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2013

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Form 990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

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

► Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.

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

## A For the 2013 calendar year, or tax year beginning 10-01-2013, 2013, and ending 09-30-2014

B Check if applicable	C Name of organization BELLIN PSYCHIATRIC CENTER		D Employer identification number 39-1657627
<input type="checkbox"/> Address change	Doing Business As		
<input type="checkbox"/> Name change			
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (920) 445-7260
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return	City or town, state or province, country, and ZIP or foreign postal code GREEN BAY, WI 543053725		
<input type="checkbox"/> Application pending			G Gross receipts \$ 15,065,509

F Name and address of principal officer SHARLA BAENEN PO BOX 23725 GREEN BAY, WI 543053725	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	H(b) Are all subordinates included? If "No," attach a list (see instructions)
	H(c) Group exemption number ►

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

J Website: ► WWW BELLIN.ORG

K Form of organization  Corporation  Trust  Association  Other ► L Year of formation 1990 M State of legal domicile WI

## Part I Summary

1 Briefly describe the organization's mission or most significant activities BELLIN PSYCHIATRIC CENTER, INC (BPC) PROVIDES PSYCHIATRIC AND ALCOHOL AND OTHER DRUG ABUSE (AODA) SERVICES TO ENHANCE THE HEALTH OF THE COMMUNITY AND IMPROVE THE HEALTH OF LOW-INCOME PATIENTS CONSISTENT WITH THE MISSION OF BPC, CARE IS PROVIDED TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY		
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets		
3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3	10
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	5
5 Total number of individuals employed in calendar year 2013 (Part V, line 2a) . . . . .	5	189
6 Total number of volunteers (estimate if necessary) . . . . .	6	7
7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	0
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	0

8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	7,500	15,819
9 Program service revenue (Part VIII, line 2g) . . . . .		14,363,325
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	595,833	644,165
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	46,191	42,200
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	16,118,760	15,065,509

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	13,360,133	12,099,315
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ► <sup>0</sup>		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .	4,383,935	4,281,250
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	17,744,068	16,380,565
19 Revenue less expenses Subtract line 18 from line 12 . . . . .	-1,625,308	-1,315,056

20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year	End of Year
	19,336,629	19,542,662
21 Total liabilities (Part X, line 26) . . . . .		6,539,465
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	12,797,164	11,560,418

## Part II Signature Block

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

Sign Here	***** Signature of officer SHARLA BAENEN PRESIDENT Type or print name and title	2015-08-14 Date
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Paid Preparer Use Only	Print/Type preparer's name TERRI REXRODE CPA MST	Preparer's signature	Date 2015-08-14	Check <input type="checkbox"/> if self-employed	PTIN P00096513
	Firm's name ► WIPFLI LLP			Firm's EIN ► 39-0758449	
	Firm's address ► PO BOX 12237 GREEN BAY, WI 543072237			Phone no (920) 662-0016	

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

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III **1 Briefly describe the organization's mission**

BELLIN PSYCHIATRIC CENTER WILL BE RECOGNIZED AS THE PREFERRED PROVIDER FOR PSYCHIATRIC DISORDERS AND ADDICTIVE DISEASES THROUGH THE DELIVERY OF A CONTINUUM OF CARE AND PREVENTION PROGRAMS BASED ON THE QUALITY CARE DELIVERED AT A REASONABLE COST WITH A MEASURABLE OUTCOME BY IMPROVING WORK PROCESSES AND SYSTEMS EXCEEDING CUSTOMER NEEDS AND EXPECTATIONS. EMPOWERING STAFF TO EXCEL PERSONALLY AND PROFESSIONALLY IN COOPERATION WITH PSYCHIATRISTS, PSYCHOLOGISTS, PRIMARY CARE PHYSICIANS, AGENCIES AND HEALTH PROFESSIONALS, BELLIN PSYCHIATRIC CENTER IS DEDICATED TO THE MULTIDISCIPLINARY TREATMENT OF CHILDREN, ADOLESCENTS, ADULTS AND THEIR FAMILY MEMBERS THROUGHOUT OUR PRIMARY MARKET OF WISCONSIN AND THE UPPER PENINSULA OF MICHIGAN

**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**

<b>4a</b>	(Code	) (Expenses \$	13,432,271	including grants of \$	) (Revenue \$	14,259,128 )
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THE CENTER PROVIDES PSYCHIATRIC AND ALCOHOL AND OTHER DRUG ABUSE (AODA) SERVICES TO RESIDENTS OF NORTHEASTERN WISCONSIN DURING FISCAL YEAR 2014. 5,483 INPATIENT DAYS WERE PROVIDED (2,860 ADULT, 566 CHILD AND 2,057 ADOLESCENT). THE NUMBER OF OUTPATIENT THERAPY VISITS DURING FISCAL YEAR 2014 WERE 22,511. IN ADDITION THERE WERE 31,035 INPATIENT AND OUTPATIENT MD, APNP AND PHD VISITS

<b>4b</b>	(Code	) (Expenses \$		including grants of \$	) (Revenue \$	)
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<b>4c</b>	(Code	) (Expenses \$		including grants of \$	) (Revenue \$	)
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**4d Other program services (Describe in Schedule O )**

(Expenses \$		including grants of \$	) (Revenue \$	)
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<b>4e Total program service expenses ►</b>	13,432,271
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**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI
- 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
- c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII
- d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX
- e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part XI

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII

12b 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

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

14b 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

15 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

16 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

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1	Yes	
2	Yes	
3		No
4		No
5		No
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b		No
11c		No
11d		No
11e	Yes	
11f	Yes	
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a	Yes	
20b	Yes	

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

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

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response 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>	189	
<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>	Yes	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	No	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" 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>	No	
<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>	No	
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No	
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	No	
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b>	No	
<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>7b</b>		
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7c</b>	No	
<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>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	No	
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	No	
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>		
<b>8 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>9a</b>		
<b>a</b> Did the organization make any taxable distributions under section 4966?	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter	<b>10a</b>		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10b</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
<b>11 Section 501(c)(12) organizations.</b> Enter	<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>13a</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>13b</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>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No	
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>		

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

Check if Schedule O contains a response 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>	10		
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>	5		
<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>		No	
<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>		No	
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	<b>4</b>		No	
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	<b>5</b>		No	
<b>6</b> Did the organization have members or stockholders?	<b>6</b>	Yes		
<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>	Yes		
<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>	Yes		
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	<b>8a</b>	Yes		
<b>a</b> The governing body?	<b>8b</b>	Yes		
<b>b</b> Each committee with authority to act on behalf of the governing body?	<b>9</b>	No		
<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				

### 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>	No	
<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>	Yes	
<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>	Yes	
<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>	Yes	
<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>	Yes	
<b>13</b> Did the organization have a written whistleblower policy?	<b>13</b>	Yes	
<b>14</b> Did the organization have a written document retention and destruction policy?	<b>14</b>	Yes	
<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>15a</b>	Yes	
<b>a</b> The organization's CEO, Executive Director, or top management official	<b>15b</b>	Yes	
<b>b</b> Other officers or key employees of the organization			
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>	No	
<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
- 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply
  Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 

KEVIN J MCGURK 744 S WEBSTER AVE  
GREEN BAY, WI 54301 (920)445-7260

**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, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099- MISC)	(E) Reportable compensation from related organizations (W-2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key Employee	Highest Employee			
(1) SHARLA BAENEN BPC PRESIDENT/MEMBER	45 00	X		X			147,136	0	25,350
(2) CHRISTINE WOLESKE MEMBER/BELLIN EXECUTIVE VP	50 50 00	X					0	296,082	32,065
(3) CARLOS CASTILLO MD PRESIDENT OF MEDICAL STAFF	40 00	X		X			477,042	0	28,579
(4) MICHAEL HOFFMAN MD MEMBER	50 40 00	X					0	203,292	23,741
(5) TARA ROBERTSON PSYD MEMBER	40 00	X					118,601	0	19,183
(6) WILLIAM MCKINLEY MEMBER	50	X					0	0	0
(7) ROBERT FRY SECRETARY, TREASURER	50	X		X			0	0	0
(8) BARBARA GILLING INTERIM CHAIRPERSON	50	X		X			0	0	0
(9) SUE MATTISON PH D MEMBER	50	X					0	0	0
(10) DAVID VANDERPLOEG MEMBER	50	X					0	0	0
(11) ANTHONY MARCHEWSKI MD PSYCHIATRIST	40 00				X		270,647	0	23,885
(12) JOHN CHARLES MD PSYCHIATRIST	40 00				X		408,774	0	31,545
(13) ANTHONY VITA MD PSYCHIATRIST	40 00				X		393,301	0	21,206
(14) PAUL BURNETT MD PSYCHIATRIST	40 00				X		275,106	0	30,405
(15) DENISE BRACHMANN MD PSYCHIATRIST	40 00				X		365,537	0	30,546

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

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 **18**

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

## **Section B. Independent Contractors**

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

**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>	8,328		
	<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>	7,491		
	<b>g</b> Noncash contributions included in lines 1a-1f \$				
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		15,819		
<b>Program Service Revenue</b>	<b>2a</b> NET PATIENT SERVICE REVENUE	Business Code 621300	14,216,928	14,216,928	
	<b>b</b> MISCELLANEOUS	621300	121,699		121,699
	<b>c</b> MEDICAL RECORDS	621300	24,698		24,698
	<b>d</b>				
	<b>e</b>				
	<b>f</b> All other program service revenue				
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .		14,363,325		
	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .		203,724		203,724
<b>4</b> Income from investment of tax-exempt bond proceeds					
<b>5</b> Royalties . . . . .					
<b>6a</b> Gross rents	(I) Real	(II) Personal			
<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	(II) Other			
<b>b</b> Less cost or other basis and sales expenses	440,441				
<b>c</b> Gain or (loss)	0				
<b>d</b> Net gain or (loss) . . . . .	440,441				440,441
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
<b>b</b> Less direct expenses . . . . .	b				
<b>c</b> Net income or (loss) from fundraising events . . . . .					
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	a				
<b>b</b> Less direct expenses . . . . .	b				
<b>c</b> Net income or (loss) from gaming activities . . . . .					
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	a				
<b>b</b> Less cost of goods sold . . . . .	b				
<b>c</b> Net income or (loss) from sales of inventory . . . . .					
<b>Miscellaneous Revenue</b>	Business Code				
<b>11a</b> EHR INCENTIVE	900099	42,200	42,200		
<b>b</b>					
<b>c</b>					
<b>d</b> All other revenue . . . . .					
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .		42,200			
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .		15,065,509	14,259,128	0	790,562

**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 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	815,891	775,096	40,795	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	8,972,748	8,381,663	591,085	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	460,142	427,389	32,753	
9 Other employee benefits	1,218,043	991,102	226,941	
10 Payroll taxes	632,491	586,345	46,146	
11 Fees for services (non-employees)				
a Management				
b Legal	1,380		1,380	
c Accounting	17,044		17,044	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	400,554	268,178	132,376	
12 Advertising and promotion	39,056	2,751	36,305	
13 Office expenses	52,071	39,284	12,787	
14 Information technology	16,557	12,385	4,172	
15 Royalties				
16 Occupancy	346,816	343,088	3,728	
17 Travel	11,410	4,639	6,771	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	62,521	42,470	20,051	
20 Interest	281,569		281,569	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	336,420		336,420	
23 Insurance	76,358	46,430	29,928	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a SUPPLIES	2,102,884	1,019,634	1,083,250	
b BAD DEBT EXPENSE	376,398	376,398		
c EQUIPMENT RENT/MAINT	65,553	55,275	10,278	
d DUES & SUBSCRIPTIONS	52,860	47,428	5,432	
e All other expenses	41,799	12,716	29,083	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	16,380,565	13,432,271	2,948,294	0
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ► if following SOP 98-2 (ASC 958-720)				

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

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
<b>Assets</b>			
1	Cash—non-interest-bearing	2,467,781	<b>1</b>
2	Savings and temporary cash investments	2	
3	Pledges and grants receivable, net	3	
4	Accounts receivable, net	1,289,543	<b>4</b>
5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		
6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		<b>5</b>
7	Notes and loans receivable, net	6	<b>7</b>
8	Inventories for sale or use	8	
9	Prepaid expenses and deferred charges	9	1,185
10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	<b>10a</b>	8,528,014
b	Less accumulated depreciation	<b>10b</b>	2,656,002
		5,949,535	<b>10c</b>
11	Investments—publicly traded securities	9,576,387	<b>11</b>
12	Investments—other securities See Part IV, line 11	12	
13	Investments—program-related See Part IV, line 11	13	
14	Intangible assets	14	
15	Other assets See Part IV, line 11	53,383	48,416
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	19,336,629	<b>16</b>
<b>Liabilities</b>			
17	Accounts payable and accrued expenses	1,239,134	<b>17</b>
18	Grants payable	18	
19	Deferred revenue	19	
20	Tax-exempt bond liabilities	3,646,365	<b>20</b>
21	Escrow or custodial account liability Complete Part IV of Schedule D	21	
22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		<b>22</b>
23	Secured mortgages and notes payable to unrelated third parties	23	
24	Unsecured notes and loans payable to unrelated third parties	24	
25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	1,653,966	<b>25</b>
26	<b>Total liabilities.</b> Add lines 17 through 25	6,539,465	<b>26</b>
<b>Net Assets or Fund Balances</b>			
	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
27	Unrestricted net assets	12,797,164	<b>27</b>
28	Temporarily restricted net assets	28	
29	Permanently restricted net assets	29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
30	Capital stock or trust principal, or current funds	30	
31	Paid-in or capital surplus, or land, building or equipment fund	31	
32	Retained earnings, endowment, accumulated income, or other funds	32	
33	Total net assets or fund balances	12,797,164	<b>33</b>
34	<b>Total liabilities and net assets/fund balances</b>	19,336,629	<b>34</b>

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	15,065,509
2	Total expenses (must equal Part IX, column (A), line 25)	2	16,380,565
3	Revenue less expenses Subtract line 2 from line 1	3	-1,315,056
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	12,797,164
5	Net unrealized gains (losses) on investments	5	78,310
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	11,560,418

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

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
2b 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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
2c 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	2c	Yes
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	No
3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

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

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

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

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**Name of the organization**  
BELLIN PSYCHIATRIC CENTER**Employer identification number**

39-1657627

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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?

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

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

(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	
<b>Total</b>									

**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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<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
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>11 Total support</b> (Add lines 7 through 10)						
12 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 501(c)(3) organization, check this box and <b>stop here</b> . . . . . ►						

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

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	
15 Public support percentage for 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 ►		
<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 ►		
<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 ►		
<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 ►		
<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 ►		

**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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<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 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<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						
<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 )						
<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 501(c)(3) organization, check this box and <b>stop here</b> ►						

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

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15
16 Public support percentage from 2012 Schedule A, Part III, line 15	16

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

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18
<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 ►	
<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 ►	
<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 ►	

**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).**Facts And Circumstances Test**

Return Reference

Explanation

**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements**

OMB No 1545-0047

**2013**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b  
 ► Attach to Form 990. ► See separate instructions. ► Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Open to Public Inspection**Department of the Treasury  
Internal Revenue Service**Name of the organization**  
BELLIN PSYCHIATRIC CENTER**Employer identification number**

39-1657627

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<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	
a Total number of conservation easements	<b>Held at the End of the Year</b>
b Total acreage restricted by conservation easements	2a
c Number of conservation easements on a certified historic structure included in (a)	2b
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c
	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

<b>a</b> <input type="checkbox"/> Public exhibition	<b>d</b> <input type="checkbox"/> Loan or exchange programs
<b>b</b> <input type="checkbox"/> Scholarly research	<b>e</b> <input type="checkbox"/> Other
<b>c</b> <input type="checkbox"/> 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

	<b>Amount</b>
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<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

**(i)** unrelated organizations . . . . .

**(ii)** related organizations . . . . .

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

<b>Yes</b>	<b>No</b>
<b>3a(i)</b>	
<b>3a(ii)</b>	
<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 . . . . .		2,500,165			2,500,165
<b>b</b> Buildings . . . . .		3,060,108	1,218,347		1,841,761
<b>c</b> Leasehold improvements . . . . .		278,336	152,700		125,636
<b>d</b> Equipment . . . . .		2,681,077	1,284,955		1,396,122
<b>e</b> Other . . . . .		8,328			8,328
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)					5,872,012

**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.

<b>(a) Description of security or category (including name of security)</b>	<b>(b) Book value</b>	<b>(c) Method of valuation Cost or end-of-year market value</b>
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
</		

**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

**Part IX Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

**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.

**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.

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	15,143,819
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	78,310
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIII) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	78,310
3	Subtract line 2e from line 1 . . . . .	3	15,065,509
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIII) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	15,065,509

**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.

1	Total expenses and losses per audited financial statements . . . . .	1	16,380,565
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIII) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	16,380,565
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIII) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	16,380,565

**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

Return Reference	Explanation
PART X, LINE 2	IN ORDER TO ACCOUNT FOR UNCERTAIN TAX POSITIONS, BELLIN HEALTH SYSTEMS DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON 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 THAT POSITION IS NOT RECOGNIZED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS. BELLIN HEALTH SYSTEMS HAS NOT RECORDED ANY ASSETS OR LIABILITIES RELATED TO UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS AS OF SEPTEMBER 30, 2014 OR 2013. BELLIN HEALTH SYSTEMS' FEDERAL INCOME TAX RETURNS FOR YEARS ENDED SEPTEMBER 30, 2011, AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE

**Part XIII Supplemental Information (continued)**

Return Reference	Explanation

SCHEDULE H  
(Form 990)

## Hospitals

OMB No 1545-0047

Department of the Treasury  
Internal Revenue Service

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

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

2013

Open to Public  
InspectionName of the organization  
BELLIN PSYCHIATRIC CENTER

Employer identification number

39-1657627

## Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .

1b If "Yes," was it a written policy? . . . . .

2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

Applied uniformly to all hospital facilities  Applied uniformly to most hospital facilities

Generally tailored to individual hospital facilities

3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care

100%  150%  200%  Other \_\_\_\_\_ %

b Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care

200%  250%  300%  350%  400%  Other \_\_\_\_\_ %

c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care

4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .

5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .

5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .

6a Did the organization prepare a community benefit report during the tax year? . . . . .

6b If "Yes," did the organization make it available to the public? . . . . .

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

	Yes	No
1a	Yes	
1b	Yes	
3a	Yes	
3b	Yes	
4	Yes	
5a	Yes	
5b		No
5c		
6a	Yes	
6b	Yes	

## 7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . . .			231,790		231,790	1 450 %
b Medicaid (from Worksheet 3, column a) . . . . .			4,550,906	3,149,353	1,401,553	8 760 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .			4,782,696	3,149,353	1,633,343	10 210 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			62,949	2,605	60,344	0 380 %
f Health professions education (from Worksheet 5) . . . . .						
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7) . . . . .						
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			5,100		5,100	0 030 %
j <b>Total</b> Other Benefits . . . . .			68,049	2,605	65,444	0 410 %
k <b>Total</b> Add lines 7d and 7j . . . . .			4,850,745	3,151,958	1,698,787	10 620 %

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

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

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

Section A. Bad Debt Expense	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	215,941
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements		
Section B. Medicare		
5 Enter total revenue received from Medicare (including DSH and IME)	5	1,686,114
6 Enter Medicare allowable costs of care relating to payments on line 5	6	1,134,188
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	551,926
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used		
<input type="checkbox"/> Cost accounting system	<input checked="" type="checkbox"/> Cost to charge ratio	<input type="checkbox"/> Other
Section C. Collection Practices		
9a Did the organization have a written debt collection policy during the tax year?	9a	Yes
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes

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

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

## Part V Facility Information

## **Section A. Hospital Facilities**

(list in order of size from largest to smallest—see instructions)

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

1

Name, address, primary website address,  
and state license number

**Part V Facility Information (continued)****Section B. Facility Policies and Practices**

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

BELLIN PSYCHIATRIC CENTER INC

**Name of hospital facility or facility reporting group** \_\_\_\_\_**If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)** \_\_\_\_\_ 1 \_\_\_\_\_

	<b>Yes</b>	<b>No</b>
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . .	1 Yes	
If "Yes," indicate what the CHNA report describes (check all that apply)		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted. . . . .	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4 Yes	
5 Did the hospital facility make its CHNA report widely available to the public? . . . . .	5 Yes	
If "Yes," indicate how the CHNA report was made widely available (check all that apply)		
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW BELLIN.ORG</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7 No	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a No	
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

**Part V Facility Information (continued)**

<b>Financial Assistance Policy</b>		<b>Yes</b>	<b>No</b>
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>9</b>	Yes	
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . .	<b>10</b>	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 000000000000%</u>			
If "No," explain in Part VI the criteria the hospital facility used			
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . .	<b>11</b>	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000%</u>			
If "No," explain in Part VI the criteria the hospital facility used			
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . .	<b>12</b>	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input checked="" type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input checked="" type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Residency			
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .	<b>13</b>	Yes	
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .	<b>14</b>	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>Billing and Collections</b>			
<b>15</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	<b>15</b>		No
<b>16</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			
<b>17</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . .	<b>17</b>		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			

**Part V Facility Information (continued)**

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

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

**Policy Relating to Emergency Medical Care**

**19** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .

If "No," indicate why

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility's policy was not in writing
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d Other (describe in Part VI)

	Yes	No
<b>19</b> Yes		

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

**20** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d Other (describe in Part VI)

<b>21</b>		No

**21** During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? . . . . .

If "Yes," explain in Part VI

**22** During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? . . . . .

If "Yes," explain in Part VI

**Part V Facility Information (continued)**

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

**Schedule H (Form 990) 2013**

**Part V Facility Information (continued)****Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**  
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? **11**

Name and address	Type of Facility (describe)
1	See Additional Data Table
2	
3	
4	
5	
6	
7	
8	
9	
10	

**Part VI Supplemental Information**

Provide the following information

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

Form and Line Reference	Explanation
PART I, LINE 6A	BELLIN PSYCHIATRIC CENTER IS INCLUDED IN THE ANNUAL BELLIN HEALTH SYSTEMS, INC COMMUNITY BENEFIT REPORT

Form and Line Reference	Explanation
PART I, LINE 7	AMOUNTS ARE CALCULATED BASED ON COST TO CHARGE RATIOS AND AMOUNTS PER THE FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE OF \$376,398 INCLUDED ON FORM 990, PART IX, LINE 25 WAS EXCLUDED FROM THE DENOMINATOR PER INSTRUCTIONS WHEN CALCULATING THE PERCENT TOTAL EXPENSES ON SCHEDULE H

Form and Line Reference	Explanation
PART III, LINE 2	THE COST OF BAD DEBT IS DETERMINED USING THE COST TO CHARGE RATIO THERE MAY BE A SMALL PERCENTAGE OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS WHO ARE ELIGIBLE FOR CHARITY CARE BELLIN PSYCHIATRIC CENTER CURRENTLY DOES NOT TRACK THESE NUMBERS AND IS UNABLE TO MAKE A SUBSTANTIATED ESTIMATE

Form and Line Reference	Explanation
PART III, LINE 4	BAD DEBT EXPENSE IS DESCRIBED ON PAGE 13 OF THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 8	THE AMOUNTS REPORTED FOR MEDICARE WERE CALCULATED USING A COST TO CHARGE RATIO. THE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT FOR THE FOLLOWING REASONS. IRS REV RUL 69-545 WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS STATES THAT IF A HOSPITAL SERVICES PATIENTS WITH GOVERNMENT HEALTH BENEFITS, INCLUDING MEDICARE, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. ALSO, ELDERLY PATIENTS ARE OFTEN UNDERSERVED AND EXPERIENCE ISSUES WITH ACCESS TO HEALTHCARE SERVICES. WITHOUT EXEMPT HOSPITALS, CMS WOULD NEED TO PROVIDE THESE SERVICES.

Form and Line Reference	Explanation
PART III, LINE 9B	PATIENTS EXPRESSING CONCERNS ABOUT THEIR ABILITY TO PAY FOR SERVICES ARE OFFERED INFORMATION ABOUT OUR COMMUNITY CARE PROGRAM AND, IF REQUESTED, CARE PROVIDED A COMMUNITY CARE APPLICATION A COMPLETED APPLICATION WILL BE RETURNED ALONG WITH A COPY OF THE MOST RECENT FEDERAL INCOME TAX RETURN WE MAY ALSO REQUEST THE MOST RECENT THREE MONTHS OF CHECK STUBS, AND EMPLOYER LETTER OR PROOF OF OTHER EARNINGS (SOCIAL SECURITY, PENSION, DISABILITY INCOME) IN ADDITION WE WILL REVIEW THE NET ASSETS AVAILABLE TO BE USED TOWARDS PAYMENT OF THE BILL ONCE A COMPLETED APPLICATION AND OTHER MATERIALS ARE RECEIVED THEY WILL BE REVIEWED BY A FINANCIAL ADVISOR THE ADJUSTED INCOME WHICH IS DETERMINED WILL BE COMPARED TO GOVERNMENT FEDERAL POVERTY GUIDELINES AND THE APPROVED DISCOUNT FROM FULL CHARGES WILL BE DETERMINED BASED ON WHERE THE PATIENT FALLS WITHIN OUR GUIDELINES

Form and Line Reference	Explanation
PART VI, LINE 2	BELLIN PSYCHIATRIC CENTER HAS COMPLETED A COMMUNITY NEEDS ASSESSMENT AND IT IS POSTED ON BELLIN.ORG

Form and Line Reference	Explanation
PART VI, LINE 3	FINANCIAL COUNSELORS ADVISE PATIENTS OF ASSISTANCE PROGRAMS AS WELL AS SERVICE CALLED HRS ERASE IS USED TO REVIEW SELF PAY ACCOUNTS FOR POSSIBLE COVERAGE THROUGH GOVERNMENT PROGRAMS

Form and Line Reference	Explanation
PART VI, LINE 4	BELLIN PSYCHIATRIC CENTER SERVES NORTHEAST WISCONSIN INCLUDING CLINICS IN THE CITIES OF GREEN BAY, ASHWAUBENON, BELLEVUE, DE PERE, MANITOWOC, OCONTO, OCONTO FALLS, PESHTIGO AND KEWAUNEE

Form and Line Reference	Explanation
PART VI, LINE 5	A MAJORITY OF BELLIN PSYCHIATRIC CENTER'S GOVERNING BODY IS COMPRISED OF PERSON WHO RESIDE IN BELLIN PSYCHIATRIC CENTER'S PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF IN ADDITION, BELLIN PSYCHIATRIC CENTER EXTENDS MEDICAL STAFF PRIVELEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR ALL OF ITS DEPARTMENTS BELLIN PSYCHIATRIC CENTER APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, EDUCATION AND FACILITIES

Form and Line Reference	Explanation
PART VI, LINE 6	BELLIN HEALTH IS A COMMUNITY-OWNED NOT-FOR-PROFIT ORGANIZATION RESPONSIBLE FOR THE PHYSICAL AND EMOTIONAL HEALTH OF PEOPLE LIVING IN NORTHEAST WISCONSIN AND THE UPPER PENINSULA OF MICHIGAN DIRECTLY, AND IN PARTNERSHIP WITH COMMUNITIES, EMPLOYERS, SCHOOLS, AND GOVERNMENT OFFICIALS, WE GUIDE INDIVIDUALS AND FAMILIES IN THEIR LIFELONG JOURNEY TOWARD OPTIMAL HEALTH. WE ARE COMMITTED TO PROVIDING SAFE, RELIABLE, COST-EFFECTIVE TOTAL HEALTH SOLUTIONS WITH RESPECT AND COMPASSION. OUR INNOVATIVE WORK WILL IMPACT HEALTHCARE DELIVERY IN OUR REGION AS WELL AS THROUGHOUT THE WORLD.

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	WI

## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 39-1657627  
**Name:** BELLIN PSYCHIATRIC CENTER

### 990 Schedule H, Supplemental Information

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
BELLIN PSYCHIATRIC CENTER, INC	
BELLIN PSYCHIATRIC CENTER, INC	PART V, SECTION B, LINE 4 ST VINCENT HOSPITAL, GREEN BAY, WIST MARY'S HOSPITAL, GREEN BAY, WI
BELLIN PSYCHIATRIC CENTER, INC	PART V, SECTION B, LINE 7 ALCOHOL & OTHER DRUG USEGOAL 1 BY 2014, 70% OF ALL PRIMARY CAR E PROVIDERS IN BROWN COUNTY/DE PERE WILL INCORPORATE AN ALCOHOL, DEPRESSION AND SUBSTANCE ABUSE SCREENING TOOL FOR PATIENTS OVER 18 YEARS OF AGE ACCOMPLISHMENTS 100% OF PRIMARY CA RE PROVIDERS ARE CONDUCTING SCREENINGS LOCAL HEALTH SYSTEMS PARTICIPATED IN PILOTING ALCOHOL, DRUG AND DEPRESSION SCREENING INTO THE ANNUAL PHYSICALSGOAL 2 BY 2015, THE INCIDENCE OF BINGE DRINKING IN ACCORDANCE WITH COUNTY RANKINGS WILL DECREASE FROM 27% TO 25% ACCOMPLISHMENTS CURRENT REPORTED BINGE DRINKING RATE 25% (COUNTY HEALTH RANKINGS) COLLABORATED WITH HEROIN TASK FORCE AND THE BROWN COUNTY DRUG ALLIANCE TO DISCUSS COMMON GOALS/OBJECTIVES COLLABORATION WITH THE TAVERN LEAGUE PRESENTATIONS HAVE BEEN DONE THROUGHOUT THE COMMUNITY RELATED TO THE IMPACT OF ALCOHOL AND DRUG MISUSE PHARMACY CARD INITIATIVE IMPLEMENTED FOCUSING ON CUSTOMER EDUCATION/COMMUNITY RESOURCES HELD A PUBLIC POLICY BREAKFAST EDUCATION GOALS/ELECTED OFFICIALS ON ALCOHOL MISUSE AND BEST-PRACTICE POLICIES FOR MUNICIPALITIES EDUCATED ELECTED OFFICIALS ON ALCOHOL RELATED ORDINANCES AT LICENSE COMMITTEE MEETINGS (DE PERE AND GREEN BAY) REVISED AND DISSEMINATED SAFE SERVING FOR SPECIAL EVENTS BROCHURE GOAL 3 ZERO DEATHS FROM ALCOHOL INDUCED TRAFFIC FATALITIES BY 2020 ACCOMPLISHMENTS 3 ALCOHOL RELATED TRAFFIC FATALITY (PRELIMINARY RESULT) SUPPORTED SOBRIETY CHECK POINTS INITIATIVE LOCAL MEDIA COVERAGE RELATED TO IMPACT OF ALCOHOL AND DRUGS ORAL HEALTHGOAL 1 BY 2015, REDUCE THE NUMBER OF ORAL HEALTH RELATED EMERGENCY ROOM VISITS BY 15, REDUCE THE NUMBER OF ORAL HEALTH RELATED EMERGENCY ROOM VISITS BY ADULTS ACCOMPLISHMENTS 15 TS DISSEMINATED DENTAL HYGIENE KITS FOR DISTRIBUTION IN LOCAL EMERGENCY DEPARTMENTS IDENTIFIED AND IMPLEMENTED STRATEGIES TO WOMEN AGED 18-44, WHO ARE THE LARGEST GROUP OF EMERGENCY ROOM DENTAL PATIENTS IMPLEMENTED THE BASIC SCREENING SURVEY QUESTIONS IN PRIMARY CARE PRACTICES DEVELOPED AND DISSEMINATED REFERRAL MATERIALS FOR PRIMARY CARE PRACTICESGOAL 2 BY 2015, IMPROVE THE ORAL HEALTH SERVICES AVAILABLE TO MEDICAID PATIENTS ACCOMPLISHMENTS 2015 LANDED AND SUPPORTED MISSION OF MERCY EVENT THAT WAS HOSTED BY BROWN COUNTY PROVIDING ACCESS TO FREE DENTAL CARE WORKED WITH THE LOCAL ORAL SURGEON GROUPS TO PROVIDE VOLUNTARY SERVICES AT NEW COMMUNITY CLINIC DENTAL CLINIC BEGINNING SEPTEMBER 2014 ADEQUATE, APPROPRIATE AND SAFE FOOD & NUTRITIONGOAL 1 FROM 2012-2015, REDUCE THE BARRIERS AND ACCELERATE THE USE OF WIC FARMERS MARKET NUTRITION PROGRAM (FMNP) VOUCHERS AND WISCONSIN QUEST CARD FROM FOOD SHARE ELECTRONIC BENEFITS TRANSFER (EBT) SYSTEM FOR LOW INCOME RESIDENTS OF BROWN COUNTY ACCOMPLISHMENTS DOUBLED SALES FROM EBT CUSTOMERS DOUBLED THE AMOUNT OF FAMILIES USING EBT AT MARKETS INCREASED THE NUMBER OF REPEAT VISITS BY EBT CUSTOMERS IMPLEMENTED A TEXT ALE PROGRAM TO ASSIST EBT AND WIC CUSTOMERS SUMMER 2014- EXPANSION OF THE EBT PROGRAM AND EDUCATION WAS SUPPORTED BY THE BASIC NEEDS PARTNERSHIP FUND THROUGH THE GREATER GREEN BAY COMMUNITY FOUNDATION SECURED ADDITIONAL SPONSORSHIP FOR DOUBLE YOUR BUCKS INCENTIVE FROM UNITED HEALTHCAREGOAL 2 FROM 2012-2015, IMPROVE THE FOOD CHOICES OFFERED BY FOOD PANTRIES, INCREASING THE PERCENTAGE OF HEALTHY* FOOD OPTIONS AND REDUCING THE AMOUNT OF LOW-NUTRIENT FOODS (*AS DEFINED BY DIETARY GUIDELINES) ACCOMPLISHMENTS 22% INCREASE IN OVERALL FOOD DONATIONS AT SCOUTING FOR FOOD 14% INCREASE IN VEGETABLE DONATIONS BETWEEN 2012 AND 2014 DEVELOPED AND PROMOTED PUBLIC EDUCATION MESSAGE FOOD DRIVE FIVE COLLABORATED WITH SCOUTING FOR FOOD FOOD DRIVE PRINTED FOOD DRIVE FIVE MESSAGE ON DONATIONS BAGS
BELLIN PSYCHIATRIC CENTER, INC	PART V, SECTION B, LINE 20D PATIENTS CAN QUALIFY FOR COMMUNITY CARE OR A DISCOUNT DEPENDENT ON LEVEL OF QUALIFICATION PRIMARILY DEPENDENT ON INCOME LEVEL AND FAMILY SIZE THE DISCOUNT IS TAKEN FROM 80% OF GROSS CHARGES A FAP ELIGIBLE PATIENT WILL NEVER BE RESPONSIBLE FOR MORE THAN 15% OF THEIR ANNUAL INCOME

**Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?

---

Name and address	Type of Facility (describe)
BELLIN BEHAVIORAL HEALTH CLINIC 301 E ST JOSEPH ST GREEN BAY, WI 54305	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC ASHWAUBE 1630 COMMANCHE AVE GREEN BAY, WI 54313	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC NEURO CA 744 S WEBSTER AVE GREEN BAY, WI 54301	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC BELLEVUE 3263 EATON RD GREEN BAY, WI 54311	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC ESCANABA 610 S LINCOLN ROAD ESCANABA, MI 49829	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC MANITOWO 3415 CUSTER ST SUITE D MANITOWOC, WI 54221	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC OCONT 820 ARBUTUS AVE OCONT, WI 54153	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC WEST DE 1800 LAWRENCE DR DE PERE, WI 54115	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC OCONT F 833 S MAIN ST OCONT FALLS, WI 54154	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC CANCER T 1580 COMMANCHE AVE ASHWAUBENON, WI 54313	CLINIC
BELLIN BEHAVIORAL HEALTH CLINIC KEWAUNEE 575-4TH ST KEWAUNEE, WI 54126	CLINIC

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2013****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue ServiceFor certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

► Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

► Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).Name of the organization  
BELLIN PSYCHIATRIC CENTER

Employer identification number

39-1657627

**Part I Questions Regarding Compensation****1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization**a** Receive a severance payment or change-of-control payment?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.****5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of**a** The organization?**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of**a** The organization?**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>		No
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

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

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

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

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)SHARLA BAENEN BPC PRESIDENT/MEMBER	(i) 131,974 (ii) 0	(i) 15,000 (ii) 0	(i) 162 (ii) 0	(i) 9,236 (ii) 0	(i) 16,114 (ii) 0	(i) 172,486 (ii) 0	(i) 0 (ii) 0
(2)CHRISTINE WOLESKE MEMBER/BELLIN EXECUTIVE VP	(i) 0 (ii) 290,492	(i) 0 (ii) 0	(i) 0 (ii) 5,590	(i) 0 (ii) 13,399	(i) 0 (ii) 18,666	(i) 0 (ii) 328,147	(i) 0 (ii) 0
(3)CARLOS CASTILLO MD PRESIDENT OF MEDICAL STAFF	(i) 200,314 (ii) 0	(i) 275,540 (ii) 0	(i) 1,188 (ii) 0	(i) 15,093 (ii) 0	(i) 13,486 (ii) 0	(i) 505,621 (ii) 0	(i) 0 (ii) 0
(4)MICHAEL HOFFMAN MD MEMBER	(i) 0 (ii) 175,778	(i) 0 (ii) 27,244	(i) 0 (ii) 270	(i) 0 (ii) 10,255	(i) 0 (ii) 13,486	(i) 0 (ii) 227,033	(i) 0 (ii) 0
(5)ANTHONY MARCHLEWSKI MD PSYCHIATRIST	(i) 245,428 (ii) 0	(i) 24,805 (ii) 0	(i) 414 (ii) 0	(i) 14,630 (ii) 0	(i) 9,255 (ii) 0	(i) 294,532 (ii) 0	(i) 0 (ii) 0
(6)JOHN CHARLES MD PSYCHIATRIST	(i) 196,376 (ii) 0	(i) 212,128 (ii) 0	(i) 270 (ii) 0	(i) 15,379 (ii) 0	(i) 16,166 (ii) 0	(i) 440,319 (ii) 0	(i) 0 (ii) 0
(7)ANTHONY VITA MD PSYCHIATRIST	(i) 216,267 (ii) 0	(i) 176,764 (ii) 0	(i) 270 (ii) 0	(i) 7,720 (ii) 0	(i) 13,486 (ii) 0	(i) 414,507 (ii) 0	(i) 0 (ii) 0
(8)PAUL BURNETT MD PSYCHIATRIST	(i) 194,714 (ii) 0	(i) 80,392 (ii) 0	(i) 0 (ii) 0	(i) 12,220 (ii) 0	(i) 18,185 (ii) 0	(i) 305,511 (ii) 0	(i) 0 (ii) 0
(9)DENISE BRACHMANN MD PSYCHIATRIST	(i) 186,249 (ii) 0	(i) 179,288 (ii) 0	(i) 0 (ii) 0	(i) 14,380 (ii) 0	(i) 16,166 (ii) 0	(i) 396,083 (ii) 0	(i) 0 (ii) 0

**Part III Supplemental Information**

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

Return Reference	Explanation
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**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 39-1657627  
**Name:** BELLIN PSYCHIATRIC CENTER

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(1)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SHARLA BAENEN BPC PRESIDENT/MEMBER	(i) 131,974 (ii) 0	15,000 0	162 0	9,236 0	16,114 0	172,486 0	0 0
CHRISTINE WOLESKA MEMBER/BELLIN EXECUTIVE VP	(i) 0 (ii) 290,492	0 0	0 5,590	0 13,399	0 18,666	0 328,147	0 0
CARLOS CASTILLO MD PRESIDENT OF MEDICAL STAFF	(i) 200,314 (ii) 0	275,540 0	1,188 0	15,093 0	13,486 0	505,621 0	0 0
MICHAEL HOFFMAN MD MEMBER	(i) 0 (ii) 175,778	0 27,244	0 270	0 10,255	0 13,486	0 227,033	0 0
ANTHONY MARCHLEWSKI MD PSYCHIATRIST	(i) 245,428 (ii) 0	24,805 0	414 0	14,630 0	9,255 0	294,532 0	0 0
JOHN CHARLES MD PSYCHIATRIST	(i) 196,376 (ii) 0	212,128 0	270 0	15,379 0	16,166 0	440,319 0	0 0
ANTHONY VITA MD PSYCHIATRIST	(i) 216,267 (ii) 0	176,764 0	270 0	7,720 0	13,486 0	414,507 0	0 0
PAUL BURNETT MD PSYCHIATRIST	(i) 194,714 (ii) 0	80,392 0	0 0	12,220 0	18,185 0	305,511 0	0 0
DENISE BRACHMANN MD PSYCHIATRIST	(i) 186,249 (ii) 0	179,288 0	0 0	14,380 0	16,166 0	396,083 0	0 0

**Schedule K  
(Form 990)****Supplemental Information on Tax Exempt Bonds****2013****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
 ► Attach to Form 990. ► See separate instructions.  
 ► Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
BELLIN PSYCHIATRIC CENTEREmployer identification number  
39-1657627**Part I Bond Issues**

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY WISCONSIN	39-1970265	39268PAX7	12-09-2008	2,398,748	REFINANCING OF 2006 BOND ISSUE		X		X		X

**Part II Proceeds**

							A		B		C		D	
							1	2	3	4	5	6	7	8
1	Amount of bonds retired						288,399							
2	Amount of bonds legally defeased													
3	Total proceeds of issue						2,444,768							
4	Gross proceeds in reserve funds													
5	Capitalized interest from proceeds													
6	Proceeds in refunding escrows						1,887,047							
7	Issuance costs from proceeds						47,975							
8	Credit enhancement from proceeds													
9	Working capital expenditures from proceeds													
10	Capital expenditures from proceeds						463,726							
11	Other spent proceeds													
12	Other unspent proceeds													
13	Year of substantial completion						2009							
14	Were the bonds issued as part of a current refunding issue?						Yes	No	Yes	No	Yes	No	Yes	No
15	Were the bonds issued as part of an advance refunding issue?							X						
16	Has the final allocation of proceeds been made?						X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?						X							

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D		
	Yes	No	Yes	No	Yes	No	Yes	No	
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?		X							
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?									
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X							
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?									
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►			0 970 %						
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►									
<b>6</b> Total of lines 4 and 5			0 970 %						
<b>7</b> Does the bond issue meet the private security or payment test?		X							
<b>8a</b> Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X							
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of									
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?									
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X								

**Part IV Arbitrage**

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

**Part IV Arbitrage (Continued)**

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

**Part V Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	THE BOND ISSUANCE IS COMPOSED OF THE FOLLOWING SERIES OF BONDS 39268PAT6 39268PAU3 39268PAV1 39268PAX7 39268PAW9

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**2013****Open to Public  
Inspection**Name of the organization  
BELLIN PSYCHIATRIC CENTER**Employer identification number**

39-1657627

**990 Schedule O, Supplemental Information**

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE ORGANIZATION HAS ONE CORPORATE MEMBER, BELLIN HEALTH SYSTEMS, INC
FORM 990, PART VI, SECTION A, LINE 7A	THE CORPORATE MEMBER, BELLIN HEALTH SYSTEMS, INC HAS THE POWER TO APPOINT BOARD MEMBERS
FORM 990, PART VI, SECTION A, LINE 7B	THE CORPORATE MEMBER, BELLIN HEALTH SYSTEMS, INC , HAS THE POWER TO APPROVE MAJOR EXPENDITURES AND LONG-TERM BORROWINGS
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS REVIEWED IN DETAIL BY SENIOR ADMINISTRATION AND IS PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO FILING
FORM 990, PART VI, SECTION B, LINE 12C	EACH YEAR A CONFLICT OF INTEREST REQUEST DOCUMENT IS PROVIDED TO EACH BOARD MEMBER ALL DO CUMENTS ARE PROVIDED BACK TO ADMINISTRATION AND REVIEWED ALL EMPLOYEES ARE REQUIRED TO RE VIEW THE CONFLICT OF INTEREST POLICY AS PART OF ANNUAL MANDATORY EDUCATION AN INTERESTED PERSON MAY MAKE A PRESENTATION AT THE GOVERNING BOARD OR COMMITTEE MEETING, BUT AFTER THE PRESENTATION, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT INVOLVING THE POSSIBLE CONFLICT OF INTEREST SHOULD THERE BE A CONFLICT OF INTEREST WHICH ARISES AT A BOARD MEETING, THE INDIVIDUAL WITH A CONFLICT WILL BE ASKED TO LEAVE THE MEETING DURING A VOTE ON THE MATTER AND IS REQUIRED TO ABSTAIN FROM VOTING
FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION FOR THE CEO AND KEY EXECUTIVES ARE SET BY THE EXECUTIVE COMMITTEE OF THE BOARD SUPPORTED BY MARKET DATA FROM SURVEYS AND AN INDEPENDENT CONSULTANTS REPORT THE COMPENSATION IS DETERMINED BY MEMBERS OF THE EXECUTIVE COMMITTEE WITHOUT CONFLICT AND IS DOCUMENTED CEO COMPENSATION CEO PRESENTS RESULTS OF PERFORMANCE OBJECTIVES TO THE EXECUTIVE COMMITTEE IN JANUARY OF EACH YEAR THE CHAIR APPLIES A FORMULA TO THE RESULTS AND COMES UP WITH A RECOMMENDATION THE CHAIR FACILITATES GETTING APPROVAL FROM OTHER MEMBERS OF THE EXECUTIVE COMMITTEE SENIOR LEADERS COMPENSATION FOR THOSE WHO REPORT TO THE CEO IS TAKEN TO THE EXECUTIVE COMMITTEE FOR DISCUSSION/APPROVAL
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION BELIEVES THE FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND POLICIES ARE THE PROPERTY OF THE ORGANIZATION AND ARE NOT AVAILABLE FOR PUBLIC INSPECTION
FORM 990, PART XII, LINE 2C	BELLIN PSYCHIATRIC CENTER IS INCLUDED IN THE CONSOLIDATED AUDIT OF BELLIN HEALTH SYSTEMS, INC THE BELLIN HEALTH SYSTEMS, INC BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT AND SELECTION OF THE INDEPENDENT AUDITOR THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

**SCHEDULE R  
(Form 990)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2013

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
BELLIN PSYCHIATRIC CENTER

**Employer identification number**

39-1657627

**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

**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) LAKE MICHIGAN HEALTH SERVICES INC  744 SOUTH WEBSTER AVE  GREEN BAY, WI 54305 39-1512903	SUPPORT PURPOSES OF BELLIN MEMORIAL HOSPITAL	WI	501(C)(3)	LINE 11B, II	BELLIN HEALTH SYSTEMS INC	Yes	
(2) BELLIN COLLEGE INC  3201 EATON ROAD  GREEN BAY, WI 54311 39-1620530	NURSING AND RADIOLOGIC SCIENCE COLLEGE	WI	501(C)(3)	LINE 2	BELLIN HEALTH SYSTEMS INC	Yes	
(3) THE BELLIN HEALTH FOUNDATION INC  PO BOX 23400  GREEN BAY, WI 54305 39-1809171	FOUNDATION	WI	501(C)(3)	LINE 7	BELLIN HEALTH SYSTEMS INC	Yes	
(4) BELLIN MEMORIAL HOSPITAL INC  PO BOX 23400  GREEN BAY, WI 54305 39-0884478	ACUTE CARE HOSPITAL	WI	501(C)(3)	LINE 3	BELLIN HEALTH SYSTEMS INC	Yes	
(5) OCONTO HOSPITAL & MEDICAL CENTER INC  PO BOX 357  OCONTO, WI 54153 06-1745397	HOSPITAL	WI	501(C)(3)	LINE 3	BELLIN MEMORIAL HOSPITAL INC	Yes	
(6) BELLIN HEALTH SYSTEMS INC  744 SOUTH WEBSTER AVE  GREEN BAY, WI 54305 39-1512904	SUPPORT OF HEALTHCARE ORGANIZATIONS	WI	501(C)(3)	LINE 11B, II	N/A		No
(7) UNITY LIMITED PARTNERSHIP  2366 OAK RIDGE CIRCLE  DE PERE, WI 54115 39-1750729	HOSPICE, PALLIATIVE, AND BEREAVEMENT SERVICES	WI	501(C)(3)	LINE 9	BELLIN MEMORIAL HOSPITAL INC	Yes	

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

**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.

**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?

- a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e	Yes	
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l	Yes	
1m		No
1n		No
1o		No
1p	Yes	
1q	Yes	
1r		No
1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) BELLIN MEMORIAL HOSPITAL	E	3,341,260	ACTUAL
(2) BELLIN MEMORIAL HOSPITAL	L	238,510	ACTUAL
(3) BELLIN MEMORIAL HOSPITAL	J	17,329	ACTUAL

**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.

**Part VII Supplemental Information**

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

Return Reference	Explanation
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Schedule R (Form 990) 2013

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 39-1657627  
**Name:** BELLIN PSYCHIATRIC CENTER

**Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations**

(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) LAKE MICHIGAN HEALTH SERVICES INC  744 SOUTH WEBSTER AVE GREEN BAY, WI 54305 39-1512903	SUPPORT PURPOSES OF BELLIN MEMORIAL HOSPITAL	WI	501(C)(3)	LINE 11B, II	BELLIN HEALTH SYSTEMS INC	Yes	
(1) BELLIN COLLEGE INC  3201 EATON ROAD GREEN BAY, WI 54311 39-1620530	NURSING AND RADIOLOGIC SCIENCE COLLEGE	WI	501(C)(3)	LINE 2	BELLIN HEALTH SYSTEMS INC	Yes	
(2) THE BELLIN HEALTH FOUNDATION INC  PO BOX 23400 GREEN BAY, WI 54305 39-1809171	FOUNDATION	WI	501(C)(3)	LINE 7	BELLIN HEALTH SYSTEMS INC	Yes	
(3) BELLIN MEMORIAL HOSPITAL INC  PO BOX 23400 GREEN BAY, WI 54305 39-0884478	ACUTE CARE HOSPITAL	WI	501(C)(3)	LINE 3	BELLIN HEALTH SYSTEMS INC	Yes	
(4) OCONTO HOSPITAL & MEDICAL CENTER INC  PO BOX 357 OCONTO, WI 54153 06-1745397	HOSPITAL	WI	501(C)(3)	LINE 3	BELLIN MEMORIAL HOSPITAL INC	Yes	
(5) BELLIN HEALTH SYSTEMS INC  744 SOUTH WEBSTER AVE GREEN BAY, WI 54305 39-1512904	SUPPORT OF HEALTHCARE ORGANIZATIONS	WI	501(C)(3)	LINE 11B, II	N/A		No
(6) UNITY LIMITED PARTNERSHIP  2366 OAK RIDGE CIRCLE DE PERE, WI 54115 39-1750729	HOSPICE, PALLIATIVE, AND BEREAVEMENT SERVICES	WI	501(C)(3)	LINE 9	BELLIN MEMORIAL HOSPITAL INC	Yes	

# **Bellin Health Systems, Inc. and Affiliates**

Green Bay, Wisconsin

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

Years Ended September 30, 2014 and 2013

# Bellin Health Systems, Inc. and Affiliates

## Consolidated Financial Statements and Supplementary Information

Years Ended September 30, 2014 and 2013

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## Independent Auditor's Report

Board of Directors  
Bellin Health Systems, Inc.  
Green Bay, Wisconsin

We have audited the accompanying consolidated financial statements of Bellin Health Systems, Inc. and Affiliates, which comprise the consolidated balance sheets as of September 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Bellin Health Systems, Inc. and Affiliates as of September 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

December 23, 2014  
Green Bay, Wisconsin

# Bellin Health Systems, Inc. and Affiliates

## Consolidated Balance Sheets

September 30, 2014 and 2013

Assets	In Thousands	
	2014	2013
Current assets		
Cash and cash equivalents	\$ 80,159	\$ 63,357
Current portion of assets limited as to use	4,192	4,277
Patient accounts receivable - Net	46,247	47,184
Other receivables	2,460	2,878
Due from related parties	52	106
Inventories	6,547	6,915
Prepaid expenses and other	7,035	6,945
Total current assets	146,692	131,662
Investments	7,545	5,255
Assets limited as to use - Less current portion	134,656	116,050
Property and equipment - Net	184,522	183,626
Other assets.		
Unamortized debt issuance costs	1,747	1,935
Notes receivable	664	779
Investments in unconsolidated affiliates	7,006	9,150
Goodwill and other intangibles	6,456	3,168
Other	838	442
Total other assets	16,711	15,474
<b>TOTAL ASSETS</b>	<b>\$ 490,126</b>	<b>\$ 452,067</b>

<i>Liabilities and Net Assets</i>	<i>In Thousands</i>	
	2014	2013
<b>Current liabilities</b>		
Current portion of long-term liabilities		
Bonds payable	\$ 4,501	\$ 4,646
Capital lease obligations	485	379
Deferred compensation	101	113
Deferred revenue	545	485
Accounts payable	13,903	13,370
Accrued liabilities and other		
Employee payroll and benefits	23,196	19,761
Other	7,193	6,686
Amounts payable to third-party reimbursement programs	1,998	1,158
<b>Total current liabilities</b>	<b>51,922</b>	<b>46,598</b>
<b>Long-term liabilities - Less current portion</b>		
Bonds payable	80,748	85,444
Capital lease obligations	8,125	6,907
Interest rate swap agreement	7,527	6,757
Deferred compensation	7,244	6,030
Deferred revenue	391	505
<b>Total long-term liabilities</b>	<b>104,035</b>	<b>105,643</b>
<b>Total liabilities</b>	<b>155,957</b>	<b>152,241</b>
<b>Net assets</b>		
Bellin Health Systems, Inc. net assets		
Unrestricted	315,956	282,891
Temporarily restricted	4,001	3,240
Permanently restricted	11,956	11,577
<b>Total net assets of Bellin Health Systems, Inc.</b>	<b>331,913</b>	<b>297,708</b>
Noncontrolling interest	2,256	2,118
<b>Total net assets</b>	<b>334,169</b>	<b>299,826</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 490,126</b>	<b>\$ 452,067</b>

See accompanying notes to consolidated financial statements.

# Bellin Health Systems, Inc. and Affiliates

## Consolidated Statements of Operations and Changes in Net Assets

Years Ended September 30, 2014 and 2013

	In Thousands	
	2014	2013
<b>Revenue</b>		
Patient service revenue - Net of contractual allowances and discounts	\$ 454,178	\$ 414,456
Provision for bad debts	(13,388)	(13,083)
Net patient service revenue - Less provision for bad debts	440,790	401,373
Other operating revenue	19,232	19,414
<b>Total revenue</b>	<b>460,022</b>	<b>420,787</b>
<b>Expenses</b>		
Salaries and wages	192,916	181,038
Benefits	42,897	40,937
Contract services	26,058	25,772
Medical supplies	72,197	69,132
Supplies and other	35,291	32,307
Administrative	9,489	8,611
Repairs and maintenance	7,190	6,374
Leases and rents	12,548	11,779
Depreciation and amortization	23,438	22,134
Interest	6,465	6,654
<b>Total expenses</b>	<b>428,489</b>	<b>404,738</b>
Income from operations	31,533	16,049
Other income (loss).		
Investment income	9,678	8,508
Contributions and other loss - Net	(6,523)	(54)
Change in fair value of interest rate swap agreement	(770)	4,171
Excess of revenue over expenses	33,918	28,674
Excess of revenue over expenses attributable to noncontrolling interest	1,979	1,238
Excess of revenue over expenses attributable to Bellin Health Systems, Inc	31,939	27,436

# Bellin Health Systems, Inc. and Affiliates

## Consolidated Statements of Operations and Changes in Net Assets (Continued) Years Ended September 30, 2014 and 2013

	In Thousands	
	2014	2013
Excess of revenue over expenses attributable to Bellin Health Systems, Inc (carried forward)	\$ 31,939	\$ 27,436
Other changes in unrestricted net assets.		
Recharacterization of net assets	-	(2)
Transfer from affiliates	129	272
Net assets released from restrictions for property and equipment	997	1,956
Increase in unrestricted net assets	33,065	29,662
Temporarily restricted net assets		
Change in interest in Oconto Memorial Hospital Citizens' Foundation, Inc	(19)	(225)
Recharacterization of net assets	-	(8)
Investment income	1,023	556
Contributions	580	928
Change in present value of pledges receivable	174	-
Net assets released from restrictions for property and equipment	(997)	(1,956)
Increase (decrease) in temporarily restricted net assets	761	(705)
Permanently restricted net assets.		
Contributions	625	577
Change in present value of pledges receivable	(246)	-
Recharacterization of net assets	-	10
Increase in permanently restricted net assets	379	587
Increase in net assets	34,205	29,544
Net assets of Bellin Health Systems, Inc at beginning	297,708	268,164
Net assets of Bellin Health Systems, Inc at end	\$ 331,913	\$ 297,708

# Bellin Health Systems, Inc. and Affiliates

## Consolidated Statements of Cash Flows

Years Ended September 30, 2014 and 2013

	In Thousands	
	2014	2013
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Increase in net assets	\$ 34,205	\$ 29,544
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	23,438	22,134
Amortization of bond discount	66	70
Provision for bad debts	13,388	13,083
Increase in unamortized discount on unconditional promises to give and allowance for uncollectible promises	52	119
Net realized and unrealized gains on investments	(7,550)	(6,503)
Change in interest in Oconto Memorial Hospital Citizens' Foundation, Inc	19	225
Contributions restricted for long-term investment	(625)	(577)
(Gain) loss on disposal of property and equipment	13	(59)
Change in fair value of interest rate swap agreement	770	(4,171)
Increase in deferred compensation	747	279
Change in noncontrolling interest	138	(396)
Decrease in equity of unconsolidated affiliates	1,844	2,032
Loss on acquisition	5,485	-
Cash acquired in acquisition	491	-
Changes in operating assets and liabilities.		
Patient accounts receivable	(11,108)	(4,088)
Unconditional promises to give	308	928
Other receivables	904	1,611
Due to/from related parties	54	(205)
Inventories	577	(493)
Prepaid expenses and other	255	(2,129)
Accounts payable	2,291	168
Accrued liabilities and other	2,886	(800)
Amounts payable to third-party reimbursement programs	840	(1,227)
Deferred revenue	(54)	(191)
Total adjustments	35,229	19,810
Net cash provided by operating activities	69,434	49,354

## Bellin Health Systems, Inc. and Affiliates

## Consolidated Statements of Cash Flows (Continued)

Years Ended September 30, 2014 and 2013

	In Thousands	
	2014	2013
<b>Cash flows from investing activities</b>		
Purchase of investments and assets limited as to use	\$ (73,590)	\$ (77,220)
Proceeds from sale of investments and assets limited as to use	60,119	67,448
Purchase of investments in unconsolidated affiliates	(1,727)	(2,906)
Purchase of acquisitions	(11,700)	(5,770)
Purchase of property and equipment	(20,824)	(16,846)
Proceeds from sale of property and equipment	76	4,411
Proceeds from payment of notes receivable	115	107
Net (increase) decrease in other long-term assets	(418)	69
 Net cash used in investing activities	 (47,949)	 (30,707)
<b>Cash flows from financing activities</b>		
Principal payments on bonds payable	(7,814)	(5,009)
Principal payments on capital lease obligations	(405)	(328)
Proceeds from issuance of bonds payable	2,907	-
Payment of debt issuance costs and related adjustments	(15)	-
Deferred compensation payments	(110)	(113)
Contributions restricted for long-term investment	625	577
Distribution from Oconto Foundation for capital project	129	272
 Net cash used in financing activities	 (4,683)	 (4,601)
 Net increase in cash and cash equivalents	 16,802	 14,046
Cash and cash equivalents at beginning	63,357	49,311
 Cash and cash equivalents at end	 \$ 80,159	 \$ 63,357

#### Supplemental cash flow information:

#### Cash paid for interest - Net of amount capitalized

\$ 6,389 \$ 6,765

#### Noncash investing and financing activities:

Accounts payable related to fixed asset purchases totaled approximately \$1,077,000 and \$3,470,000 as of September 30, 2014 and 2013, respectively

Equipment acquired under capital lease obligations totaled approximately \$1,687,000 and \$3,868,000 as of September 30, 2014 and 2013, respectively

For the year ended September 30, 2014, assets acquired and liabilities assumed through acquisitions totaled approximately \$10,540,000 and \$2,298,000, respectively (see Note 2)

For the year ended September 30, 2013, inventory and fixed assets acquired through acquisitions totaled approximately \$72,000 and \$3,911,000, respectively

See accompanying notes to consolidated financial statements.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 1      Summary of Significant Accounting Policies

#### Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and operating activities of Bellin Health Systems, Inc. ("Bellin Health") and the following entities controlled by Bellin Health (collectively "Bellin Health Systems")

- Bellin Memorial Hospital, Inc. ("Bellin Hospital") - The financial statements of Bellin Hospital include
  - NorthReach Healthcare, LLC ("NorthReach") - Bellin Hospital owns 100% of NorthReach (acquired June 2014).
  - Oconto Hospital & Medical Center, Inc. ("Bellin Health - Oconto Hospital") - Bellin Hospital owns 75% of Bellin Health - Oconto Hospital.
  - Bellin Orthopedic Surgery Center, LLC (the "Surgery Center") - Bellin Hospital owns 55% of the Surgery Center.
  - The noncontrolling interest in the equity and earnings of the Surgery Center and Bellin Health - Oconto Hospital is presented separately in the accompanying consolidated financial statements.
- Bellin Psychiatric Center, Inc. (the "Psychiatric Center").
- The Bellin Health Foundation, Inc. (the "Foundation").
- Bellin College, Inc. (the "College").
- Lake Michigan Health Care Services, Inc. and Subsidiaries ("Lake Michigan").
  - Bellin Investments, Inc. and Subsidiary, United Providers, Inc. ("Bellin Investments")
  - Bel-Regional Home Medical ("Bel-Regional") - Bel-Regional owns 51% of DI Sports Training of Green Bay, LLC (DI). The noncontrolling interest in DI's equity and earnings is presented separately in the accompanying consolidated financial statements.

All significant intercompany accounts and transactions have been eliminated in preparing the accompanying consolidated financial statements.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **The Entities**

Bellin Health, a nonstock, not-for-profit corporation, as sole member of the consolidated entities, has the right to appoint Boards of Directors, approve major expenditures, and approve long-term borrowings. Bellin Health serves as the parent corporation for the affiliated entities and supports the operations of its affiliates and subsidiaries.

Bellin Hospital provides comprehensive inpatient and outpatient medical and surgical services, as well as clinical reference laboratory services and home health services to residents of Green Bay, Northeast Wisconsin, the Upper Peninsula of Michigan, and surrounding communities. Medical services are also provided by physicians and other service providers in Bellin Medical Group and Bellin Specialty Group, divisions of Bellin Hospital. The Surgery Center is a limited liability corporation, providing ambulatory orthopedic surgery services. Bellin Health - Oconto Hospital operates a 10-bed critical access hospital (CAH), which provides inpatient and outpatient medical and surgical services. NorthReach is a nonprofit, limited liability corporation providing health care services through physician clinics located in northeastern Wisconsin and Michigan.

The Psychiatric Center provides inpatient, outpatient, and clinical services relating to psychiatric and alcohol and other drug abuse diagnoses to residents of Green Bay and surrounding communities. Medical services are also provided by physicians and other service providers.

The Foundation receives gifts and bequests, raises funds for specific projects or needs, administers and invests funds, and disburses payments to and for the benefit of tax-exempt organizations at the discretion of its Board of Directors.

The College is a four-year teaching institution for students pursuing a bachelor of science or master's degree in nursing or a bachelor of science degree in radiologic technology. The College's fiscal year-end is June 30, accordingly, the financial information related to the College included in the accompanying consolidated financial statements is as of and for the years ended June 30, 2014 and 2013. The 2014 and 2013 amounts have been adjusted for any significant intervening transactions occurring subsequent to June 30, 2014 and 2013, to September 30, 2014 and 2013, through consolidating entries.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **The Entities** (Continued)

Lake Michigan is a nonoperating company. It holds the stock of two for-profit subsidiaries, Bellin Investments and Bel-Regional. Bellin Investments has no operations or material assets for the years ended September 30, 2014 and 2013, but its existence is being maintained for future potential opportunities. Bel-Regional sells and rents durable medical equipment and operates retail pharmacy sites and health and fitness centers. DI is a limited liability corporation, providing sports training programs.

#### **Financial Statement Presentation**

Bellin Health Systems 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 Consolidated 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **Cash Equivalents**

Highly liquid debt instruments with an original maturity of three months or less are considered to be cash equivalents, excluding amounts held as short-term investments and amounts limited as to use or restricted.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Patients Accounts Receivable and Credit Policy**

Patient 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. Bellin Health Systems bills third-party payors on the patients' behalf, or if uninsured, patients are 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 patient accounts receivable are applied to the specific claim identified on the remittance advice or statement. Bellin Health Systems has no policy to charge interest on past due accounts.

Patient accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and allowances for doubtful accounts, which reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable.

In evaluating the collectibility of patient accounts receivable, Bellin Health Systems 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 allowances for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, Bellin Health Systems analyzes contractually due amounts and provides an allowance for uncollectible amounts 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.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Patients 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 a portion of the bill), Bellin Health Systems 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 allowances for doubtful accounts.

#### **Inventories**

Inventories, consisting of supplies and durable medical equipment, are valued at the lower of cost, determined on the first-in, first-out method, or market.

#### **Investments and Investment Income**

Investments, other than investments in unconsolidated affiliates, are measured at fair value in the accompanying consolidated balance sheets. Bellin Health Systems has designated its investments as trading securities.

Investment income on trust funds established from tax-exempt borrowings, to the extent not capitalized, is reported as other operating revenue in the accompanying consolidated statements of operations and changes in net assets. Interest and dividend income and realized and unrealized gains (losses) on other investments are reported in the accompanying consolidated statements of operations and changes in net assets as other income (loss) or as changes in temporarily or permanently restricted net assets if the terms of gifts impose restrictions on the use of the income.

# Bellin Health Systems, 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, measured at fair value, include designated assets set aside by the Boards of Directors for future plant replacement and expansion, assets held by trustees under various bond indenture agreements, and amounts held for deferred compensation plan.

Assets limited as to use also include unconditional promises to give and investments set aside to fund restricted contributions. These assets are to be used primarily to purchase property and equipment and to fund operational expenses.

Assets limited as to use that are required for obligations classified as current liabilities and unconditional promises to give due in one year are reported as current assets.

#### **Fair Value Measurements**

Bellin Health Systems measures fair value of its financial instruments, including interest rate swap agreements, 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 below

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

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Fair Value Measurements** (Continued)

Level 2    Inputs to the valuation methodology include.

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

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

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

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

#### **Contributions and Promises to Give**

Contributions are recognized when the donor makes a promise to give to Bellin Health Systems that is, in substance, unconditional. Bellin Health Systems reports contributions as restricted support in temporarily or permanently restricted net assets 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 to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Promises to give funds for property and equipment are released from restrictions when the funds are received and the property and/or equipment is purchased or built.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Contributions and Promises to Give** (Continued)

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises are expected to be received. Amortization of the discount is included in contribution revenue over the duration of the promise. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Management individually reviews all past due unconditional promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amount of the unconditional promises to give is reduced by allowances that reflect management's estimate of uncollectible accounts. Unconditional promises to give are included in assets limited as to use in the accompanying consolidated balance sheets.

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions whose restrictions have been met in the same reporting period as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Endowment contributions and investments are permanently restricted by donors. Investment earnings available for distribution are reported as temporarily restricted investment income until appropriated for expenditure by the Board of Directors.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Property, Equipment, and Depreciation**

Property and equipment acquisitions are recorded at cost if purchased, fair value at date received if contributed, or net book value if transferred from a related party.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included with depreciation expense in the accompanying consolidated financial statements. Estimated useful lives range from 2 to 40 years for land improvements, buildings, and fixed equipment and 2 to 20 years for major movable equipment.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets 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 the 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 in temporarily or permanently restricted net assets. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Goodwill and Other Intangibles**

Goodwill represents the excess of the total cost of an acquisition over the fair value of the underlying identifiable net assets at the date of acquisition. Intangible assets include amounts paid for trade names, patient relationships, and other intangibles acquired in business combinations that are deemed to have definite lives. Goodwill and intangible assets with indefinite lives are not amortized but are reviewed for impairment at least annually. Intangible assets with definite lives are amortized over their estimated remaining useful lives ranging from 5 to 15 years. Amortization expense of \$824,000 and \$441,000 for the years ended September 30, 2014 and 2013, respectively, is included in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets.

#### **Impairment of Long-Lived Assets**

Bellin Health Systems reviews its long-lived assets, which consist primarily of property and equipment and intangible assets, to determine potential impairment by comparing the carrying value of these assets 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, Bellin Health Systems would recognize an impairment loss at that time. Bellin Health Systems recognized no impairment losses in 2014 and 2013.

#### **Asset Retirement Obligation**

Management annually assesses its existing properties to determine if there is a need to recognize a liability for a conditional asset retirement obligation, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. As of September 30, 2014 and 2013, management has determined that there is an immaterial amount of conditional asset retirement obligations that exist in Bellin Health Systems' property and also believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which Bellin Health System may settle the obligations is unknown and cannot be estimated. As a result, there is no estimate of a liability related to these retirement activities as of September 30, 2014 and 2013, in the accompanying consolidated financial statements.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Unamortized Debt Issuance Costs**

Costs related to the issuance of long-term debt are amortized over the life of the related debt using the straight-line method. Amortization expense of \$203,000 and \$186,000 for the years ended September 30, 2014 and 2013, respectively, is included in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets.

#### **Original Issue Discounts**

Original issue discounts on long-term debt are deferred and amortized over the life of the related bonds. Amortization of the discount is reflected as a component of interest expense.

#### **Interest in Net Assets of Foundation**

Accounting guidance establishes standards of financial accounting and reporting for transactions in which an entity makes contributions to another entity or an entity that accepts contributions from a donor and agrees to use those assets on behalf of or transfer those assets and return on those assets to another entity. Bellin Health Systems and Oconto Memorial Hospital Citizens' Foundation, Inc. ("Oconto Foundation") are financially interrelated organizations, and, accordingly, Bellin Health Systems recognizes its interest in the net assets of Oconto Foundation and adjusts that interest for its share of the change in the net assets of Oconto Foundation.

#### **Investments in Unconsolidated Affiliates**

Investments in unconsolidated affiliates, included in other assets, are accounted for using the equity method.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Interest Rate Swap Agreement**

A derivative instrument is used to manage risk related to interest rate movements. The interest rate risk management strategy is to stabilize cash flow requirements by maintaining the interest rate swap to convert a portion of variable rate debt to a fixed rate. Bellin Health Systems has adopted the fair value option of accounting for its interest rate swap agreement. The interest rate swap agreement is reported at fair value in the accompanying consolidated balance sheets. Under the fair value option, changes in fair value are recorded as other income (loss) in the accompanying consolidated statements of operations and changes in net assets.

#### **Deferred Revenue**

Funds received but not earned as of the date of the consolidated balance sheets have been classified as deferred revenue. Revenue will be recognized in future periods as the revenue is earned.

#### **Net Assets**

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of Bellin Health Systems and include those expendable resources that have been designated for special use by the Boards 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 have been restricted by donors to be maintained in perpetuity.

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

The accompanying consolidated statements of operations and changes in net assets include excess of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include 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 and grants which by donor restriction were to be used for purposes of acquiring such assets.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

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

Bellin Health Systems recognizes patient service revenue associated with services provided to patients who have third-party coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for charity care, Bellin Health Systems 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).

#### **Hospital Assessment**

Wisconsin's state legislature enacted legislation under which certain eligible hospitals are required to pay the state an annual assessment. The assessment period is the state's fiscal year, which runs from July 1 through June 30. The assessments are based on each hospital's gross revenue, as defined. The revenue generated from the assessments is to be used, in part, to increase overall reimbursement under the Wisconsin Medicaid program.

Bellin Health Systems' assessment was approximately \$7,436,000 and \$7,435,000 for the years ended September 30, 2014 and 2013, respectively, and is included in supplies and other expenses in the accompanying consolidated statements of operations and changes in net assets. Management estimates the increase in reimbursement from Medicaid to be approximately \$10,419,000 and \$8,610,000 for the years ended September 30, 2014 and 2013, respectively, which is included in patient service revenue - net of contractual allowances and discounts in the accompanying consolidated statements of operations and changes in net assets.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Electronic Health Record Incentive Funding**

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

Bellin Health Systems recognizes revenue for EHR incentive payments when there is reasonable assurance that it will meet the conditions of the program, primarily demonstrating meaningful use of certified EHR technology for the applicable period. The demonstration of meaningful use is based on meeting a series of objectives. Meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare & Medicaid Services (CMS).

Amounts recognized under the Medicare and Medicaid EHR incentive program for Bellin Hospital and the Psychiatric Center are based on management's best estimates, which are based, in part, on cost report data that is subject to audit by fiscal intermediaries, accordingly, amounts recognized are subject to change. Incentive payments under the Medicare CAH EHR incentive program for Bellin Health - Oconto Hospital are based on qualifying costs expended for EHR technology, and the timing of these payments is subject to Bellin Health - Oconto Hospital demonstrating meaningful use of EHR technology for the applicable period. In addition, Bellin Health Systems' attestation of its compliance with the meaningful use criteria is subject to audit by the federal government or its designee.

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

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Community Care**

Bellin Health Systems provides care to patients who meet certain criteria under its community care policy without charge or at amounts less than its established rates. Because collection is not pursued on amounts determined to qualify as community care, they are not reported as patient service revenue - net of contractual allowances and discounts.

#### **Advertising Costs**

Advertising costs are expensed as incurred and were approximately \$6,064,000 and \$5,824,000 for the years ended September 30, 2014 and 2013, respectively.

#### **Unemployment Compensation**

Bellin Health and its nonprofit affiliates have elected reimbursement financing under provisions of the Wisconsin and Michigan unemployment compensation laws. Irrevocable letters of credit are maintained in the amount of approximately \$1,648,000 to the Treasurer of the state of Wisconsin and \$187,000 to the Treasurer of the state of Michigan. The letters of credit are to be used to meet unemployment compensation claims if Bellin Health and its nonprofit affiliates fail to fund the claims. The Wisconsin letters of credit expire on December 31, 2018. The Michigan letter of credit expires on December 31, 2014. Unemployment compensation expense is charged to operating expense when paid or when the amount of claims can be estimated.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **Income Taxes**

Bellin Health, Bellin Hospital, the Psychiatric Center, Bellin Health - Oconto Hospital, the Foundation, the College, Lake Michigan, and NorthReach are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 509(a)(2) of the Code. They are also exempt from state income taxes on related income. Bellin Hospital is also engaged, to a limited extent, in certain activities subject to taxation as unrelated business income (UBI). Incomes taxes on UBI are not significant.

Bellin Investments and Bel-Regional are for-profit entities. The accompanying consolidated statements of operations and changes in net assets include a credit for income taxes for these entities. Deferred tax assets and liabilities related to these entities are not significant.

The Surgery Center is treated as an S corporation for income tax purposes and, as such, does not pay federal corporate income taxes on its taxable income.

In order to account for uncertain tax positions, Bellin Health Systems determines whether it is more likely than not that a tax position will be sustained upon examination by the taxing authorities, based on 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 that position is not recognized in the accompanying consolidated financial statements. Bellin Health Systems has not recorded any assets or liabilities related to uncertain tax positions or unrecognized tax benefits as of September 30, 2014 or 2013.

Bellin Health Systems' federal income tax returns for years ended September 30, 2011, and beyond remain subject to examination by the Internal Revenue Service.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

#### **New Accounting Pronouncement**

In April 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-6, *Not-for-Profit Entities, Services Received From Personnel of an Affiliate*. This ASU amends ASC Topic 958 and requires not-for-profit entities, including business-oriented health care entities, who receive services from personnel of an affiliate that directly benefit the not-for-profit organization to measure and recognize these services in the receiving organization's financial statements at the cost or fair value of the services received if the receiving organization does not compensate the affiliate at the cost or fair value of the services. The guidance in this ASU is effective for Bellin's year ended September 30, 2015, with early adoption permitted.

#### **Subsequent Events**

Subsequent events have been evaluated through December 23, 2014, which is the date the consolidated financial statements were issued.

### Note 2      **Acquisition**

Bellin Health Systems and NorthReach share a mission and commitment to meeting the health care needs of the communities they serve.

Prior to June 30, 2014, Bellin Hospital had a 50% membership interest in NorthReach and recorded its investment under the equity method. On June 30, 2014, Bellin Hospital acquired an additional 50% membership interest in NorthReach for \$11,700,000. As Bellin Hospital gained 100% ownership in NorthReach, this transaction was accounted for using the acquisition method of accounting, accordingly, the accompanying consolidated statements of operations and changes in net assets include amounts for NorthReach from the date of acquisition, and the assets acquired and liabilities assumed were measured at fair value.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 2 Acquisition (Continued)

The following table summarizes the estimated fair value of NorthReach's assets acquired and liabilities assumed as of June 30, 2014

	<u>In Thousands</u>
Assets acquired	
Cash and cash equivalents	\$ 491
Accounts receivable - Net	1,343
Other receivables	486
Inventories	209
Prepaid expenses and other	345
Property and equipment	3,256
Goodwill and other intangibles	4,085
Other assets	325
Total assets acquired	10,540
Liabilities assumed	
Accounts payable and other accruals	1,958
Capital lease obligations	42
Deferred compensation	298
Total liabilities assumed	2,298
Net assets	\$ 8,242

Bellin Hospital incurred a loss of \$5,485,000, which included the excess of the purchase price, assets acquired, liabilities assumed, and investment in NorthReach of \$2,027,000 at the time of acquisition. The loss on acquisition is included in other income (loss) in the accompanying consolidated statements of operations and changes in net assets.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 3

### Reimbursement Arrangements With Third-Party Payors

Agreements are maintained with third-party payors that provide for reimbursement at amounts that vary from established rates. A summary of the basis of reimbursement with major third-party payors follows.

- *Medicare* - Inpatient hospital services provided by Bellin Hospital rendered to Medicare program beneficiaries 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. Other inpatient acute care services, which include rehabilitation, are paid based on cost-reimbursement methods with certain services subject to a historical expense target limitation, prospectively determined daily rates, established fee schedules, or a combination thereof. Outpatient services provided to Medicare program beneficiaries are reimbursed on a prospective payment methodology, also based on a patient classification system. Physician clinic services provided to Medicare beneficiaries are reimbursed based upon a fee schedule.

Bellin Health - Oconto Hospital is designated as a CAH. Under this designation, inpatient and outpatient hospital services are based upon a cost-reimbursement methodology, with the exception of certain lab and radiology services that are reimbursed based upon fee schedules.

Inpatient services provided by the Psychiatric Center are paid at prospectively determined per diem rates. Outpatient services and clinic services are paid based upon fixed fee schedules.

- *Medicaid* - Inpatient services provided by Bellin Hospital rendered to Medicaid program beneficiaries are paid primarily 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 provided to Medicaid program beneficiaries are paid on a prospectively determined rate per occasion of service.

Medicaid inpatient and outpatient services provided to Bellin Health - Oconto Hospital patients are paid a hospital-specific amount per discharge based upon prior hospital cost reports plus an additional access payment.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 3

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

- *Other Payors* - Bellin Health Systems has 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, discounts from established charges, and other methods. Bellin also has policies to provide a discount from established charges to uninsured patients. The discount offered to uninsured patients was 20% for the years ended September 30, 2014 and 2013.

#### Accounting for Contractual Arrangements

Bellin Health Systems is reimbursed for certain cost reimbursable items at an interim rate, and final settlements are determined after audit of the 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. The Medicare cost reports have been audited by the Medicare fiscal intermediary for Bellin Hospital through September 30, 2012, for the Psychiatric Center through September 30, 2012, and for Bellin Health - Oconto Hospital through September 30, 2011. The Medicaid cost reports have been audited by the fiscal intermediary for Bellin Hospital and the Psychiatric Center through September 30, 2007, and for Bellin Health - Oconto Hospital through September 30, 2008.

#### Medicare and Medicaid EHR Incentive Funding

For the year ended September 30, 2014, Bellin Health Systems recognized approximately \$1,991,000 and \$264,000 in EHR incentive payments from Medicare and Medicaid, respectively. For the year ended September 30, 2013, Bellin Health Systems recognized approximately \$1,240,000 and \$212,000 in EHR incentive payments from Medicare and Medicaid, respectively. These payments are included in other operating revenue in the accompanying consolidated statements of operations and changes in net assets. As of September 30, 2014, outstanding receivables from Medicare and Medicaid for EHR incentive payments totaled approximately \$1,506,000 and \$82,000, respectively. As of September 30, 2013, outstanding receivables from Medicare and Medicaid for EHR incentive payments totaled approximately \$1,480,000 and \$161,000, respectively. The outstanding receivables are included in other receivables in the accompanying consolidated balance sheets.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 3 Reimbursement Arrangements With Third-Party Payors (Continued)

#### Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to Medicare and Medicaid, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of the 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 Bellin Health Systems is in substantial compliance with current laws and regulations.

CMS uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and were not detected through existing CMS program-integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The provider has the ability to appeal these adjustments. As of September 30, 2014, Bellin Health Systems has been notified by the RAC of certain claims identified by the RAC as inaccurate, which have been adjusted by the RAC, subject to appeal. Management is not aware of any current RAC reviews that would result in significant reimbursement adjustments.

### Note 4 Patient Accounts Receivable

Patient accounts receivable consisted of the following at September 30.

	In Thousands	
	2014	2013
Patient accounts receivable	\$ 129,264	\$ 128,387
Less		
Contractual adjustments	63,055	60,515
Allowances for doubtful accounts	19,962	20,688
Patient accounts receivable - Net	\$ 46,247	\$ 47,184

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 4      **Patient Accounts Receivable** (Continued)

Bellin Health Systems' allowance for doubtful accounts for self-pay patients increased from 86% of self-pay accounts receivable at September 30, 2013, to 99% of self-pay accounts receivable at September 30, 2014. In addition, Bellin Health Systems' self-pay write-offs were comparable from 2013 to 2014. Bellin Health Systems has not changed its community care or uninsured discount policies during 2014 or 2013.

### Note 5      **Patient Service Revenue - Net of Contractual Allowances and Discounts**

The following table sets forth the detail of patient service revenue - net of contractual allowances and discounts prior to the provision for bad debts for the years ended September 30

	In Thousands	
	2014	2013
Gross patient service revenue.		
Inpatient services	\$ 292,996	\$ 270,200
Outpatient services	697,860	608,774
	<hr/>	<hr/>
Total gross patient service revenue	990,856	878,974
Deductions - Primarily contractual allowances and discounts under third-party reimbursement agreements	536,678	464,518
	<hr/>	<hr/>
Patient service revenue - Net of contractual allowances and discounts	\$ 454,178	\$ 414,456

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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**Note 5      Patient Service Revenue - Net of Contractual Allowances and Discounts**  
(Continued)

Patient service revenue - net of contractual allowances and discounts but before the provision for bad debts, recognized in the years ended September 30 from these major payor sources, was as follows

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Medicare	\$ 118,948	\$ 108,940
Medicaid	33,384	22,106
Other third-party payors	241,718	227,576
Patients	60,128	55,834
 Patient service revenue - Net of contractual allowances and discounts	 \$ 454,178	 \$ 414,456

The following table reflects the percentage of gross patient service revenue by original payor source for the years ended September 30

	<b>2014</b>	<b>2013</b>
Medicare	42.8%	42.5%
Medicaid	10.6%	9.3%
Other third-party payors	43.7%	43.2%
Patients	2.9%	5.0%
 Totals	 100.0%	 100.0%

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 6

### Community Benefit and Community Care

Bellin Health Systems provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community, improve the health of low-income patients, and foster nursing education through the College. Consistent with the mission of Bellin Health Systems, care is provided to patients regardless of their ability to pay. In addition, Bellin Health Systems provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance because of inadequate resources or are uninsured or underinsured. Health care services to patients under government programs, such as Medicaid, are also considered part of Bellin Health Systems' benefit provided to the community since a substantial portion of such services are reimbursed at amounts less than cost.

Bellin Health Systems is continuing to refine its community care and financial assistance policy to timely identify, clarify, and expand the scope of those patients who qualify for community care and financial assistance. Patients who meet certain criteria for community care (generally based on federal poverty guidelines) are provided care without charge or at amounts less than established rates. The amount of community care provided is determined based on the qualifying criteria, as defined in the community care and financial assistance policy, and applications completed by patients and their families or beneficiaries.

In addition, Bellin Health Systems provides a significant amount of uncompensated care to uninsured and underinsured patients. These amounts are included in the provision for bad debts and include amounts for patients who may have otherwise qualified for community care but did not complete applications. These additional amounts of uncompensated care are not included in the accompanying table.

Bellin Health Systems maintains records to identify and monitor the levels of community care it provides. The amount of charges foregone for services and supplies furnished under Bellin Health Systems' community care policy aggregated approximately \$10,798,000 and \$12,881,000 for the years ended September 30, 2014 and 2013, respectively, representing 1.09% and 1.47% of gross patient service revenue in 2014 and 2013, respectively.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 6      **Community Benefit and Community Care** (Continued)

Services for the poor and underserved include services provided to persons who cannot afford health care because of inadequate resources and/or are uninsured or underinsured, as well as the unpaid costs of public programs treating Medicaid and indigent beneficiaries. Costs are computed based on a relationship of costs to charges. It also includes the cost of other services for indigent populations and cash donations on behalf of the poor and needy.

The estimated unpaid costs of community benefit and community care are summarized as follows for the years ended September 30.

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Services for the poor and underserved based on estimated unpaid costs		
Community care	\$ 4,600	\$ 5,900
Medicaid and other public programs	17,700	24,300
 Total services for the poor and underserved based on estimated unpaid costs	 \$ 22,300	 \$ 30,200

Benefits for the broader community include unpaid costs of providing the following services. treating the elderly, health screenings and other health-related services, training health professionals, educating the community with various seminars and classes, and the costs associated with providing free clinics and community services. Also included are contributions Bellin Health Systems makes to community agencies to fund charitable activities.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 6      **Community Benefit and Community Care** (Continued)

The costs of providing these programs and services are included in expenses in the accompanying consolidated statements of operations and changes in net assets and are summarized as follows for the years ended September 30.

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Benefits for the broader community - Expenses incurred		
Nonbilled nonpatient services based on estimated cost of care	\$ 91	\$ 91
Community-based health education support	1,861	1,849
Other community benefits and donations	451	465
 Total quantifiable benefits for the broader community based on expenses	 \$ 2,403	 \$ 2,405

### Note 7      **Investments, Assets Limited as to Use, and Investment Income**

#### *Investments*

Investments consisted of the following at September 30

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 282	\$ 216
Equity mutual funds	3,016	2,099
Fixed income mutual funds	896	427
Equity securities	2,087	1,413
Fixed income securities	1,235	1,083
Alternative investments	29	17
 Total investments	 \$ 7,545	 \$ 5,255

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Investments, Assets Limited as to Use, and Investment Income (Continued)

#### *Assets Limited as to Use*

Assets limited as to use consisted of the following at September 30

	In Thousands	
	2014	2013
Board designated for capital acquisitions - Obligated Group (Bellin Hospital and Psychiatric Center).		
Cash and cash equivalents	\$ 3,405	\$ 3,416
Equity mutual funds	1,489	2,179
Fixed income mutual funds	16,528	9,317
Equity securities	48,582	43,187
Fixed income securities	33,914	29,716
Alternative investments	4,860	4,568
Total board designated for capital accquisitions - Obligated Group (Bellin Hospital and Psychiatric Center)	108,778	92,383
Board designated for capital acquisitions and other items - College and Foundation		
Cash and cash equivalents	61	59
Equity mutual funds	346	324
Fixed income mutual funds	110	73
Equity securities	235	210
Fixed income securities	138	167
Alternative investments	4	3
Total board designated for capital accquisitions and other items - College and Foundation	894	836
Funds held by trustees under bond indenture agreements:		
Cash and cash equivalents	3,669	3,417
Fixed income securities	3,506	3,795
Total funds held by trustees under bond indenture agreements	7,175	7,212
Total board-designated and trustee-restricted assets	116,847	100,431

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Investments, Assets Limited as to Use, and Investment Income (Continued)

#### *Assets Limited as to Use (Continued)*

	In Thousands	
	2014	2013
For deferred compensation plan.		
Equity mutual funds	\$ 4,689	\$ 3,797
Fixed income mutual funds	1,127	914
Common trust funds	367	237
	<hr/>	<hr/>
Total deferred compensation plan	6,183	4,948
Set aside to fund restricted contributions for specific purposes.		
Cash and cash equivalents	916	866
Equity mutual funds	5,232	4,751
Fixed income mutual funds	1,641	1,042
Equity securities	3,577	3,102
Fixed income securities	2,100	2,447
Alternative investments	52	40
Unconditional promises to give - Net	1,532	1,892
Interest in community foundation	7	7
Interest in net assets of Oconto Memorial Hospital		
Citizens' Foundation, Inc	111	151
Interest in future cash flows of Brightman Trust	650	650
	<hr/>	<hr/>
Total set aside to fund restricted contributions for specific purposes	15,818	14,948
	<hr/>	<hr/>
Total assets limited as to use	138,848	120,327
Less - Current portion	4,192	4,277
	<hr/>	<hr/>
Noncurrent assets limited as to use	\$ 134,656	\$ 116,050

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 7 Investments, Assets Limited as to Use, and Investment Income (Continued)

#### *Investment Income*

Investment income and gains and losses on cash and cash equivalents, investments, and assets limited as to use are set forth in the following tables for the years ended September 30.

2014	In Thousands		
	Unrestricted	Temporarily Restricted	Total
Investment income - Other operating revenue	\$ 163	\$ -	\$ 163
<hr/>			
Other income			
Interest and dividend income	2,974	177	3,151
Net realized gain on sale of investments	4,818	249	5,067
Change in unrealized gain on trading securities	1,886	597	2,483
<hr/>			
Investment income - Other income	9,678	1,023	10,701
<hr/>			
Total investment income	\$ 9,841	\$ 1,023	\$ 10,864
<hr/>			
2013			
Investment loss - Other operating revenue	\$ (75)	\$ -	\$ (75)
<hr/>			
Other income			
Interest and dividend income	2,437	124	2,561
Net realized gain on sale of investments	4,186	260	4,446
Change in unrealized gain on trading securities	1,885	172	2,057
<hr/>			
Investment income - Other income	8,508	556	9,064
<hr/>			
Total investment income	\$ 8,433	\$ 556	\$ 8,989

Investments, in general, including those reflected as assets limited as to use, are exposed to various risks, such as interest rates, 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 accompanying consolidated financial statements.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 8 Fair Value Measurements

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

Cash equivalents, consisting of money market funds, are valued using \$1 as the net asset value (NAV). Fixed income securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Equity securities are valued at quoted market prices. Mutual funds held by Bellin Health Systems are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by Bellin Health Systems are deemed to be actively traded. Common trust funds are valued at the NAV, which is valued at the fair value of the underlying assets. Alternative investments are valued based on the underlying assets of the funds and the NAV of shares held by Bellin Health Systems. The interest rate swap agreement is recorded at the amount at which it could be settled, based on estimates by a third-party valuation service, which 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 value. Furthermore, while Bellin Health Systems 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.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 8 Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, Bellin Health Systems' assets and liabilities measured at fair value on a recurring basis as of September 30.

2014	Fair Value Measurements Using			In Thousands		Total Assets/ Liability at at Fair Value	
	Level 1      Level 2      Level 3						
<b>Assets</b>							
Money market funds	\$ -	\$ 8,382	\$ -	\$ -	\$ 8,382		
Equity mutual funds	14,772	-	-	-	14,772		
Fixed income mutual funds	20,302	-	-	-	20,302		
<b>Equity securities.</b>							
Consumer discretionary	5,197	-	-	-	5,197		
Consumer staples	13,929	-	-	-	13,929		
Energy	5,105	-	-	-	5,105		
Financials	8,520	-	-	-	8,520		
Industrials	6,242	-	-	-	6,242		
Information technology	7,020	-	-	-	7,020		
Materials	1,156	-	-	-	1,156		
Telecommunication services	5,907	-	-	-	5,907		
Utilities	1,405	-	-	-	1,405		
<b>Fixed income securities</b>							
Corporate bonds	-	15,592	-	-	15,592		
Government bonds	-	12,657	-	-	12,657		
Foreign bonds	-	2,816	-	-	2,816		
Agency bonds	-	5,261	-	-	5,261		
Asset-backed bonds	-	54	-	-	54		
Mortgage-backed bonds	-	2,080	-	-	2,080		
Municipal bonds	-	2,433	-	-	2,433		
Common trust funds	-	367	-	-	367		
Alternative investments	-	85	-	4,860	-	4,945	
<b>Total assets</b>	<b>\$ 89,555</b>	<b>\$ 49,727</b>	<b>\$ 4,860</b>	<b>\$ 144,142</b>			
<b>Liability - Interest rate swap valuation</b>	<b>\$ -</b>	<b>\$ (7,527)</b>	<b>\$ -</b>	<b>\$ (7,527)</b>			

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 8 Fair Value Measurements (Continued)

2013	In Thousands			Total Assets/ Liability at at Fair Value	
	Fair Value Measurements Using				
	Level 1	Level 2	Level 3		
<b>Assets.</b>					
Money market funds	\$ -	\$ 7,558	\$ -	\$ 7,558	
Equity mutual funds	13,150	-	-	13,150	
Fixed income mutual funds	11,773	-	-	11,773	
<b>Equity securities</b>					
Consumer discretionary	5,314	-	-	5,314	
Consumer staples	11,806	-	-	11,806	
Energy	4,388	-	-	4,388	
Financials	6,554	-	-	6,554	
Industrials	5,659	-	-	5,659	
Information technology	5,688	-	-	5,688	
Materials	1,109	-	-	1,109	
Telecommunication services	6,171	-	-	6,171	
Utilities	1,223	-	-	1,223	
<b>Fixed income securities</b>					
Corporate bonds	-	14,796	-	14,796	
Government bonds	-	12,157	-	12,157	
Foreign bonds	-	2,818	-	2,818	
Agency bonds	-	2,980	-	2,980	
Asset-backed bonds	-	92	-	92	
Mortgage-backed bonds	-	1,790	-	1,790	
Municipal bonds	-	2,468	-	2,468	
Preferred stock	-	107	-	107	
Common trust funds	-	237	-	237	
Alternative investments	-	60	4,568	4,628	
<b>Total assets</b>	<b>\$ 72,835</b>	<b>\$ 45,063</b>	<b>\$ 4,568</b>	<b>\$ 122,466</b>	
<b>Liability - Interest rate swap valuation</b>	<b>\$ -</b>	<b>\$ (6,757)</b>	<b>\$ -</b>	<b>\$ (6,757)</b>	

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 8

#### Fair Value Measurements (Continued)

The following table sets forth additional disclosures of Bellin Health Systems' investments whose fair value is estimated using NAV per share as of September 30

	In Thousands			Redemption			Notice Period
	2014	2013	Unfunded Commitments	Frequency	Restrictions		
Masters V Private Equity Fund	\$ 4,860	\$ 4,568	\$ 283	A	None		B

A Masters V Private Equity Fund ("Masters V") is an illiquid private equity investment that is intended to be held by investors for the life of the fund, which is a maximum term of 15 years. Masters V may make distributions to limited partners as underlying investments are realized. A distribution of approximately \$700,000 and \$0 was made in 2014 and 2013, respectively. Of the approximately \$700,000 distribution in 2014, approximately \$350,000 is a deemed distribution, and approximately \$350,000 is a recallable distribution. The amount and frequency of future distributions is unknown at this time.

B Due to the illiquid nature of this private equity fund, a redemption notice period does not apply to Masters V.

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the years ended September 30, 2014 and 2013.

	In Thousands
Balance as of September 30, 2012	\$ 4,567
Net unrealized gain on investment securities	1
Balance as of September 30, 2013	4,568
Net unrealized gain on investment securities	642
Distributions	(350)
Balance as of September 30, 2014	\$ 4,860

The carrying values of current assets and current liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 9      Unconditional Promises to Give

Unconditional promises to give, classified as assets limited as to use, are as follows at September 30

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Unconditional promises to give	\$ 1,992	\$ 2,300
Less		
Unamortized discount	448	376
Allowance for uncollectible promises to give	12	32
<b>Totals</b>	<b>\$ 1,532</b>	<b>\$ 1,892</b>
Amounts due in.		
Less than one year	\$ 379	\$ 342
One to five years	199	348
Greater than five years	954	1,202
<b>Totals</b>	<b>\$ 1,532</b>	<b>\$ 1,892</b>

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 10      Property and Equipment

Property and equipment consisted of the following at September 30

	In Thousands	
	2014	2013
Land	\$ 11,386	\$ 10,589
Land improvements	3,286	3,392
Buildings	143,460	138,214
Fixed equipment	70,922	72,403
Major movable equipment	132,422	131,389
 Total property and equipment	 361,476	 355,987
Less - Accumulated depreciation	181,792	174,883
 Net depreciated value	 179,684	 181,104
Construction in progress	4,838	2,522
 Property and equipment - Net	 \$ 184,522	 \$ 183,626

Equipment under capital leases had an original cost of approximately \$9,513,000 and \$7,826,000 and accumulated amortization of approximately \$942,000 and \$540,000 at September 30, 2014 and 2013, respectively.

Construction in progress relates to various projects that will be completed in 2015. The projects will be funded through operating funds and are estimated to total \$8,200,000.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 11 Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates consisted of the following at September 30

	In Thousands	
	2014	2013
Investment in Unity Limited Partnership d/b/a Unity	\$ 6,530	\$ 6,385
Investment in NorthReach	-	2,478
Critical Care Solutions, Inc.	-	287
Other investments	476	-
<b>Totals</b>	<b>\$ 7,006</b>	<b>\$ 9,150</b>

Following is a summary of the financial position and results of operations based on internal records of investments accounted for under the equity method as of and for the years ended September 30

	In Thousands	
	2014	2013
Total assets	\$ 17,291	\$ 25,722
Total liabilities	2,444	6,201
Total equity	14,847	19,520
Revenue	18,713	37,577
Net income (loss)	326	(4,791)

Bellin Hospital has a 45% general partnership interest in Unity, a tax-exempt partnership, whose purpose is to provide community-based hospice services to area residents.

Prior to July 1, 2014, Bellin Hospital had a 50% ownership interest in NorthReach, which is accounted for under the equity method. Bellin Hospital acquired the remaining 50% interest in NorthReach and began consolidating NorthReach as part of Bellin Hospital's financial statements as of July 1, 2014 (see Note 2).

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 11 Investments in Unconsolidated Affiliates (Continued)

In 2014, Bellin Health withdrew its ownership interest in Critical Care Solutions, Inc. (a limited liability corporation) that provided remote electronic monitoring of critical care patients at Bellin Hospital. At September 30, 2013, Bellin Health had a 49% ownership interest in Critical Care Solutions, Inc.

Bellin Health Systems also has investments in other affiliates accounted for under the equity method.

### Note 12 Goodwill and Other Intangibles

Bellin Hospital acquired separately identifiable intangible assets as a result of acquisitions in the current and prior years (see Note 2). These intangible assets include goodwill, the value of the physician work force, the trade name, and other intangibles. The physician work force is being amortized over the future economic benefit of the related noncompete agreements. The trade name and other intangibles are amortized over 15 years and 5 years, respectively.

Intangible assets as of September 30 were as follows

	In Thousands	
	2014	2013
Intangibles not subject to amortization - Goodwill	\$ 3,342	\$ -
Intangibles subject to amortization		
Physician work force	2,125	2,125
Trade name	1,156	1,156
Other	1,592	947
Subtotals	8,215	4,228
Less - Accumulated amortization	1,759	1,060
Intangible assets - Net	\$ 6,456	\$ 3,168

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 12 Goodwill and Other Intangibles (Continued)

Based on the current amount of intangibles, amortization expense will be as follows for future years

	<u>In Thousands</u>
2015	\$ 800
2016	800
2017	551
2018	415
2019	158
Thereafter	390
 Total	 \$ 3,114

### Note 13 Bonds Payable

Bonds payable consisted of the following at September 30.

	<u>In Thousands</u>	2014	2013
<i>Obligated Group (Bellin Hospital and Psychiatric Center).</i>			
Wisconsin Health and Educational Facilities Authority (WHEFA) Revenue Bonds, Series 1993, dated July 15, 1993, bearing interest at various rates from 5.200% to 6.625%, maturing in varying amounts through February 15, 2022	\$ 16,960	\$ 17,510	
Development Revenue Bonds, Series 2008, dated December 9, 2008, bearing interest at various rates from 3.00% to 6.25%, maturing in varying amounts through December 1, 2035	42,395		44,755

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 13 Bonds Payable (Continued)

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
<i>Obligated Group (Bellin Hospital and Psychiatric Center)</i>		
(Continued)		
WHEFA Revenue Bonds, Series 2011, dated November 23, 2011, bearing interest at 2.95%, maturing in varying amounts through September 30, 2023	\$ 11,114	\$ 12,054
<b>Total Obligated Group</b>	<b>70,469</b>	<b>74,319</b>
<i>Bellin Health - Oconto Hospital</i>		
WHEFA Revenue Bonds, Series 2011, dated August 8, 2011, bearing interest at 3.85%, maturing August 1, 2021	13,182	13,650
<i>College.</i>		
Bond bearing interest at 2.5%, maturing such that principal outstanding remains below target levels, due in full by June 30, 2018	2,318	-
Village of Bellevue Industrial Development Revenue Bonds, Tranch A, bearing interest at 4.1%, refinanced	-	2,405
Village of Bellevue Industrial Development Revenue Bonds, Tranch D, bearing interest at 4.2%, maturing such that principal outstanding remains below target levels, refinanced	-	502
<b>Total College</b>	<b>2,318</b>	<b>2,907</b>

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 13 Bonds Payable (Continued)

	In Thousands	
	2014	2013
Total bonds payable	\$ 85,969	\$ 90,876
Less		
Original issue discounts	720	786
Current maturities	4,501	4,646
Long-term portion	\$ 80,748	\$ 85,444

Based on the borrowing rates currently available to Bellin Health Systems for bonds with similar terms and maturities, the recorded value of the bonds approximates the estimated fair value at September 30, 2014.

#### Revenue Bonds, Series 1993

The bonds mature in varying amounts from \$1,830,000 to \$2,640,000 in 2015 to 2022.

#### Revenue Bonds, Series 2008

The Series 2008 Revenue Bonds provide for mandatory redemption payments in various amounts, ranging from principal payment of approximately \$1,220,000 in 2015 to \$3,140,000 in 2035. The terms of the Series 2008 Revenue Bonds require monthly payments of interest and principal to the bond trustee prior to the required payments to the holders of such bonds. The revenue bonds may be prepaid provided the borrower gives the Redevelopment Authority of the City of Green Bay and the bond trustee 60 days' written notice of prepayment.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 13      **Bonds Payable** (Continued)

#### **Revenue Bonds, Series 2011**

The Series 2011 Revenue Bonds for the Obligated Group provide for mandatory redemption payments in varying amounts, ranging from principal payments of approximately \$985,000 in 2015 to \$1,514,000 in 2023. The terms of the Series 2011 Revenue Bonds require monthly payments of principal and interest to the bond trustee prior to the required payments to the holders of such bonds. The Series 2011 Revenue Bonds may be prepaid provided the borrower gives 15 days' written notice of prepayment.

The Series 2011 Revenue Bonds for Bellin Health - Oconto Hospital require monthly payments of interest, with monthly principal payments of approximately \$39,000, which started in March 2013.

#### **Village of Bellevue Industrial Development Revenue Bonds**

The Village of Bellevue Industrial Development Revenue Bonds for the College are secured by a mortgage loan and revenue agreement. The terms of the revenue bonds require monthly payments of interest and principal to the bond trustee prior to the required payments to the holders of such bonds. The College's Industrial Development Revenue Bonds were sold by the bondholder. These bonds were refinanced to a single bond bearing interest at 2.5%.

#### **Deposit Requirements**

Under the terms of the Series 1993 Revenue Bond Indenture, certain deposits are required to be maintained with the bond trustee. All deposits are included in assets limited as to use (see Note 7). A debt service reserve fund is required to be maintained in an amount not less than 100% of the maximum interest and principal due on the Series 1993 Revenue Bonds in the current or any succeeding bond year. The minimum funding requirements were met at September 30, 2014 and 2013.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 13      **Bonds Payable** (Continued)

#### **Revenue Bond Covenant Requirements**

The various bond indenture agreements require the respective obligors to maintain certain financial and other covenants. Management believes the respective obligors are in compliance with all covenants at September 30, 2014 and 2013.

#### **Scheduled Principal Payments**

Scheduled payments of principal on bonds payable at September 30, 2014, including current maturities, are summarized as follows

	<u>In Thousands</u>
2015	\$ 4,501
2016	4,725
2017	5,232
2018	7,167
2019	5,422
Thereafter	<u>58,922</u>
 Total	 <u>\$ 85,969</u>

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 14      Leases

Bellin Health Systems has entered into certain leases that have been classified as capital leases and various noncancelable lease agreements classified as operating leases primarily for equipment and real estate. Future minimum payments, by year and in the aggregate, under capital leases and noncancelable operating leases consisted of the following as of September 30, 2014

	In Thousands	
	Capital Leases	Operating Leases
2015	\$ 861	\$ 7,175
2016	861	5,946
2017	855	5,166
2018	846	4,411
2019	849	4,301
Thereafter	7,185	56,980
 Total minimum lease payments	11,457	\$ 83,979
 Amount representing interest	2,847	 <hr/>
 Present value of net minimum lease payments	8,610	
 Less - Current portion	485	 <hr/>
 Long-term obligations under capital leases	\$ 8,125	 <hr/>

Lease expense under operating lease agreements for the years ended September 30, 2014 and 2013, was approximately \$12,728,000 and \$12,894,000, respectively.

# **Bellin Health Systems, Inc. and Affiliates**

## **Notes to Consolidated Financial Statements**

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### **Note 15      Interest Rate Swap Agreement**

In conjunction with certain bonds that were early retired in 2009, Bellin Hospital had entered into a master agreement with a financial institution for an interest rate swap transaction. The purpose of the swap was to reduce the impact of changes in interest rates on the bonds. The swap had a notional amount of \$36,025,000 at September 30, 2014, a fixed rate of 3.671%, and matures February 15, 2036.

The interest rate swap agreement is recorded as a liability of \$7,527,000 and \$6,757,000 as of September 30, 2014 and 2013, respectively. Bellin Hospital is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap. However, Bellin Hospital does not anticipate nonperformance by the counterparty.

### **Note 16      Deferred Compensation**

As of September 30, 2014 and 2013, the accompanying consolidated financial statements included liabilities associated with deferred compensation arrangements existing for certain retired executives. Liabilities for deferred compensation are fully accrued and total \$1,162,000 and \$1,195,000 at September 30, 2014 and 2013, respectively. Of this, \$1,061,000 and \$1,082,000 is included in long-term liabilities at September 30, 2014 and 2013, respectively.

Bellin Hospital sponsors a 457(b) plan for certain employees. The 457(b) plan is a deferral-only plan and eligible employees defer a portion of their salary until future years. The deferred compensation is not available to employees until separation of service or an unforeseeable emergency. Any amounts of compensation deferred under the plan and all income attributable to those amounts are to remain the property of Bellin Hospital until paid to the employee or beneficiary. Investments are managed by the 457(b) plan's administrator and are included in assets limited as to use in the accompanying consolidated balance sheets. A corresponding liability of \$6,183,000 and \$4,948,000 at September 30, 2014 and 2013, respectively, is recorded in long-term liabilities in the accompanying consolidated balance sheets and includes all unrealized gains and losses on the investments held for the 457(b) plan, net of withdrawals.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 17 Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at September 30 were restricted for the following purposes

	In Thousands	
	2014	2013
Bellin Hospital capital projects	\$ 302	\$ 697
Bellin Health - Oconto Hospital capital projects	73	93
Bellin Hospital services	971	575
Scholarships	2,240	1,504
Patient assistance	287	259
Employee assistance	39	58
College campus project	32	14
Faculty educational leave	23	18
Other	34	22
 Total temporarily restricted net assets	 \$ 4,001	 \$ 3,240

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income of which is expendable to support the following at September 30.

	In Thousands	
	2014	2013
Endowment fund	\$ 1,214	\$ 1,460
Health care services	651	651
Scholarships	5,655	5,030
Employee training and development	205	205
Professorships	590	590
Faculty development and educational leave	38	38
Learning resources	20	20
College operations	3,583	3,583
 Total permanently restricted net assets	 \$ 11,956	 \$ 11,577

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 18      **Endowments**

Bellin Health Systems' endowments consist of different funds established to benefit Bellin Health Systems for a variety of purposes. Bellin Health Systems' endowments include both donor-restricted endowments and funds designated by the Boards of Directors to function as endowments or quasi-endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **Donor-Restricted Endowments**

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by Wisconsin's state legislature, as requiring Bellin Health Systems to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, Bellin Health Systems classifies as permanently restricted net assets (a) the original value of a donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gift to the permanently restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Bellin Health Systems considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Bellin Health Systems, and (7) Bellin Health Systems' investment policies.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 18      **Endowments** (Continued)

#### **Board-Designated Endowment**

The Board of Directors has set aside certain unrestricted net assets for endowment purposes. Since these amounts are not restricted by the donor but are restricted only by the Board of Directors, the amounts have been classified as unrestricted net assets. The Board of Directors may designate additional amounts from time to time to be added to the endowment fund.

#### **Investment Return Objectives, Risk Parameters, and Strategies**

Bellin Health Systems has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to preserve the fair value of the endowment assets. Under Bellin Health Systems' Investment Policy, as approved by the Board of Directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and ensure any risk assumed is commensurate with the given investment vehicle and Bellin Health Systems' objectives.

To achieve its investment goals, Bellin Health Systems targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. Bellin Health Systems' asset allocations include a blend of equity and debt securities and cash equivalents.

Endowment net assets consisted of the following at September 30

In Thousands						
	2014			2013		
	Board Designated	Donor Restricted	Total	Board Designated	Donor Restricted	Total
Net assets						
Unrestricted	\$ 487	\$ -	\$ 487	\$ 457	\$ -	\$ 457
Temporarily restricted	-	2,128	2,128	-	1,378	1,378
Permanently restricted	-	11,956	11,956	-	11,577	11,577
Totals	\$ 487	\$ 14,084	\$ 14,571	\$ 457	\$ 12,955	\$ 13,412

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 18      **Endowments** (Continued)

Changes in endowment funds were as follows for the years ended September 30, 2014 and 2013

	In Thousands			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at September 30, 2012	\$ 539	\$ 1,003	\$ 10,989	\$ 12,531
Investment return				
Investment earnings	17	390	-	407
Unrealized gains	10	175	-	185
Total investment return	27	565	-	592
Appropriation of endowment assets for expenditures	(12)	(190)	-	(202)
Recharacterization of net assets	(150)	-	10	(140)
Contributions	53	-	578	631
Endowment net assets at September 30, 2013	457	1,378	11,577	13,412
Investment return				
Investment earnings	16	381	-	397
Unrealized gains	28	585	-	613
Total investment return	44	966	-	1,010
Appropriation of endowment assets for expenditures	(14)	(216)	-	(230)
Change in present value of pledges receivable	-	-	(246)	(246)
Contributions	-	-	625	625
Endowment net assets at September 30, 2014	\$ 487	\$ 2,128	\$ 11,956	\$ 14,571

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 19      **Functional Expenses**

Bellin Health Systems provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows for the years ended September 30.

	<b>In Thousands</b>	
	<b>2014</b>	<b>2013</b>
Health care services	\$ 347,799	\$ 338,341
General and administrative	80,197	65,910
Fund-raising	493	487
<b>Total expenses</b>	<b>\$ 428,489</b>	<b>\$ 404,738</b>

### Note 20      **Retirement Plan**

A 401(k) voluntary contribution plan for affiliates covers qualified employees who have attained age 18. The plan provides for a discretionary matching contribution that is determined by the Board of Directors. For 2014 and 2013, the amount of the discretionary match expense was approximately \$8,790,000 and \$8,666,000, respectively.

### Note 21      **Malpractice Insurance**

Professional liability insurance is maintained for claim losses of less than \$1,000,000 per claim and \$3,000,000 per year to cover claims reported during a policy year ("claims made" coverage). Coverage against losses in excess of these amounts is maintained through mandatory participation in the Patients' Compensation Fund of the State of Wisconsin. The professional liability insurance policies are renewable annually and have been renewed by the insurance carrier for the period extending through January 31, 2015, for Bellin Health Systems.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 21 **Malpractice Insurance** (Continued)

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with Bellin Health Systems. Bellin Health Systems has recorded a liability for potential claims of \$185,000 and \$301,000 from services provided through September 30, 2014 and 2013, respectively.

In addition, umbrella coverage is maintained for claims in excess of the professional liability limits to a maximum of \$15,000,000 per occurrence and \$15,000,000 per year.

### Note 22 **Self-Funded Insurance**

Bellin Health Systems has a self-funded health care plan which provides medical and dental benefits to employees and their dependents. Employees share in the cost of health benefits with health care premiums paid by employees in amounts determined by actuaries based on historical experience. Health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. Bellin Health Systems buys reinsurance to cover catastrophic individual claims.

Health and dental care expense in 2014 and 2013 was approximately \$18,180,000 and \$17,338,000, respectively. A liability of approximately \$1,721,000 and \$1,940,000 for claims outstanding at September 30, 2014 and 2013, respectively, has been recorded in accrued liabilities and other in the accompanying consolidated balance sheets.

Management believes this liability is sufficient to cover estimated claims, including claims incurred but not yet reported. As a self-funded insurance plan, Bellin Health Systems provides the majority of health care services to plan participants and their dependents. Bellin Health Systems is also partially self-insured for certain workers' compensation benefits.

# Bellin Health Systems, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### Note 23      Related-Party Transactions

From time to time, Bellin Health Systems may enter into various business transactions with members of the Boards of Directors, members of various board committees, or organizations that employ board and/or committee members. Transactions are provided at fair value and follow Bellin Health Systems' conflict of interest policies. Related parties owed Bellin Health Systems approximately \$56,000 and \$248,000 at September 30, 2014 and 2013, respectively. The related-party receivables are included in patient accounts receivable - net and due from related parties in the accompanying consolidated balance sheets. Bellin Health Systems recorded \$640,000 and \$1,480,000 of revenue from related parties for services provided in 2014 and 2013, respectively. Bellin Health Systems paid \$832,000 and \$869,000 to related parties for 2014 and 2013, respectively, for membership and related fees.

### Note 24      Concentration of Credit Risk

Financial instruments that potentially subject Bellin Health Systems to possible credit risk consist principally of patient accounts receivable, cash deposits in excess of insured limits, and investments.

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients. The majority of patients are from northeast Wisconsin. The mix of receivables from patients and third-party payors was as follows as of September 30

	2014	2013
Medicare	36%	39%
Medicaid	11%	9%
Other third-party payors	38%	38%
Patients	15%	14%
 Totals	 100%	 100%

# **Bellin Health Systems, Inc. and Affiliates**

## **Notes to Consolidated Financial Statements**

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### **Note 24      Concentration of Credit Risk (Continued)**

Bellin Health Systems maintains depository relationships with area financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Depository accounts at these institutions are insured by the FDIC up to \$250,000. At September 30, 2014, the amount of bank balances in excess of FDIC-insured limits was approximately \$79,200,000. In addition, other investments held by financial institutions are uninsured. Management believes these financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

### **Note 25      Commitment**

As part of the Bellin-ThedaCare Healthcare Partners, Inc. financial guarantee related to the participation in the Pioneer Accountable Care Organization, Bellin Health Systems guarantees approximately \$5,100,000 related to a letter of credit naming CMS as the beneficiary. The guarantee is in effect until the letter of credit is terminated. There have been no amounts drawn under the letter of credit as of September 30, 2014.

### **Note 26      Reclassifications**

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 classifications.

## **Supplementary Information**

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## Independent Auditor's Report on Supplementary Information

Board of Directors  
Bellin Health Systems, Inc.  
Green Bay, Wisconsin

We have audited the consolidated financial statements of Bellin Health Systems, Inc. and Affiliates as of and for the years ended September 30, 2014 and 2013, and our report thereon dated December 23, 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 62 through 73 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Since Bellin Health - Oconto Hospital is not part of the Obligated Group for bond indenture purposes (see Note 13), the consolidated financial statements of Bellin Health - Oconto Hospital are eliminated for the purposes of showing the Obligated Group's consolidated financial statements in the consolidating statements of the Obligated Group on pages 62 through 65.

*Wipfli LLP*

Wipfli LLP

December 23, 2014  
Green Bay, Wisconsin

# Bellin Health Systems, Inc. and Affiliates

## Consolidating Balance Sheet - Obligated Group

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

Assets	In Thousands							
	Bellin Memorial Hospital, Inc and Subsidiaries	Bellin Psychiatric Center, Inc	Eliminate			Consolidated Total for Obligated Group		
			Oconto Hospital & Medical Center, Inc.	Eliminations		2014	2013	
<b>Current assets</b>								
Cash and cash equivalents	\$ 73,359	\$ 2,154	\$ (159)	\$ -	\$ 75,354	\$ 57,301		
Current portion of assets limited as to use	3,813	-	-	-	3,813	3,935		
Patient accounts receivable - Net	44,289	971	(1,390)	-	43,870	44,030		
Other receivables	2,118	204	(175)	-	2,147	2,534		
Due from related parties	4,244	-	-	(2,896)	1,348	1,371		
Inventories	5,526	-	(320)	-	5,206	5,639		
Prepaid expenses and other	6,778	1	(23)	-	6,756	6,694		
<b>Total current assets</b>	<b>140,127</b>	<b>3,330</b>	<b>(2,067)</b>	<b>(2,896)</b>	<b>138,494</b>	<b>121,504</b>		
Assets limited as to use - Less current portion	111,859	10,292	(151)	-	122,000	104,392		
Notes receivable - Related party	3,381	-	-	(3,381)	-	-		
<b>Property and equipment - Net</b>	<b>166,356</b>	<b>5,872</b>	<b>(21,090)</b>	<b>-</b>	<b>151,138</b>	<b>148,567</b>		
<b>Other assets</b>								
Unamortized debt issuance costs	1,687	48	(99)	-	1,636	1,805		
Due from affiliates	2,910	-	-	-	2,910	2,866		
Notes receivable	664	-	-	6,034	6,698	8,263		
Investments in unconsolidated affiliates	6,838	-	-	828	7,666	10,062		
Goodwill and other intangibles	6,456	-	-	-	6,456	3,168		
Other	430	-	-	-	430	442		
<b>Total other assets</b>	<b>18,985</b>	<b>48</b>	<b>(99)</b>	<b>6,862</b>	<b>25,796</b>	<b>26,606</b>		
<b>TOTAL ASSETS</b>	<b>\$ 440,708</b>	<b>\$ 19,542</b>	<b>\$ (23,407)</b>	<b>\$ 585</b>	<b>\$ 437,428</b>	<b>\$ 401,069</b>		

Liabilities and Net Assets	In Thousands						Consolidated Total for Obligated Group	
	Bellin Memorial Hospital, Inc and Subsidiaries	Bellin Psychiatric Center, Inc	Eliminate					
			Oconto Hospital & Medical Center, Inc	Eliminations	2014	2013		
<b>Current liabilities</b>								
Current portion of long-term liabilities								
Bonds payable	\$ 4,501	\$ 197	\$ (466)	\$ (197)	\$ 4,035	\$ 3,850		
Capital lease obligations	485	-	-	-	485	379		
Deferred compensation	101	-	-	-	101	113		
Deferred revenue	37	-	-	-	37	66		
Accounts payable	13,337	56	(3)	-	13,390	12,685		
Due to related parties	-	3,303	(407)	(2,896)	-	-		
Accrued liabilities and other								
Employee payroll and benefits	21,651	830	(369)	-	22,112	18,802		
Other	6,930	23	(6)	-	6,947	6,401		
Amounts payable to third-party reimbursement programs	1,569	429	(130)	-	1,868	608		
<b>Total current liabilities</b>	<b>48,611</b>	<b>4,838</b>	<b>(1,381)</b>	<b>(3,093)</b>	<b>48,975</b>	<b>42,904</b>		
<b>Long-term liabilities - Less current portion</b>								
Bonds payable	78,470	3,144	(18,750)	2,850	65,714	69,683		
Capital lease obligations	8,125	-	-	-	8,125	6,907		
Interest rate swap agreement	7,527	-	-	-	7,527	6,757		
Deferred compensation	7,244	-	-	-	7,244	6,030		
Deferred revenue	391	-	-	-	391	505		
<b>Total long-term liabilities</b>	<b>101,757</b>	<b>3,144</b>	<b>(18,750)</b>	<b>2,850</b>	<b>89,001</b>	<b>89,882</b>		
<b>Total liabilities</b>	<b>150,368</b>	<b>7,982</b>	<b>(20,131)</b>	<b>(243)</b>	<b>137,976</b>	<b>132,786</b>		
<b>Net assets</b>								
Obligated Group net assets								
Unrestricted	284,702	11,560	(3,124)	1,609	294,747	264,161		
Temporarily restricted	1,198	-	(152)	38	1,084	850		
Permanently restricted	2,316	-	-	-	2,316	2,316		
<b>Total net assets of Obligated Group</b>	<b>288,216</b>	<b>11,560</b>	<b>(3,276)</b>	<b>1,647</b>	<b>298,147</b>	<b>267,327</b>		
Noncontrolling interest	2,124	-	-	(819)	1,305	956		
<b>Total net assets</b>	<b>290,340</b>	<b>11,560</b>	<b>(3,276)</b>	<b>828</b>	<b>299,452</b>	<b>268,283</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 440,708</b>	<b>\$ 19,542</b>	<b>\$ (23,407)</b>	<b>\$ 585</b>	<b>\$ 437,428</b>	<b>\$ 401,069</b>		

# Bellin Health Systems, Inc. and Affiliates

## Consolidating Statement of Operations and Changes in Net Assets - Obligated Group

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

	In Thousands					
	Bellin Memorial Hospital, Inc and Subsidiaries	Bellin Psychiatric Center, Inc	Eliminate			Consolidated Total for Obligated Group
			Oconto Hospital & Medical Center, Inc	Eliminations	2014	2013
<b>Revenue</b>						
Patient service revenue - Net of contractual allowances and discounts	\$ 426,202	\$ 14,217	\$ (11,983)	\$ 1,055	- \$ 428,436	\$ 390,720
Provision for bad debts	(13,005)	(376)			- (12,326)	(12,535)
Net patient service revenue - Less provision for bad debts	413,197	13,841	(10,928)		- 416,110	378,185
Other operating revenue	11,865	205	(274)		- 11,796	13,076
<b>Total revenue</b>	<b>425,062</b>	<b>14,046</b>	<b>(11,202)</b>		<b>- 427,906</b>	<b>391,261</b>
<b>Expenses</b>						
Salaries and wages	176,270	9,716	(4,212)		- 181,774	170,199
Benefits	38,878	2,246	(871)		- 40,253	38,353
Contract services	25,144	408	(710)		- 24,842	24,559
Medical supplies	64,614	44	(1,001)		- 63,657	60,574
Supplies and other	29,995	2,645	(1,621)	371	- 31,390	29,894
Administrative	8,482	103	(121)		- 8,464	7,802
Repairs and maintenance	6,921	74	(260)		- 6,735	5,992
Leases and rents	11,093	151	(340)		- 10,904	10,126
Depreciation and amortization	21,929	336	(1,634)		- 20,631	19,403
Interest	6,115	282	(931)		- 5,466	5,600
<b>Total expenses</b>	<b>389,441</b>	<b>16,005</b>	<b>(11,701)</b>	<b>371</b>	<b>394,116</b>	<b>372,502</b>
Income (loss) from operations	35,621	(1,959)	499	(371)	33,790	18,759
<b>Other income (loss)</b>						
Investment income	7,388	722	(5)		- 8,105	7,418
Contributions and other loss - Net	(7,217)	-	-		- (7,217)	(1,770)
Change in fair value of interest rate swap agreement	(770)	-	-		- (770)	4,171
Excess (deficiency) of revenue over expenses	35,022	(1,237)	494	(371)	33,908	28,578
Excess of revenue over expenses attributable to noncontrolling interest	2,078	-	-	123	2,201	1,752
Excess (deficiency) of revenue over expenses attributable to Obligated Group	32,944	(1,237)	494	(494)	31,707	26,826

# Bellin Health Systems, Inc. and Affiliates

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

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

	In Thousands						Consolidated Total for Obligated Group	
	Bellin Memorial Hospital, Inc and Subsidiaries	Bellin Psychiatric Center, Inc	Eliminate					
			Oconto Hospital & Medical Center, Inc	Eliminations	2014	2013		
Excess (deficiency) of revenue over expenses attributable to Obligated Group (carried forward)	\$ 32,944	\$ (1,237)	\$ 494	\$ (494)	\$ 31,707	\$ 26,826		
Other changes in unrestricted net assets								
Change in interest in The Bellin Health Foundation, Inc	(885)	-	-	-	(885)	(1,941)		
Transfers to affiliates	(675)	-	(139)	34	(780)	883		
Net assets released from restrictions for property and equipment	544	-	-	-	544	1,026		
Increase (decrease) in unrestricted net assets	31,928	(1,237)	355	(460)	30,586	26,794		
Temporarily restricted net assets								
Change in interest in The Bellin Health Foundation, Inc	750	-	38	(10)	778	1,085		
Change in interest in Oconto Memorial Hospital Citizens' Foundation, Inc	(30)	-	40	(10)	-	-		
Net assets released from restrictions for property and equipment	(544)	-	-	-	(544)	(1,026)		
Increase in temporarily restricted net assets	176	-	78	(20)	234	59		
Increase (decrease) in net assets	32,104	(1,237)	433	(480)	30,820	26,853		
Net assets of Obligated Group at beginning	256,112	12,797	(3,709)	2,127	267,327	240,474		
Net assets of Obligated Group at end	\$ 288,216	\$ 11,560	\$ (3,276)	\$ 1,647	\$ 298,147	\$ 267,327		

# Bellin Health Systems, Inc. and Affiliates

## Consolidating Balance Sheet

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

Assets	Total Obligated Group	In Thousands		
		Bellin Health Systems, Inc.	Oconto Hospital & Medical Center, Inc.	The Bellin Health Foundation, Inc.
<b>Current assets</b>				
Cash and cash equivalents	\$ 75,354	\$ -	\$ 159	\$ 218
Current portion of assets limited as to use	3,813	-	-	278
Patient accounts receivable - Net	43,870	-	1,390	-
Other receivables	2,147	100	175	-
Due from related parties	1,348	-	-	-
Inventories	5,206	-	320	-
Prepaid expenses and other	6,756	-	23	-
<b>Total current assets</b>	<b>138,494</b>	<b>100</b>	<b>2,067</b>	<b>496</b>
Investments	-	-	-	1,340
<b>Assets limited as to use - Less current portion</b>	<b>122,000</b>	<b>-</b>	<b>151</b>	<b>2,965</b>
<b>Property and equipment - Net</b>	<b>151,138</b>	<b>-</b>	<b>21,090</b>	<b>-</b>
<b>Other assets</b>				
Unamortized debt issuance costs	1,636	-	99	-
Due from affiliates	2,910	-	-	-
Notes receivable	6,698	-	-	-
Investments in unconsolidated affiliates	7,666	-	-	-
Goodwill and other intangibles	6,456	-	-	-
Other	430	-	-	-
<b>Total other assets</b>	<b>25,796</b>	<b>-</b>	<b>99</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 437,428</b>	<b>\$ 100</b>	<b>\$ 23,407</b>	<b>\$ 4,801</b>

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In Thousands

Bellin College, Inc.	Lake Michigan Health Care Services, Inc.		Eliminations	Consolidated Total For All Entities	
	and Subsidiaries			2014	2013
\$ 3,071	\$ 1,357	\$ -	\$ 80,159	\$ 63,357	
101	-	-	4,192	4,277	
-	987	-	46,247	47,184	
57	81	(100)	2,460	2,878	
-	7	(1,303)	52	106	
-	1,021	-	6,547	6,915	
131	125	-	7,035	6,945	
3,360	3,578	(1,403)	146,692	131,662	
6,205	-	-	7,545	5,255	
12,600	-	(3,060)	134,656	116,050	
10,999	1,295	-	184,522	183,626	
12	-	-	1,747	1,935	
-	-	(2,910)	-	-	
-	-	(6,034)	664	779	
-	168	(828)	7,006	9,150	
-	-	-	6,456	3,168	
-	408	-	838	442	
12	576	(9,772)	16,711	15,474	
\$ 33,176	\$ 5,449	\$ (14,235)	\$ 490,126	\$ 452,067	

# Bellin Health Systems, Inc. and Affiliates

## Consolidating Balance Sheet (Continued)

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

Liabilities and Net Assets	In Thousands				
	Total Obligated Group	Oconto Hospital & Medical Center, Inc.			
		Bellin Health Systems, Inc.	The Bellin Health Foundation, Inc.		
Current liabilities					
Current portion of long-term liabilities					
Bonds payable	\$ 4,035	\$ -	\$ 466	\$ -	-
Capital lease obligations	485	-	-	-	-
Deferred compensation	101	-	-	-	-
Deferred revenue	37	-	-	-	-
Accounts payable	13,390	-	3	-	-
Due to related parties	-	-	407		378
Accrued liabilities and other					
Employee payroll and benefits	22,112	-	369	-	-
Other	6,947	13	6		77
Amounts payable to third-party reimbursement programs	1,868	-	130	-	-
Total current liabilities	48,975	13	1,381		455
Long-term liabilities - Less current portion					
Bonds payable	65,714	-	18,750	-	-
Capital lease obligations	8,125	-	-	-	-
Interest rate swap agreement	7,527	-	-	-	-
Deferred compensation	7,244	-	-	-	-
Deferred revenue	391	-	-	-	-
Total long-term liabilities	89,001	-	18,750	-	-
Total liabilities	137,976	13	20,131		455
Net assets					
Bellin Health Systems, Inc. net assets					
Unrestricted	294,747	87	3,124		967
Temporarily restricted	1,084	-	152		1,769
Permanently restricted	2,316	-	-		1,610
Total net assets of Bellin Health Systems, Inc.	298,147	87	3,276		4,346
Noncontrolling interest	1,305	-	-		-
Total net assets	299,452	87	3,276		4,346
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 437,428</b>	<b>\$ 100</b>	<b>\$ 23,407</b>	<b>\$ 4,801</b>	

In Thousands

Bellin College, Inc.	Lake Michigan Health Care Services, Inc.		Eliminations	Consolidated Total	
	For All Entities			2014	2013
\$ -	\$ -	\$ -	\$ -	4,501	\$ 4,646
				485	379
				101	113
354	154		-	545	485
56	454		-	13,903	13,370
108	3,009		(3,902)	-	-
419	296		-	23,196	19,761
9	141		-	7,193	6,686
-	-		-	1,998	1,158
946	4,054		(3,902)	51,922	46,598
2,318	-	(6,034)		80,748	85,444
-	-	-		8,125	6,907
-	-	-		7,527	6,757
-	-	-		7,244	6,030
-	-	-		391	505
2,318	-	(6,034)		104,035	105,643
3,264	4,054	(9,936)		155,957	152,241
18,058	1,263	(2,290)		315,956	282,891
2,158	-	(1,162)		4,001	3,240
9,696	-	(1,666)		11,956	11,577
29,912	1,263	(5,118)		331,913	297,708
-	132	819		2,256	2,118
29,912	1,395	(4,299)		334,169	299,826
\$ 33,176	\$ 5,449	\$ (14,235)	\$ 490,126	\$ 452,067	

# Bellin Health Systems, Inc. and Affiliates

## Consolidating Statement of Operations and Changes in Net Assets

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

	In Thousands			
	Total Obligated Group	Bellin Health Systems, Inc.	Oconto Hospital & Medical Center, Inc.	The Bellin Health Foundation, Inc.
Revenue				
Patient service revenue - Net of contractual allowances and discounts	\$ 428,436	\$ -	\$ 11,983	\$ -
Provision for bad debts	(12,326)	-	(1,055)	-
Net patient service revenue - Less provision for bad debts	416,110	-	10,928	-
Other operating revenue	11,796	-	274	138
<b>Total revenue</b>	<b>427,906</b>	<b>-</b>	<b>11,202</b>	<b>138</b>
Expenses				
Salaries and wages	181,774	-	4,212	321
Benefits	40,253	-	871	76
Contract services	24,842	-	710	60
Medical supplies	63,657	-	1,001	-
Supplies and other	31,390	-	1,621	605
Administrative	8,464	-	121	33
Repairs and maintenance	6,735	-	260	2
Leases and rents	10,904	-	340	1
Depreciation and amortization	20,631	-	1,634	-
Interest	5,466	-	931	-
<b>Total expenses</b>	<b>394,116</b>	<b>-</b>	<b>11,701</b>	<b>1,098</b>
Income (loss) from operations	33,790	-	(499)	(960)
Other income (loss)				
Investment income	8,105	-	5	137
Contributions and other income (loss) - Net	(7,217)	-	-	306
Change in fair value of interest rate swap agreement	(770)	-	-	-
Excess (deficiency) of revenue over expenses	33,908	-	(494)	(517)
Excess (deficiency) of revenue over expenses attributable to noncontrolling interest	2,201	-	-	-
Excess (deficiency) of revenue over expenses attributable to Bellin Health Systems, Inc	31,707	-	(494)	(517)

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In Thousands					
Bellin College, Inc.	Lake Michigan Health Care Services, Inc. and Subsidiaries	Eliminations	Consolidated Total For All Entities		
			2014	2013	
\$ -	\$ 13,759	\$ -	\$ 454,178	\$ 414,456	
		(7)		(13,388)	(13,083)
			13,752	440,790	401,373
7,205		(181)		19,232	19,414
7,205	13,752	(181)	460,022	420,787	
3,653	2,956	-	192,916	181,038	
815	882	-	42,897	40,937	
161	285	-	26,058	25,772	
20	7,519	-	72,197	69,132	
1,011	923	(259)	35,291	32,307	
564	307	-	9,489	8,611	
47	146	-	7,190	6,374	
48	1,436	(181)	12,548	11,779	
851	322	-	23,438	22,134	
68	-	-	6,465	6,654	
7,238	14,776	(440)	428,489	404,738	
(33)	(1,024)	259	31,533	16,049	
1,431	-	-	9,678	8,508	
388	-	-	(6,523)	(54)	
-	-	-	(770)	4,171	
1,786	(1,024)	259	33,918	28,674	
-	(99)	(123)	1,979	1,238	
1,786	(925)	382	31,939	27,436	

# Bellin Health Systems, Inc. and Affiliates

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

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

	In Thousands			
	Total Obligated Group	Bellin Health Systems, Inc	Oconto Hospital & Medical Center, Inc	The Bellin Health Foundation, Inc
Excess (deficiency) of revenue over expenses attributable to Bellin Health Systems, Inc (carried forward)	\$ 31,707	\$ -	\$ (494)	\$ (517)
Other changes in unrestricted net assets				
Change in interest in The Bellin Health Foundation, Inc	(885)	- -	- -	- -
Recharacterization of net assets	- -	- -	- -	- -
Transfers (to) from affiliates	(780)	- -	139	(444)
Net assets released from restrictions for property and equipment	544	- -	- -	650
Increase (decrease) in unrestricted net assets	30,586	- -	(355)	(311)
Temporarily restricted net assets				
Change in interest in The Bellin Health Foundation, Inc	778	- -	(38)	- -
Change in interest in Oconto Memorial Hospital Citizens' Foundation, Inc	- -	- -	(40)	- -
Recharacterization of net assets	- -	- -	- -	- -
Investment income	- -	- -	- -	94
Contributions	- -	- -	- -	468
Change in present value of pledges receivable	- -	- -	- -	174
Net assets released from restrictions for property and equipment	(544)	- -	- -	(650)
Increase (decrease) in temporarily restricted net assets	234	- -	(78)	86
Permanently restricted net assets				
Contributions	- -	- -	- -	10
Change in present value of pledges receivable	- -	- -	- -	(246)
Recharacterization of net assets	- -	- -	- -	- -
Increase (decrease) in permanently restricted net assets	- -	- -	- -	(236)
Increase (decrease) in net assets	30,820	- -	(433)	(461)
Net assets of Bellin Health Systems, Inc at beginning	267,327	87	3,709	4,807
Net assets of Bellin Health Systems, Inc at end	\$ 298,147	\$ 87	\$ 3,276	\$ 4,346

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In Thousands						
Bellin College, Inc	Lake Michigan Health Care Services, Inc and Subsidiaries	Eliminations	Consolidated Total			2013
			For All Entities		2014	
\$ 1,786	\$ (925)	\$ 382	\$ 31,939	\$ 27,436		
-	-	885	-	-		
-	-	-	-	(2)		
-	1,250	(36)	129	272		
347	-	(544)	997	1,956		
<b>2,133</b>	<b>325</b>	<b>687</b>	<b>33,065</b>	<b>29,662</b>		
-	-	(740)	-	-		
-	-	21	(19)	(225)		
-	-	-	-	(8)		
929	-	-	1,023	556		
112	-	-	580	928		
-	-	-	174	-		
(347)	-	544	(997)	(1,956)		
<b>694</b>	<b>-</b>	<b>(175)</b>	<b>761</b>	<b>(705)</b>		
615	-	-	625	577		
-	-	-	(246)	-		
-	-	-	-	10		
<b>615</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>587</b>		
3,442	325	512	34,205	29,544		
26,470	938	(5,630)	297,708	268,164		
<b>\$ 29,912</b>	<b>\$ 1,263</b>	<b>\$ (5,118)</b>	<b>\$ 331,913</b>	<b>\$ 297,708</b>		