b>\$ 29,667</b>	<b>\$ 57,095</b>

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2014	2013	
\$ -	\$ 760	\$ -	\$ -	\$ 4,122	\$ 3,961	
-	-	-	-	1,568	1,691	
699	309	3,150	(8,376)	13,666	12,537	
1,173	860	772	-	24,653	23,299	
-	-	-	-	1,170	574	
1,872	1,929	3,922	(8,376)	45,179	42,062	
-	5,165	-	(5,000)	176,074	180,455	
-	-	-	-	3,532	5,043	
-	-	-	-	30,094	24,937	
-	1,044	-	-	1,044	977	
-	-	-	-	2,076	2,055	
-	6,209	-	(5,000)	212,820	213,467	
1,872	8,138	3,922	(13,376)	257,999	255,529	
12,923	11,069	5,503	(18,426)	335,265	295,468	
-	3,016	-	-	17,038	15,356	
-	321	-	-	2,474	2,472	
12,923	14,406	5,503	(18,426)	354,777	313,296	
\$ 14,795	\$ 22,544	\$ 9,425	\$ (31,802)	\$ 612,776	\$ 568,825	

# Agnesian HealthCare, Inc. and Affiliates

## Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2014 (With Comparative Totals for the Year Ended June 30, 2013)

	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	\$ 325,024	\$ 39,985	\$ 22,310
Provision for bad debts	(13,592)	(1,820)	(1,312)
Net patient service revenue, less provision for bad debts	311,432	38,165	20,998
Other operating revenue	9,368	1,740	1,309
Total revenue	320,800	39,905	22,307
Operating expenses:			
Salaries and wages	111,879	14,334	9,244
Fringe benefits	29,457	2,916	1,699
Professional fees and purchased services	81,424	7,988	5,468
Supplies and other	53,063	5,412	3,065
Maintenance and utilities	20,589	1,507	1,035
Depreciation and amortization	17,465	1,852	1,312
Interest	4,436	-	38
Total operating expenses	318,313	34,009	21,861
Income from operations	2,487	5,896	446
Other income (expense):			
Investment income	6,986	3	55
Income taxes	-	-	-
Loss on bond defeasance	-	-	-
Gain (loss) on disposal of property and equipment	(34)	3	-
Other	6,148	-	-
Total other income (expense) - Net	13,100	6	55
Excess of revenue over expenses	15,587	5,902	501

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2014	2013	
\$ 27,076 (610)	\$ 12,640 (18)	\$ 31,558 (68)	\$ (30,852) -	\$ 427,741 (17,420)	\$ 423,768 (18,623)	
26,466 75	12,622 359	31,490 2	(30,852) (1,724)	410,321 11,129	405,145 7,772	
26,541	12,981	31,492	(32,576)	421,450	412,917	
8,682	6,437	5,792	-	156,368	150,175	
2,418	2,420	1,372	(18,118)	22,164	20,213	
2,054	681	573	(13,500)	84,688	81,871	
5,314	1,361	22,423	(57)	90,581	87,733	
1,809	619	467	(901)	25,125	23,604	
660	926	263	-	22,478	21,501	
-	110	-	-	4,584	4,627	
20,937	12,554	30,890	(32,576)	405,988	389,724	
5,604	427	602	-	15,462	23,193	
30	195	(3)	-	7,266	8,131	
(17)	-	(83)	-	(100)	(213)	
-	-	-	-	-	(735)	
12	(1)	3	-	(17)	33	
-	-	-	(6,148)	-	-	
25	194	(83)	(6,148)	7,149	7,216	
5,629	621	519	(6,148)	22,611	30,409	

# Agnesian HealthCare, Inc. and Affiliates

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

Year Ended June 30, 2014 (With Comparative Totals for the Year Ended June 30, 2013)

	In Thousands		
	Agnesian HealthCare, Inc.	Waupun Memorial Hospital, Inc.	Ripon Medical Center, Inc.
Other changes in unrestricted net assets:			
Net asset transfer	\$ 5,000	\$ (5,000)	\$ -
Change in net unrealized gains on investment securities	16,766	-	7
Interest rate swap valuation adjustment	(21)	-	-
Contributions for property and equipment	8	14	-
Net assets released from restrictions for capital	219	-	-
Total other changes in unrestricted net assets	21,972	(4,986)	7
Increase (decrease) in unrestricted net assets	37,559	916	508
Temporarily restricted net assets:			
Contributions	324	-	-
Change in interest in net assets of foundations	2,628	-	267
Net assets released from restrictions:			
For capital	(219)	-	-
For operations	(1,285)	-	-
Increase (decrease) in temporarily restricted net assets	1,448	-	267
Increase in permanently restricted net assets - Change in interest in net assets of foundations	2	-	-
Increase (decrease) in net assets	39,009	916	775
Net assets at beginning	262,222	25,824	11,625
Net assets at end	\$ 301,231	\$ 26,740	\$ 12,400

In Thousands						
Consultants Laboratory of Wisconsin, LLC	St. Francis Home of Fond du Lac, Wisconsin, Inc.	Agnesian HealthCare Enterprises, LLC	Eliminations	Consolidated		
				2014	2013	
\$ (6,000)	\$ -	\$ -	\$ 6,000	\$ -	\$ -	
-	118	-	-	16,891	5,928	
-	-	-	-	(21)	1,137	
-	-	-	-	22	25	
-	75	-	-	294	86	
(6,000)	193	-	6,000	17,186	7,176	
(371)	814	519	(148)	39,797	37,585	
				324	3	
-	42	-	-	2,937	2,398	
-	(75)	-	-	(294)	(86)	
-	-	-	-	(1,285)	(1,001)	
-	(33)	-	-	1,682	1,314	
-	-	-	-	2	11	
(371)	781	519	(148)	41,481	38,910	
13,294	13,625	4,984	(18,278)	313,296	274,386	
\$ 12,923	\$ 14,406	\$ 5,503	\$ (18,426)	\$ 354,777	\$ 313,296	