

ORIGINAL

16-013

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

MAR 03 2016

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Little Company of Mary Hospital and Health Care Centers/ Imaging Center		
Street Address: 6700 W. 95th Street		
City and Zip Code: Oak Lawn 60453		
County: Cook	Health Service Area A-04	Health Planning Area: A-04

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Little Company of Mary Hospital and Health Care Centers
Address: 2800 W. 95th Street, Evergreen Park, IL 60805
Name of Registered Agent: Sharon Ann Walsh
Name of Chief Executive Officer: Dennis Reilly
CEO Address: 2800 W. 95th Street, Evergreen Park, IL 60805
Telephone Number: 708-229-5504

Type of Ownership of Applicant/Co-Applicant

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name: Edward Clancy
Title: Attorney
Company Name: Nixon Peabody, LLP
Address: 70 W. Madison Street, Suite 3500, Chicago, IL 60602
Telephone Number: 312-977-4487
E-mail Address: eclancy@nixonpeabody.com
Fax Number: 844-556-0737

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Gretchen Harper
Title: Attorney
Company Name: Nixon Peabody, LLP
Address: 70 W. Madison Street, Suite 3500, Chicago, IL 60602
Telephone Number: 312-977-4143
E-mail Address: geharper@nixonpeabody.com
Fax Number: 844-560-8133

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: Kevin Rehder
Title: V.P. Practice Management
Company Name: Little Company of Mary Hospital and Health Care Centers
Address: 2800 W. 95th Street, Evergreen Park, IL 60805
Telephone Number: 708-225-5893
E-mail Address: krehder@lcmh.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Little Company of Mary Affiliated Services, Inc.
Address of Site Owner: 2800 W. 95th Street, Evergreen Park, IL 60805
Street Address or Legal Description of Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Little Company of Mary Hospital and Health Care Centers
Address: 2800 W. 95th Street, Evergreen Park, IL 60805
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
 Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Little Company of Mary Affiliated Services, Inc. ("Affiliated Services") constructed and owns the medical office building ("MOB") at 6700 W. 95th Street, Oak Lawn, Illinois. Affiliated Services financed the construction of the MOB with cash from reserved funds and incurred no debt. Little Company of Mary Hospital and Health Care Centers ("LCMH") leases approximately 18% of the space, which houses medical equipment in the form of imaging equipment in the leased space ("Imaging Suite"). LCMH owns the medical equipment, which it uses to provide imaging services. The remainder of the MOB consists of physician offices, immediate care services, and administrative space.

Though LCMH did not construct the MOB and only leases a portion of it, State Board staff has determined that the MOB is a health care facility under Section 3(8) of the Health Care Facilities Planning Act. Therefore, project costs and information in this Application relate to Affiliated Services and its construction of the Care Center.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	30,373	138,364	168,737
Site Survey and Soil Investigation	6,331	28,844	35,175
Site Preparation	126,000	574,000	700,000
Off Site Work	0	0	0
New Construction Contracts	1,453,497	7,506,489	8,959,986
Modernization Contracts	0	0	0
Contingencies	0	0	0
Architectural/Engineering Fees	71,264	324,644	395,911
Consulting and Other Fees	87,841	400,165	488,006
Movable or Other Equipment (not in construction contracts)	3,622,312	0	3,622,312
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	0	0	0
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	5,397,618	8,972,509	14,370,127
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	5,397,618	8,972,509	14,370,127
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	5,397,618	8,972,509	14,370,127
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

<p>Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Purchase Price: \$0 _____</p> <p>Fair Market Value: \$0 _____</p>
<p>The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.</p> <p>Estimated start-up costs and operating deficit cost is \$ _____.</p>

Project Status and Completion Schedules

<p>For facilities in which prior permits have been issued please provide the permit numbers.</p> <p>Indicate the stage of the project's architectural drawings:</p> <p><input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary</p> <p><input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working</p> <p>Anticipated project completion date (refer to Part 1130.140): <u>Completed August 2012</u></p> <p>Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):</p> <p><input checked="" type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.</p> <p><input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies</p> <p><input type="checkbox"/> Project obligation will occur after permit issuance.</p> <p>APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>
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State Agency Submittals

<p>Are the following submittals up to date as applicable:</p> <p><input checked="" type="checkbox"/> Cancer Registry</p> <p><input checked="" type="checkbox"/> APORS</p> <p><input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted</p> <p><input checked="" type="checkbox"/> All reports regarding outstanding permits</p> <p>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</p>
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Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Centers Little Company of Mary Hospital and Health Care in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Mary Freyer
SIGNATURE
Mary Freyer
PRINTED NAME
COO
PRINTED TITLE

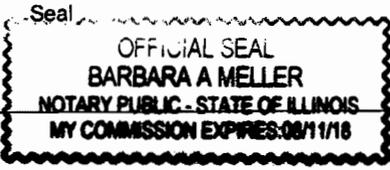
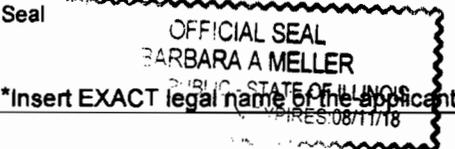
Randy Ruther
SIGNATURE
Randy Ruther
PRINTED NAME
CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 18 day of February

Notarization:
Subscribed and sworn to before me
this 18 day of February

Barbara A. Meller
Signature of Notary

Barbara A. Meller
Signature of Notary



SECTION II. DISCONTINUATION

Not applicable

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

O. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
<p>APPEND DOCUMENTATION AS <u>ATTACHMENT-34</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>		

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

14,370,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
		1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
		2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
		1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
		2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
		3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
		4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
		5) For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
14,370,000	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE												
Department (list below)	A	B	C		D		E		F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)				
Contingency												
TOTALS												

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicald (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	0000 22
2	Site Ownership	0000 24
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	0000 43
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	0000 45
5	Flood Plain Requirements	0000 47
6	Historic Preservation Act Requirements	0000 51
7	Project and Sources of Funds Itemization	0000 59
8	Obligation Document if required	0000 64
9	Cost Space Requirements	
10	Discontinuation	
11	Background of the Applicant	00 00 70
12	Purpose of the Project	0000 76
13	Alternatives to the Project	0000 77
14	Size of the Project	0000 80
15	Project Service Utilization	0000 81
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	0000 82
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
36	Availability of Funds	0000 83
37	Financial Waiver	
38	Financial Viability	
39	Economic Feasibility	
40	Safety Net Impact Statement	
41	Charity Care Information	000 0 94

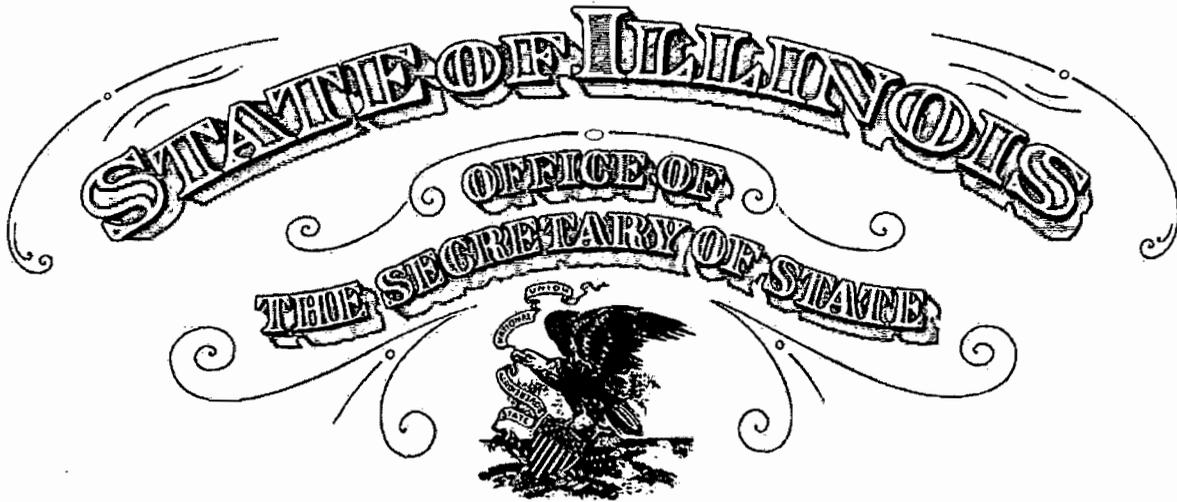
Attachment 1

Type of Ownership – Certificate of Good Standing

The Hospital is an Illinois not-for-profit corporation. Attached is its certificate of good standing.

File Number

0642-704-9



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 15, 1893, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1604701152 verifiable until 02/16/2017
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of FEBRUARY A.D. 2016 .

Jesse White

SECRETARY OF STATE

Attachment 2

Site Ownership - Proof of Ownership

Attached is the deed for land on which the Care Center is located, showing that Affiliated Services has owned the land for more than two years.

Also attached is the lease for the Imaging Suite between Affiliated Services and the Hospital.

WARRANTY DEED
(Individual to Individual)

FILE COPY

GRANTOR,
Chicago Fitness Center Development,
an Illinois General Partnership,
for and in consideration of
Ten and no/100 (\$10.00), hereby CONVEYS
and WARRANTS to
Little Company of Mary Hospital and
Health Care Centers, an Illinois Not
For Profit Corporation,
2800 W. 95th St. Evergreen Park, Illinois
the following described real estate
situated in Cook County, Illinois,
and legally described as follows:



Doc#: 0721340200 Fee: \$32.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/01/2007 12:27 PM Pg: 1 of 6

SASSP7205 DRP 2 of 2

See Attached Legal Description

Property Address: 6700 West 95th Street, Oak Lawn, Illinois
P.I.N.: 24-06-421-006-0000, 24-06-421-007-0000, 24-06-421-009-0000 & 24-06-422-006-0000

SUBJECT TO: General taxes not yet due and payable, covenants, conditions and restrictions of record; building lines and easements, if any, so long as they do not interfere with the current use and enjoyment of the property.

Dated this 24th day of July, 2007

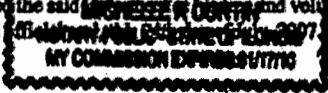
Chicago Fitness Centers Development, an
Illinois general partnership

By: H. Robert Jochem
H. Robert Jochem, Managing Partner

By: _____
Donahue L. Wildman, Managing Partner

STATE OF ILLINOIS, COOK COUNTY SS:

L.M. Curtin in and for said County and State, do hereby certify that H. Robert Jochem, Managing Partner of Chicago Fitness Centers Development, an Illinois general partnership, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act for the purposes and therein set forth. Given under my hand and official seal, this 5th day of August, 2007.



Michelle Curtin
Notary Public

STATE OF ILLINOIS, COOK COUNTY SS:

Donahue L. Wildman in and for said County and State, do hereby certify that Donahue L. Wildman, Managing Partner of Chicago Fitness Centers Development, an Illinois general partnership, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act for the purposes and therein set forth. Given under my hand and official seal, this 24th day of July, 2007.

Donahue L. Wildman
Notary Public

FILE COPY



Doc#: 0721340189 Fee: \$30.00
Eugene "Gene" Moore
Cook County Recorder of Deeds
Date: 09/01/2007 12:28 PM Pg: 1 of 4

TRUSTEE'S DEED

THE ABOVE SPACE FOR RECORDERS USE ONLY

SA 838 7205 DRBF 1 of 2

This Trustee's Deed, made this 4th day of January 2000 between LaSalle Bank National Association, formerly known as LaSalle National Bank, Chicago, Illinois, as Trustee under the provisions of a Deed or Deeds in Trust, duly recorded and delivered to said Bank in pursuance of a trust agreement dated the 28th day of July 1977 and known as Trust number 10-32982-09 (the "Trustee"), Chicago Fitness Center Development (The "Grantees")

(Address of Grantee(s)) c/o ROBERT JOCHEN 2903 OAKBROOK HILLS ROAD, OAK BROOK, ILLINOIS 60523

Witnesseth, that the Trustee, in consideration of the sum of Ten Dollars and no/100 (\$10.00) and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto the Grantee(s), the following described real estate, situated in COOK County, Illinois, to Wit:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

Property Address: 6700 West 85th Street, Oak Lawn, Illinois
Permanent Index Number: 24-08-422-006-0000, 24-08-421-009-000, 24-08-421-007-0000
Together with the tenements and appurtenances thereunto belonging.

To Have And To Hold the same unto the grantee(s) as aforesaid and to the proper use, benefit and behoof of the Grantee(s) forever.

Exempt under provisions of Paragraph E, Section 4,
Real Estate Transfer Tax Act.

2/24/07
Date

[Signature]
Buyer, Seller or Representative

LEASE AGREEMENT

Little Company of Mary Imaging Center

Little Company of Mary Affiliated Services, Inc., an Illinois not-for-profit corporation ("**Landlord**"), and Little Company of Mary Hospital And Health Care Centers, an Illinois not-for-profit corporation ("**Tenant**") make and enter into this Lease Agreement (this "**Lease**"), effective as of the 1st day of July, 2012 (the "**Effective Date**").

1. PREMISES

Landlord leases to Tenant and Tenant rents from Landlord the premises consisting of approximately 11,231 rentable square feet and shown and designated on the floor plan on *Exhibit A* attached hereto and made a part hereof (the "**Premises**"), which space is located in the Little Company of Mary Outpatient Care Center, a medical office building located at 6700 W. 95th St., Oak Lawn, Illinois 60453 (the "**Building**"), together with a non-exclusive right to use the Building Common Areas and Outside Common Areas (both as hereinafter defined) adjoining the Building. The land (including all easement areas appurtenant thereto), upon which the Building containing the Premises is a part, together with the Building Common Areas and Outside Common Areas is hereinafter referred to as the "**Property**."

As used in this Lease, the term "**Building Common Areas**" shall mean all lobbies, hallways, elevators, common toilet facilities, and stairways in the Building and all other common rooms and facilities within the Building.

As used in this Lease, the term "**Outside Common Areas**" shall mean the land or portion thereof that is from time to time devoted to uses associated with the Building, together with such improvements as may from time to time be erected upon such land for uses associated with the Building, including but not limited to parking areas, lighting facilities, utility lines, sidewalks, covered walkways, driveways, plazas, courts, retaining walls, access roads and landscaped areas.

2. USE OF PREMISES

Tenant will use the Premises solely for the purpose of the delivery and administration of health care services and all services ancillary or related thereto, as set forth further herein. Tenant shall not do or permit anything to interfere with the rights of other tenants or injure, annoy, or disturb them. Tenant shall not permit any waste nor permit anything to be done on the property, which will directly increase Landlord's rate of insurance. Without limiting the generality of the foregoing, Tenant shall not, without Landlord's written permission, use said Premises, nor permit the Premises to be used for any commercial clinical laboratory service (except those laboratory services performed directly by Tenant), diagnostic or therapeutic x-ray service or imaging modalities, urgent care, nor for major surgical operations and Tenant shall not use said Premises nor permit the Premises to be used for the retail sale of pharmaceutical drugs nor for the sale, trade, gift or serving of alcohol or intoxicating liquors of any nature whatsoever, as the same shall be defined under the Statute of the United States of the State of Illinois, provided that nothing in this paragraph shall prevent a duly licensed practicing physician from possessing or using alcohol for medicinal purposes in the strict practice of his or her profession so long as such actually does not violate Federal, state or local law.

Without limiting the generality of the foregoing, the following acts are prohibited from being conducted on the Premises:

- A. Any act which by chemical, mechanical or surgical means has the primary intended result of terminating a fetal or embryonic pregnancy or causing a miscarriage, including drugs and/or devices which are abortifacients;
- B. Any act which by chemical, mechanical or surgical means has the primary intended result of causing or accelerating the death of a patient;
- C. Donor insemination of semen or insemination of semen that is totally artificial or experimentation or fertilization with human semen;
- D. Any act which by chemical, mechanical or surgical means has the primary intended result of permanent sterilization; and
- E. Any act or omission that is inconsistent with the mission, teachings, or directives of the Catholic Church.

Notwithstanding anything contained in this Lease to the contrary, if Tenant or any of Tenant's Employees, hereinafter defined, violates the provisions of this *Article 2*, Landlord may immediately terminate the Lease.

3. TERM

A. The Premises are leased for a term of one (1) year (the "Initial Term") to begin on July 1, 2012 (the "Commencement Date"), and end on June 30, 2013 (the "Termination Date"), subject to extension pursuant to this Article 3. Upon the Termination Date, the Term of this Lease shall be automatically extended for an additional period of one (1) year ("Renewal Term"), unless either Landlord or Tenant shall give written notice to the other of its intent not to extend this Lease ("Termination Notice") not less than thirty (30) days prior to the Termination Date (the Initial Term and Renewal Term are, collectively, the "Term"). If no Termination Notice is so delivered, the Termination Date shall be deemed to be extended by such a one (1) year period and, notwithstanding anything to the contrary in Article 18 hereof, Rent shall continue to be payable in the amount set forth in Article 4 below. If Landlord cannot deliver possession of the Premises on the Commencement Date, Landlord shall not be liable for damages, but under such circumstances the Rent reserved and the covenant to pay the same shall not commence until possession of the Premises is given or the Premises are ready for Tenant's occupancy, whichever is earlier. Such delay of possession shall not affect other obligations of the Tenant hereunder nor change the Termination Date. Occupancy prior to the Commencement Date shall be at the sole discretion of the Landlord and subject to all the provisions of the Lease. If the Landlord shall be unable to give possession of the Premises to Tenant on or before a date which is ninety (90) days after the Commencement Date, then Tenant shall have the right to terminate this Lease, without fault, upon thirty (30) days notice to Landlord and after the ninetieth (90th) day after the Commencement Date unless Landlord shall notify Tenant before the expiration of such thirty day notice period that the Premises shall be ready for Tenant's occupancy within fifteen (15) business days after the expiration of the aforesaid ninety (90) day period.

B. Landlord may, at its sole discretion, terminate the Lease upon written notice to Tenant, should Tenant, or, in the event Tenant is a corporation, service corporation, partnership, limited liability company or other entity, any of Tenant's employees, officers, partners, shareholders, directors or agents:

- (1) be terminated or withdraw from membership on the Little Company of Mary Hospital and Health Care Centers' ("**Hospital**") Professional Staff, either voluntarily or involuntarily;
- (2) apply for and be granted a leave of absence from said Professional Staff;
- (3) be convicted for a crime involving fraud or other acts of moral turpitude;
- (4) have his or her professional license revoked or suspended.

If Landlord shall terminate this Lease pursuant to any of the provisions of this *Article 3*, Tenant shall vacate the Premises under the terms and provisions set forth in *Article 24, Surrender of Premises*, below.

4. RENT

Tenant shall pay a base rent ("**Base Rent**") and any additional sums ("**Additional Rent**") (collectively, "**Rent**") according to *Exhibit B*, attached to this Agreement and made a part hereof. Rent shall be due on or before the first day of each calendar month. Tenant shall pay Rent to Landlord, without offset, deduction, or notice. Each year, beginning on the first anniversary of the Commencement Date of this Lease, and on each anniversary thereafter, the Base Rent noted shall be escalated, as indicated on *Exhibit B*. The method for calculating rent is consistent with fair market value and does not reflect the volume or value of referrals by Tenant to Hospital.

5. LATE CHARGES

At Landlord's option, Rent not received by the tenth (10th) day of each month shall be subject to a bookkeeping charge equal to five percent (5%) of any overdue amount and interest at the rate of two percent (2%) over the Federal Funds Rate, per annum, from the date due until paid, without, however, limiting or otherwise affecting, the rights and remedies of Landlord on account of Tenant's failure to pay said amount.

6. LANDLORDS REPAIR

Landlord shall, at its expense, maintain and keep in good order and repair, reasonable wear and tear excepted, the foundations and the structural soundness of the exterior walls, roofs of the Building and the Building Common Areas and Outside Common Areas of the Property. Landlord shall perform maintenance and repair for such items at reasonable times and in a manner to minimize the interference with Tenant's use and occupancy at the Property. Tenant shall give Landlord written notice of any such need for repairs after which Landlord shall have a reasonable opportunity to repair the same. Landlord's liability with respect to any repairs or maintenance for which Landlord is responsible shall be limited to the cost of such repairs or maintenance. The term walls as used herein shall not include windows, doors, storefronts, or office entries.

7. ALTERATIONS

Tenant shall not make or permit any alterations, or improvements ("Alteration") without the prior written consent of Landlord. Notwithstanding such consent, Landlord, at its option, may upon termination of this Lease: (i) require Tenant, at its sole cost and expense, to remove any Alteration and restore the Premises to its prior condition, or (ii) take possession of such Alteration. If Landlord does not require removal of the Alteration, the Alteration shall automatically become the property of the Landlord at the conclusion of the Lease, without compensation to Tenant therefor. Any Alteration to the Premises under this Article shall comply with all reasonable insurance requirements, and all laws, ordinances, rules and regulations of all applicable governmental authorities, including the Americans with Disabilities Act as and to the extent applicable to Tenant's use and occupancy of the Premises and the business conducted therein, and shall be constructed in a good workmanlike manner at the sole cost and expense of Tenant.

8. TENANT REPAIR

By taking possession, Tenant accepts the Premises as being in good order and repair, and acknowledges that the Premises are in the condition in which Landlord is obligated to deliver the Premises. Tenant shall maintain the Premises in good condition, ordinary wear and tear excepted. Tenant shall reimburse Landlord for any Landlord repairs due to any damage of the Property caused by Tenant, its agents, employees, customers, or any other invited person entering the Property as a result of Tenant's activities.

9. ALTERATIONS BY LANDLORD

Landlord may from time to time, at its sole cost and expense, make repairs, replacements, changes, or additions to the structure, systems, facilities, and equipment in the Premises where necessary or desirable to serve the Premises or other parts of the Property; make changes in or additions to any part of the Property not in or forming part of the Premises; and change or alter the location of common areas of the Building and Property; provided that in doing so, Landlord shall not unreasonably disturb or interfere with Tenant's use and occupancy of the Premises and the operation of its business any more than absolutely necessary under the circumstances.

Landlord and its employees or agents shall have the right at all reasonable times, upon reasonable prior notice to Tenant, to enter the Premises for the purpose of inspecting, cleaning, repairs, altering or improving the Premises, but nothing contained herein shall be construed as imposing any obligation upon Landlord to make any repairs, alterations or improvements which are the obligations of Tenant.

10. ASSIGNMENT AND SUBLETTING

Tenant shall not assign this Lease or sublet the Premises without the prior written consent of Landlord. In the event of such consent, Tenant shall remain primarily liable for payment of the Rent and other obligations hereunder even if Landlord collects Rent directly from an assignee or subtenant. In the event that Landlord consents to any assignment or sublet that Tenant proposes, Landlord shall have the option in the event of a proposed assignment or subletting of the entire Premises, to terminate this Lease and enter into a direct lease with the proposed assignee or sublessee, in which event the Lease shall be deemed to be terminated without fault of Tenant as of the Termination Date, so long as Tenant shall not be in default for the payment of

Rent or in the performances of any other covenant or agreement to be performed or kept on Tenant's behalf hereunder. Any subletting or assignment of this Lease shall comply in all respects with the applicable provisions of the Medicare Anti-Kickback Law, 42 U.S.C. Section 1320a-7(b)(1) and (2), and the Stark Self-Referral Prohibition Act, 42 U.S.C. Section 1395nn, et seq., and all regulations promulgated thereunder, as the same may be modified, supplemented or replaced from time to time. Any sale, assignment, hypothecation, transfer or subletting of this Lease or the Premises that does not comply with this *Article 10* shall be void.

11. INDEMNIFICATION

Tenant hereby waives all claims against Landlord and holds it harmless from, and shall defend Landlord against, all claims, liability or costs for damage to any property or injury to any person arising from or in any way related to: (a) the wrongful act, neglect, or omission of Tenant, its agents, employees or visitors; (b) any work or thing whatsoever done by or on behalf of the Tenant; (c) any default on the part of the Tenant; or (d) Tenant's use of the Premises, Building, Property, Building Common Area or Outside Common Area. The provisions of this Article shall survive the termination of this Lease.

12. INSURANCE

Tenant shall procure and maintain policies of insurance, at its own cost and expense, insuring:

A. the Landlord as "named insured", from all claims, demands or actions made by or on behalf of any person or persons, firm or corporation and arising from, related to or connected with the Premises, or Tenant's use of the Premises, Building Common Area, Outside Common Area or Building, for bodily injury to or personal injury to or death of any person, or more than one (1) person, or for damage to property in an amount of not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate. Said insurance shall be written on an "occurrence" basis and not on a "claims made" basis. If at any time during the term of this Lease, Tenant owns or rents more than one location, the policy shall contain an endorsement to the effect that the aggregate limit in the policy shall apply separately to each location owned or rented by Tenant. Landlord shall have the right, exercisable by giving written notice thereof to Tenant, to require Tenant to increase such limit if, in Landlord's reasonable judgment, the amount thereof is insufficient to protect the Landlord and Tenant from judgments which might result from such claims, demands or actions. If Tenant is unable, despite reasonable efforts in good faith, to cause its liability insurer to insure the Landlord as "named insureds," Tenant shall nevertheless cause the Landlord to be insured as "additional insureds" and in such event, Tenant will protect, indemnify and save harmless the Landlord from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against the Landlord by reason of any bodily injury to or personal injury to or death of any person or more than one person or for damage to property, occurring on or about the Premises, or in connection with Tenant's use of the Premises, Building Common Area, Outside Common Area or Building, caused by any party to the extent of the amount of the insurance required to be carried under this section or such other amount of insurance as is actually carried. Tenant shall cause its liability

insurance to include contractual liability coverage fully covering the indemnity hereinabove set forth.

B. all contents and Tenant's trade fixtures, personal property, machinery, equipment, furniture and furnishings in the Premises to the extent of one hundred percent (100%) of their replacement cost under Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Form ("all risk") coverage. Said insurance shall contain an endorsement waiving the insurer's right of subrogation against the Landlord, provided that such waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (except that Landlord shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such waiver in full force and effect).

C. the leasehold improvements to the Premises and improvements at any time situated upon the Premises against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Form ("all risk") coverage. The insurance coverage shall be for the full replacement cost of such leasehold improvements with agreed amount endorsement. Landlord shall be named as the insured and all proceeds of insurance shall be payable to Landlord. Said insurance shall contain an endorsement waiving the insurer's right of subrogation against Tenant, provided that such waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (except that Tenant shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such waiver in full force and effect).

13. SECURITY DEPOSIT

As additional security for the faithful and prompt performance of its obligation under this Lease, Tenant has, concurrently with the execution of this Lease, deposited with Landlord the Security Deposit. Landlord, at its sole discretion, may apply any part or all of the Security Deposit for curing all or any part of any default or defaults of Tenant hereunder. Tenant agrees to pay to Landlord, upon ten (10) days written notice, a sum of money that at all times during the continuance of this Lease the Security Deposit will equal one (1) month's installment of Rent at the then current rate. Landlord shall not pay any interest on the Security Deposit except as required by law. Within a reasonable timeframe not to exceed thirty (30) days after the termination of this Lease if the Tenant is not in default, Landlord shall return to Tenant the Security Deposit, or so much thereof that has not been expended by Landlord to cure any default of Tenant. The Security Deposit is not an advance payment of Rent or a measure of Landlord's damages for any default of Tenant.

14. SERVICES

Landlord shall provide:

A. internal janitorial services, including window washing, provided that Tenant shall leave the Premises in a tidy condition at the end of each business day;

- B. replacement of light bulbs as required as a result of normal usage;
- C. heat, ventilation and air conditioning as is reasonably determined by Landlord to be required for the occupancy of the Premises during normal business hours;
- D. water and electricity connections to the Premises;
- E. snow removal service.

Should Tenant require services other than those listed above, Landlord may provide such other service, at its sole discretion. Tenant shall pay for such other or extra services received, including a fair proportion of any charges for such other or extra services that Tenant may share with other tenants, which is accommodated by the Landlord. Tenant shall pay charges or fees for such other or extra services, as Additional Rent. Landlord shall not be liable for any interruption of utility services, provided, however, if such interruption continues for a period of ten (10) consecutive days after written notice to Landlord of such interruption such that the Premises or a portion thereof is untenantable and such interruption is caused by Landlord's negligence or willful misconduct, then that portion of Rent charged hereunder attributable to Tenant's Base Rent obligation shall abate pro rata from and after such tenth (10th) consecutive day until such interrupted service is restored and the portion of the Premises that is affected again becomes tenantable in Landlord's sole discretion.

15. SUBORDINATION

Tenant shall permit a first mortgage or deed of trust to be placed on the Premises, or any part thereof, as security for any indebtedness and shall subordinate this Lease to such first mortgage or trust deed if required to do so by the secured party. This Lease shall be subordinate to any lease or mortgage that now or hereafter affects the Property. In the event of attornment by Tenant, the lessor or mortgagee shall not be: (a) liable for any act or omission of Landlord, or (b) subject to any offsets or defenses which Tenant might have against Landlord. Tenant shall execute all documents necessary to accomplish the above.

16. RULES

Tenant shall comply with the Property rules as reasonably set forth from time to time by Landlord. Tenant shall only use inside and outside signage reasonably approved by Landlord, who shall coordinate all throughout the Premises.

17. LANDLORD'S RIGHT OF ENTRY

Landlord shall have the right to enter, at reasonable times upon prior written notice to Tenant, except in cases of emergency, the Premises to inspect, supply services, and alter or repair the Property, without abatement of Rent, and may erect, use and maintain pipes, conduits and other necessary structures, provided that Tenant shall not be unreasonably inconvenienced. Tenant waives any claim for damages, for injury to or interference with Tenant's business, or loss of quiet enjoyment or other loss, unless the same arises out of Landlord's negligence or willful misconduct.

18. DEFAULT/REMEDIES

In addition to any other rights of Landlord to terminate contained herein, Landlord may terminate this Lease and term demised by ten (10) days prior written notice to Tenant upon the

happening of any one or more of the following events: the making by Tenant of an assignment for the benefit of its creditors; the operation or supervision of the business conducted in the Premises by a creditors committee or by anyone other than Tenant; the levying of a writ of execution of attachment on or against the property of Tenant; the taking of any action for the voluntary dissolution of Tenant or of its consolidation with or merger into another corporation; the doing or permitting to be done by Tenant of any act which creates a mechanics lien or claim therefore against the land or building of which the Leased premises area part; and the institution of proceedings in a court of competent jurisdiction for the reorganization, liquidation or involuntary dissolution of Tenant if said Proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within the thirty (30) days after the institution of said Proceedings.

If the rental reserved by this Lease or other charges to be paid hereunder by Tenant, or any part thereof, are not paid when due and shall remain unpaid for a period of five (5) days after notice thereof in writing, or if Tenant shall fail to promptly perform any other covenant, condition or provision by it to be performed hereunder, and such failure shall continue for a period of 30 days after notice in writing specifying the nature of such failure, or if Tenant abandons the Premises, or if Tenant breaches any obligation under this Lease by it to be performed which cannot be cured, then, and in any such event, Tenant shall be deemed to be in default and Landlord, without further notice, may at its option re-enter and take possession of the Demised Premises including all improvements thereon and fixtures and equipment located at, in or about the same, and take, operate or relet the same in whole or in part for the account of Tenant at such rental and on such agreement and conditions and to such tenant or tenants as Landlord in good faith may deem proper for a term not exceeding the unexpired period of the full term of this Lease. Landlord shall receive all proceeds and rent accruing from such operation or reletting of the Demised Premises or fixtures and equipment, and shall apply the same first to the payment of all costs and expenses incurred by Landlord in obtaining possession and in the operation or reletting of the Demised Premises or fixtures and equipment, including reasonable attorneys' fees, commissions and collection fees, and any alterations or repairs reasonably necessary to enable Landlord to operate or relet the premises or fixtures and equipment, and to the payment of all such amounts as may be due or become payable under the provisions of this Lease, and the balance remaining, if any, at the expiration of the full term of this Lease shall be paid over to the Tenant.

Any termination of this Lease by Landlord for Tenant's failure to pay Rent or for any other reason shall not relieve Tenant of its obligations to pay Rent and any other amounts due hereunder through the term of this Lease.

In the event of any such breach by Tenant of any of the provisions of this Lease, Landlord may immediately, or at any time thereafter, without notice, cure such breach for the account, and at the expense of Tenant. If Landlord at any time, by reason of such breach, is compelled to pay, or elects to pay, any sum of money, or do which requires the payment of a sum of money, or incurs any expense, including reasonable attorneys' fees, in instituting, prosecuting, any action, or proceedings, to enforce Landlord's rights hereunder, the sum or sums, so paid Landlord, with interest thereon at the rate of two percent (2%) over the Federal Funds Rate per annum from the date of payment thereof shall be deemed to be additional rent hereunder, and shall be due from Tenant to Landlord on the first day of the month following the payment of such respective sums or expenses.

Tenant will, at the expiration or termination, of this Lease, yield up possession to Landlord and failing to do so, at Landlord's option, will pay rent for each day possession is withheld, in an amount equal to two hundred percent (200%) of the then current monthly rent (prorated on a per diem basis) provided, however, that Landlord's right to recover said rent shall not preclude Landlord from recovering any greater amount of damages sustained by it, or otherwise allowed by law.

The acceptance by Landlord of any payment of rent or other charges hereunder after the termination by Landlord of this Lease or of Tenant's right to possession hereunder shall not, in the absence of an agreement in writing to the contrary by Landlord, be deemed to restore this Lease or Tenant's rights to possession hereunder, as the case may be, but shall not be construed as payment on account, and not in satisfaction of damages due from Tenant to Landlord. No endorsement or statement on any check or letter of Tenant shall be deemed an accord and satisfaction or otherwise recognized for any purpose whatsoever.

The acceptance of any such check or payment shall be without prejudice to the Landlord's right to recover all amounts owed by Tenant hereunder and Landlord's right to pursue any other available remedy.

All rights and remedies of Landlord shall be cumulative, and none shall exclude any other right or remedy allowed by law. Notwithstanding anything to the contrary contained in this Lease, if any provision of this Lease obligates Landlord not to unreasonably withhold its consent, or approval, an action for declaratory judgment, or specific performance, will be Tenant's sole right and remedy in any dispute as to whether Landlord has breached such obligation.

19. QUIET ENJOYMENT

Landlord represents and warrants that it has the authority to enter into this Lease and that Tenant, while paying Rent and performing its other covenants and agreements shall peaceably and quietly have, hold, and enjoy the Premises for the Term without hindrance from Landlord. Further, pursuant to the provision hereof, Landlord agrees that so long as Tenant is paying Rent and performing its other covenants and agreements, Tenant's Access to the Premises and Building Common Areas and Outside Common Areas shall be on an unrestricted twenty-four (24) hour basis, subject to Landlord's right to restrict usage of Building and Outside Common Areas as Landlord may deem appropriate in its sole discretion.

20. CASUALTY

If the Premises is damaged by casualty, Landlord may, in its sole discretion, either repair the same or terminate this Lease and shall apply such insurance proceeds Landlord receives toward such repair, and the Rent hereunder shall be equitable abated. If material restoration cannot be made within a ninety (90) day period in Landlord's sole discretion, Landlord shall notify Tenant and each party shall have the option to terminate this Lease within thirty (30) days. Landlord shall not be required to repair or replace any of Tenant's property.

21. EMINENT DOMAIN

If possession of any material (*i.e.*, 25% or greater) part of the Premises shall be taken under the power of eminent domain, or conveyance in lieu thereof, either party may give the other, within thirty (30) days after such taking, notice terminating this Lease. Landlord shall be

entitled to any condemnation award, and Tenant hereby assigns any interest it may have in such award. Nothing herein shall preclude Tenant from claiming dislocation damages and moving expenses; provided that such amount is not subtracted from Landlord's award.

22. SALE BY LANDLORD

If the Property is sold, Landlord shall be released from any future liability and any of the covenants or conditions herein so long as Landlord's transferee shall assume all of Landlord's obligations hereunder from and after the date of transfer or conveyance, and Tenant agrees to look solely to the successor in interest of Landlord. Except as set forth in this *Article 22*, this Lease shall not be affected by any such sale.

23. ESTOPPEL CERTIFICATE

Within ten (10) days' written request, Tenant shall execute and deliver to Landlord or any prospective landlord or mortgagee a statement in a form to be provided by Landlord certifying: (a) the Termination Date, (b) that this Lease is unmodified except as specified, (c) the date to which Rent has been paid, (d) that there are no defaults except as specified, and (e) other matters as reasonably requested.

24. SURRENDER OF PREMISES

Upon termination of this Lease, Tenant will deliver to Landlord possession of the Premises in good condition, broom clean and free of debris and damage, ordinary wear and tear excepted. All obligations of Tenant hereunder not fully performed shall survive termination of this Lease, if requested by Landlord, Tenant shall pay Landlord the amount reasonably necessary to repair and restore the Premises and to remove any Alterations the Landlord does not wish to retain.

25. NOTICES

Any notices required by this Lease to be made to Landlord, shall be in writing and personally delivered, or sent by Certified or Registered mail to Ann Haskins, Vice President, Little Company of Mary Hospital and Health Care Centers, 2800 West 95th Street, Evergreen Park, Illinois, 60805 with a mandatory copy to Kirsten Laurie, Legal Counsel, Little Company of Mary Affiliated Services, 2800 W. 95th St., Evergreen Park, IL 60805.

Any notice required to be sent to Tenant shall be deemed given when sent to the Premises by certified or registered mail.

26. FORCE MAJEURE

Landlord shall be excused for the period of any delay and shall not be in default with respect to the performance of any of the terms, covenants, and conditions of this Lease when prevented from doing so by a cause beyond Landlord's control.

27. DEFINED TERMS AND MISCELLANEOUS

The headings herein are for convenience and shall in no way be construed to limit or define the scope or intent of any Article hereof. Any indemnification or insurance of Landlord shall also include Landlord's managing agent. The terms, person, Tenant, Landlord or any

pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms, or corporations, and each of their respective successors, executors, administrators, and permitted assigns, according to the context hereof specifically.

Time is of the essence of this Lease and all of its provisions. Notwithstanding anything to the contrary herein, this Lease shall create no personal liability on the part of Landlord and Tenant shall look solely to the equity of the Landlord in the Property for satisfaction of any claims, judgments, or awards.

28. COMMISSIONS

Both parties represent and warrant to the other that, except for Irgens Development Partners, L.L.C., it has not dealt with any broker in connection with this, except as noted herein, and indemnifies and holds the other harmless from all liability, costs, and expenses incurred as a result of any alleged breach of such warranty.

29. PARKING

Tenant shall have the right to use, in common with other tenants, the Property roads and parking areas. Tenant through his/her act or sufferance shall not permit any vehicles to be parked outside of designated parking areas. Tenant shall not authorize any outside storage or the parking of inoperative vehicles on the Property.

30. STAFF PRIVILEGES AT AND REFERRALS TO OTHER HOSPITALS

In no way does this Lease Agreement prevent Tenant from referring patients to or maintaining privileges at other hospitals. Tenant is not required to refer patients to Hospital as a condition of this Lease Agreement.

31. ENTIRE AGREEMENT

This Lease contains all agreements of the parties and supersedes any previous understanding or agreement and may not be modified except in writing signed by both Landlord and Tenant.

32. SEVERABILITY AND GOVERNING LAW

If any term or provision of this Lease shall to any extent be held invalid or enforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law. This Lease shall be governed by the Laws of the State of Illinois and all disputes shall be tried in such State Courts.

33. CONSTRUCTION OF LEASEHOLD IMPROVEMENTS

Landlord shall construct and install interior improvements in the Premises (hereinafter referred to as Leasehold Improvements) for the use and benefit of Tenant subject to the terms and conditions provided in accordance with Exhibit C, attached hereto and made a part of the Agreement by the reference herein.

34. COMPLIANCE WITH LAWS

Tenant shall store and dispose of any substance or material which may be deemed to be medical or infectious waste including, but not limited to, virulent infectious wastes and materials, bandages, dressings, sharps, needles, syringes, lancets, human blood and blood products, bodily fluids, radioactive wastes, human tissues and any other medical wastes or by-products which pose risk of injury or disease to human beings (collectively, "Medical Wastes") in accordance with all applicable federal and state laws, rules, regulations and ordinances including the Illinois Department of Public Health and all rules and standards of medical or professional associations having jurisdiction over Tenant.

Neither Tenant nor any of Tenant's employees shall (either with or without negligence) cause or permit the escape, spill, discharge, disposal or release (collectively, a "Release") of any pollutant or contaminant, toxic or dangerous substance, waste, chemical or material (collectively, "Hazardous Materials") including, without limitation, Medical Waste. Tenant shall not allow the storage, use or transport of Hazardous Materials, except in compliance with all applicable laws on accordance with the highest standard prevailing in the industry for storage, use and transport of hazardous materials, nor allow to be brought into the Property and any Hazardous Materials except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of and intended use for such Hazardous Materials. Without limitation, Hazardous Materials shall include those described in any federal, state, or local statute, law, ordinance, code rule, regulation, order, decree, or requirement, either existing now or hereinafter enacted, which is either regulatory or relating to protection of human health and safety or protection of the environment. If any lender or governmental agency shall ever require testing or other investigation to ascertain whether or not there has been any Release of Hazardous Material by Tenant or any entity acting at Tenant's direction, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as Additional Rent if such requirement applies or relates to Tenant's business, use and occupancy of the Premises. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of any Hazardous Materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in the Lease from any Release of Hazardous Materials on the Premises, occurring while Tenant is in possession, or elsewhere, if caused by Tenant or persons acting under Tenant. Landlord shall indemnify Tenant from any damages Tenant shall suffer arising out of any Release of Hazardous Materials on the Premises or Property if caused directly by Landlord, its managing agent, agents, or employees.

Tenant agrees to reasonably safeguard "protected health information" ("PHI") as defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "Privacy Standards"), as promulgated by the Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical, and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its subcontractors, and agents. The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is

disclosed to Landlord, its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors, and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by the Privacy Standards.

The covenants of this *Article 34* shall survive the expiration or earlier termination of the term of this Lease.

35. SEPARATE METERING OF ELECTRICITY

All electricity used in the Premises for lighting, office equipment, and that furnished for the Premises through convenience outlets shall be separately metered and paid for when due directly by Tenant.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first written above.

LANDLORD:

TENANT:

Little Company of Mary Affiliated Services,
Inc., an Illinois not-for-profit corporation

Little Company of Mary Hospital and Health
Care Centers, an Illinois not-for-profit
corporation

By: *Randy Rutherford*
Name: Randy Rutherford
Title: Treasurer

By: *Dennis Reilly*
Name: Dennis Reilly
Title: President/CEO

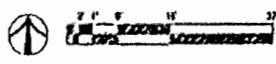
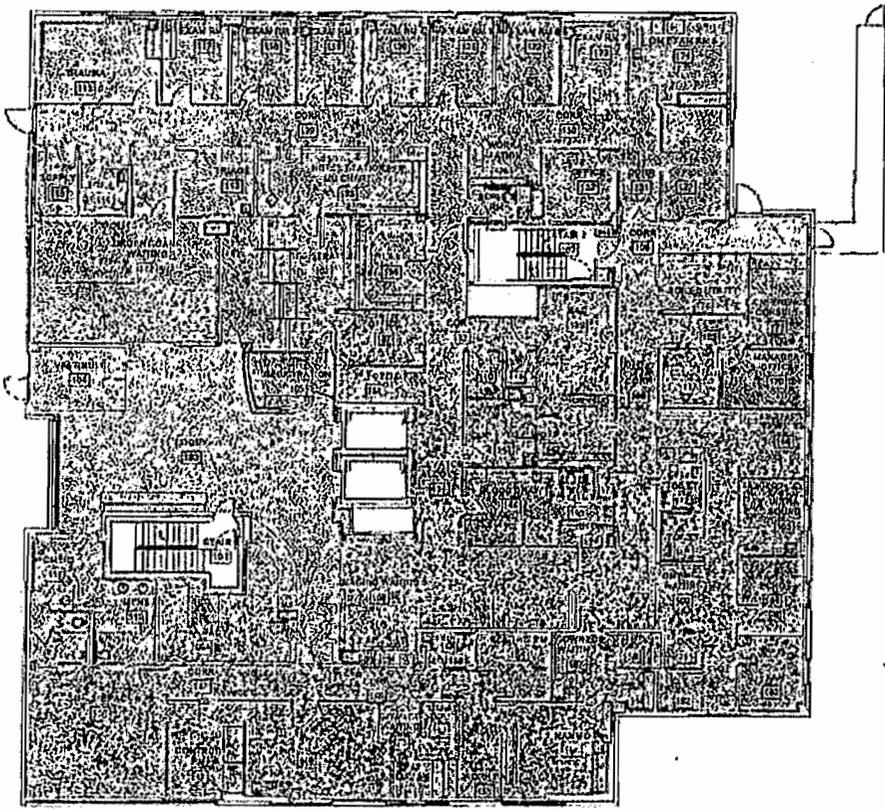
Exhibit A

Floor Plan

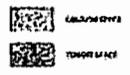
[See Attached]

4843-6410-8580.5

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FIRST FLOOR PLAN



Little Company
of Mary Hospital
and Health Care Centers

Oak Lawn
Medical Office Building
BOMA Square Foot Analysis - 9/10/12

PFB ARCHITECTS, LLC
 117 N. LAUREL STREET, SUITE 500
 CHICAGO, ILLINOIS 60611
 PHONE: (312) 374-2100 FAX: (312) 374-1104

Exhibit B

Initial Lease Rate:

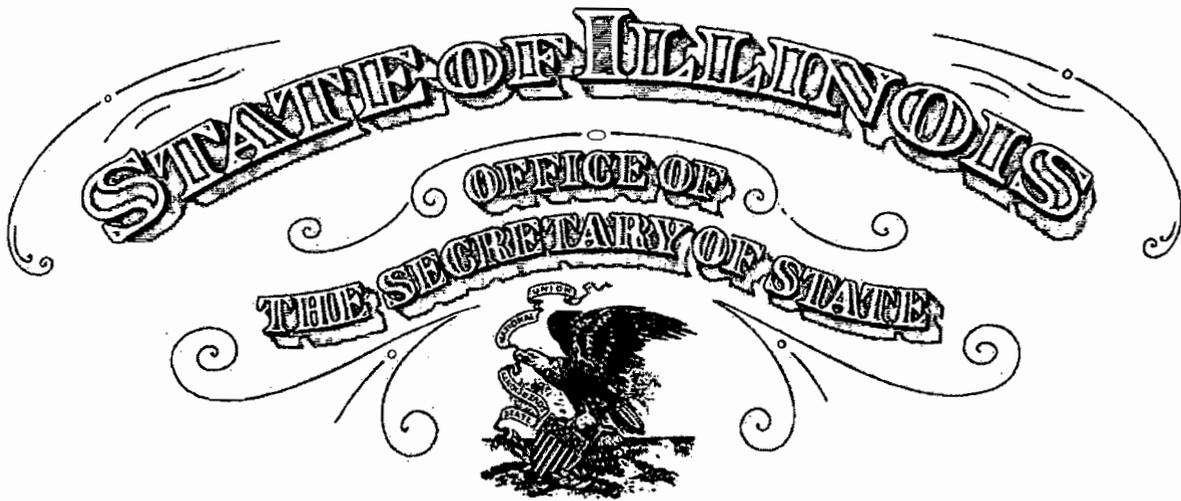
7/1/2012 through 6/30/2013 \$15.16 per square foot

After the Initial Lease Rate Year, the Rent shall be adjusted annually by based upon actual expenses for the previous year as determined by the parties and supported by financial documentation.

Attachment 3

Operating Identity/Licensee Certificate of Good Standing

The Hospital will operate the Imaging Center. The Hospital is an Illinois not-for-profit corporation. As a not-for-profit corporation, no one has any ownership of the Hospital. Attached is the Hospital's certificate of good standing.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 15, 1893, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 16TH day of FEBRUARY A.D. 2016 .

Jesse White

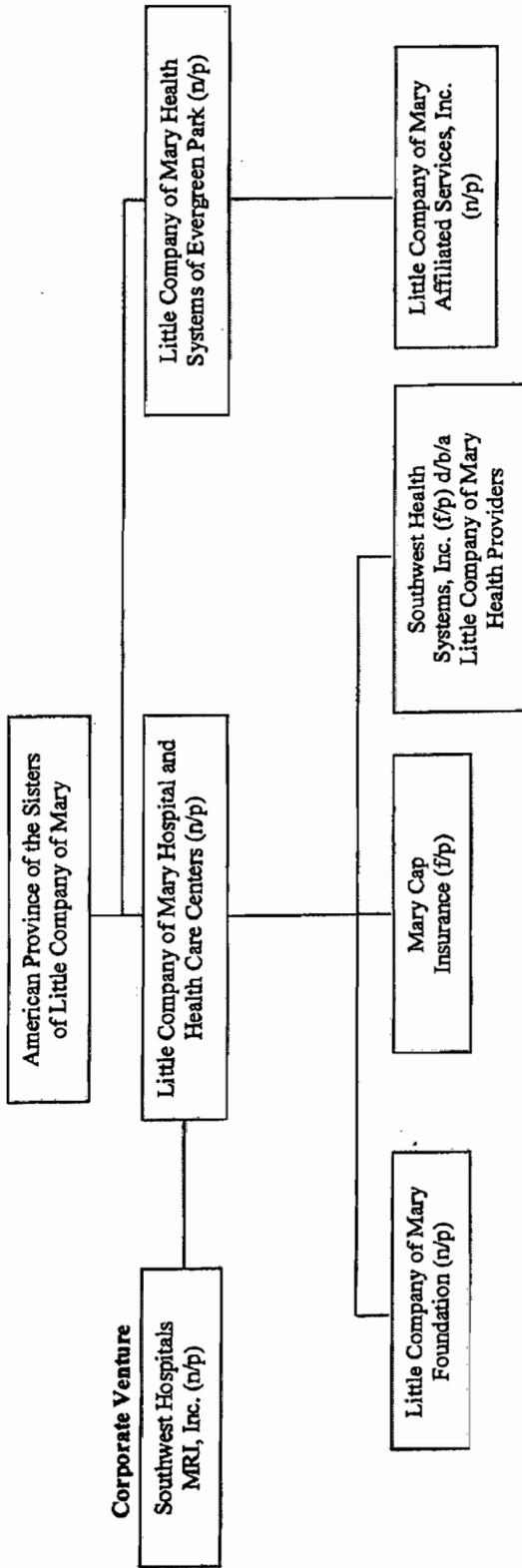
SECRETARY OF STATE

Attachment 4

Organizational Relationships – Organizational Chart

Attached is the organizational chart showing the Hospital and its related entities.

Little Company of Mary Hospital and Health Care Centers Corporate Structure



AMERICAN PROVINCE – The corporate member of Little Company of Mary Hospital and Health Care Centers, and Little Company of Mary Health Systems of Evergreen Park.

LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS – The Hospital and parent organization of various hospital related services.

SOUTHWEST HEALTH SYSTEMS, INC. – Negotiates and administers managed care contracts.

MARY CAP INSURANCE – Captive Insurance Company.

LITTLE COMPANY OF MARY HEALTH SYSTEMS OF EVERGREEN PARK – Holding Company of Little Company of Mary Affiliated Services, Inc.

LITTLE COMPANY OF MARY AFFILIATED SERVICES, INC. – Owns and operates various properties, and employs physicians.

CORPORATE VENTURE:
SOUTHWEST HOSPITALS MRI, INC. – Operates MRI Center. Corporate members are St. George Corp., and Little Company of Mary Hospital and Health Care Centers.

Revised: January 2016

Sister Sharon Ann Walsh, L.C.M.
 Province Leader

Attachment 5

Flood Plain Requirements

Applicant attests that the project complies with the requirements of Illinois Executive Order #2005-5, as it is not located in a flood plain. This attachment includes (1) Applicant's certification that the project complies with the requirements of Illinois Executive Order #2005-5a and (2) copy of the relevant flood plain map from FEMA's website.



LITTLE COMPANY OF MARY
AFFILIATED SERVICES

The Technology to Heal, the Mission to Care

February 12, 2016

Illinois Health Facilities and
Service Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, Il, 62161

To whom it may concern:

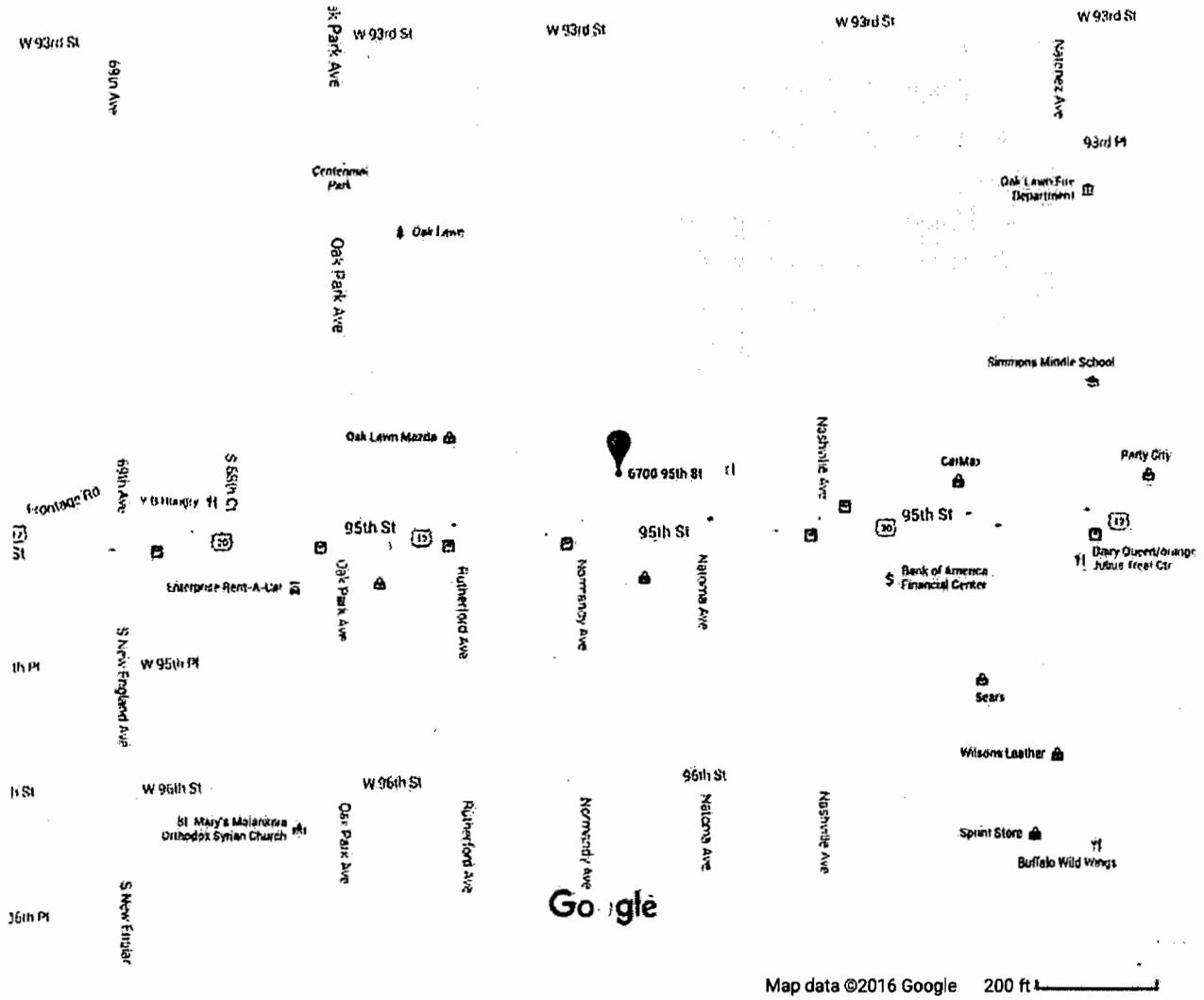
Please be advised the building that was constructed at 6700 West 95th Street in Oak Lawn, Illinois is not located in a flood plain, and the construction on that site was consistent with Illinois Executive Order #2005-5.

Sincerely,

Kevin Rehder
Vice President Practice Management

Attachment 5

Google Maps 6700 95th St



Attachment 6

Illinois Historic Preservation Agency Formal Determination

Applicant sent the Illinois Preservation Agency a letter, with attachments, requesting that it provide a formal determination that the Care Center does not affect historic resources. Attached is a copy of the request letter. Applicant expects the Agency to issue soon a determination that there are no significant historical, architectural, or archeological resources located within the project area.

As soon as we receive the Agency's determination, we will forward a copy of it to Board staff.



NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

EDWARD CLANCY
Partner
T: 312-977-4487
eclancy@nixonpeabody.com

70 West Madison Street
Suite 3500
Chicago, Illinois 60602
O: 312-977-4400
F: 844-556-0737

February 12, 2016

Via FedEx

Illinois Historic Preservation Agency
Attn: Review and Compliance
1 Old State Capitol Plaza
Springfield, Illinois 62701-1507

Re: CON Application – Historical Preservation Requirements

To whom it may concern:

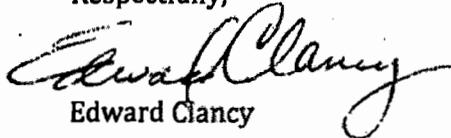
We are preparing a certificate of need application to submit to the Illinois Health Facilities and Services Review Board on behalf of Little Company of Mary Hospital and Health Care Centers (the "Hospital") for the establishment of an Imaging Center in a medical office building (the "Project"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, I request a formal determination from your Illinois Historic Preservation Agency as to whether the Project affects historic resources.

The Project involves existing space at the Hospital's Outpatient Care Center ("Care Center"), located at 6700 West 95th Street, Oak Lawn, Illinois 60453. I enclose a metropolitan map showing the general location of the Project (*Attachment A*), a map from the Historic Architectural Resources Geographic Information System (*Attachment B*), and current photo of the Care Center (*Attachment C*).

The Care Center was completed in 2012. Since the Project does not alter interior space and the Care Center is not over 50 years old, I do not provide interior photos of it. There is no known historical significance associated with the Care Center.

I would appreciate it if you would both email (or fax) and mail your determination letter to my attention. Please let me know if you need any additional information. Thank you for your assistance in this matter.

Respectfully,



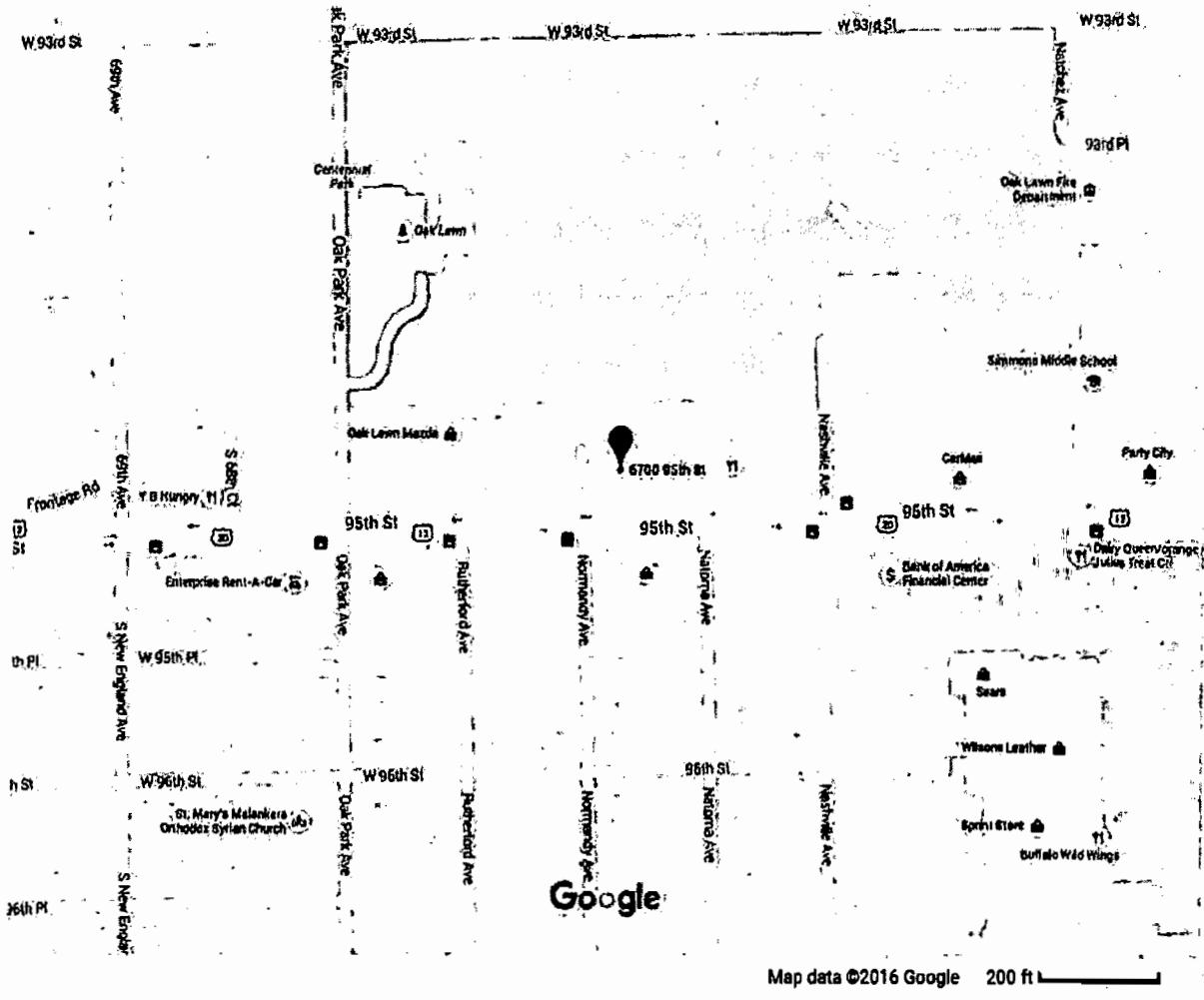
Edward Clancy

Enclosures

4833-2626-6413.1

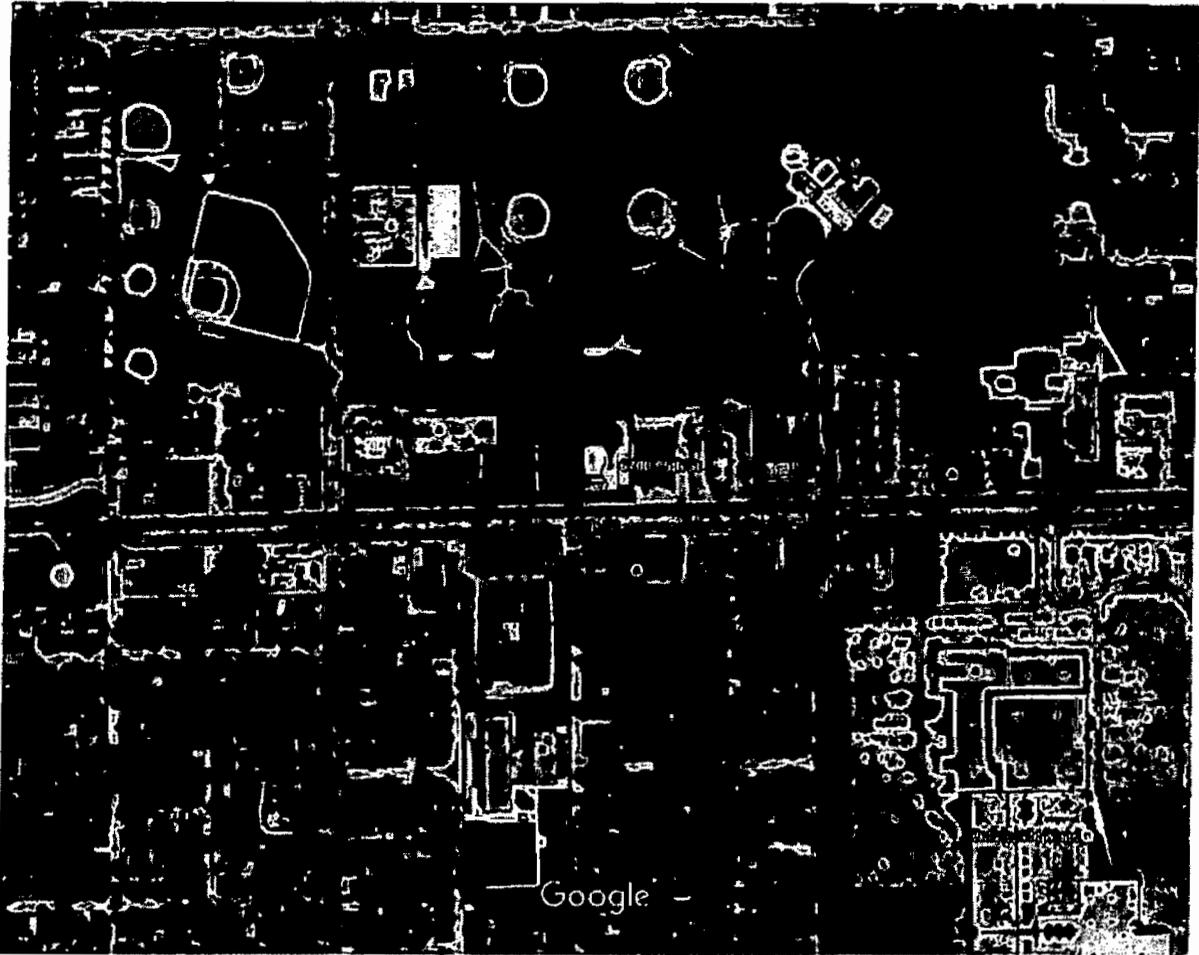
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Google Maps 6700 95th St



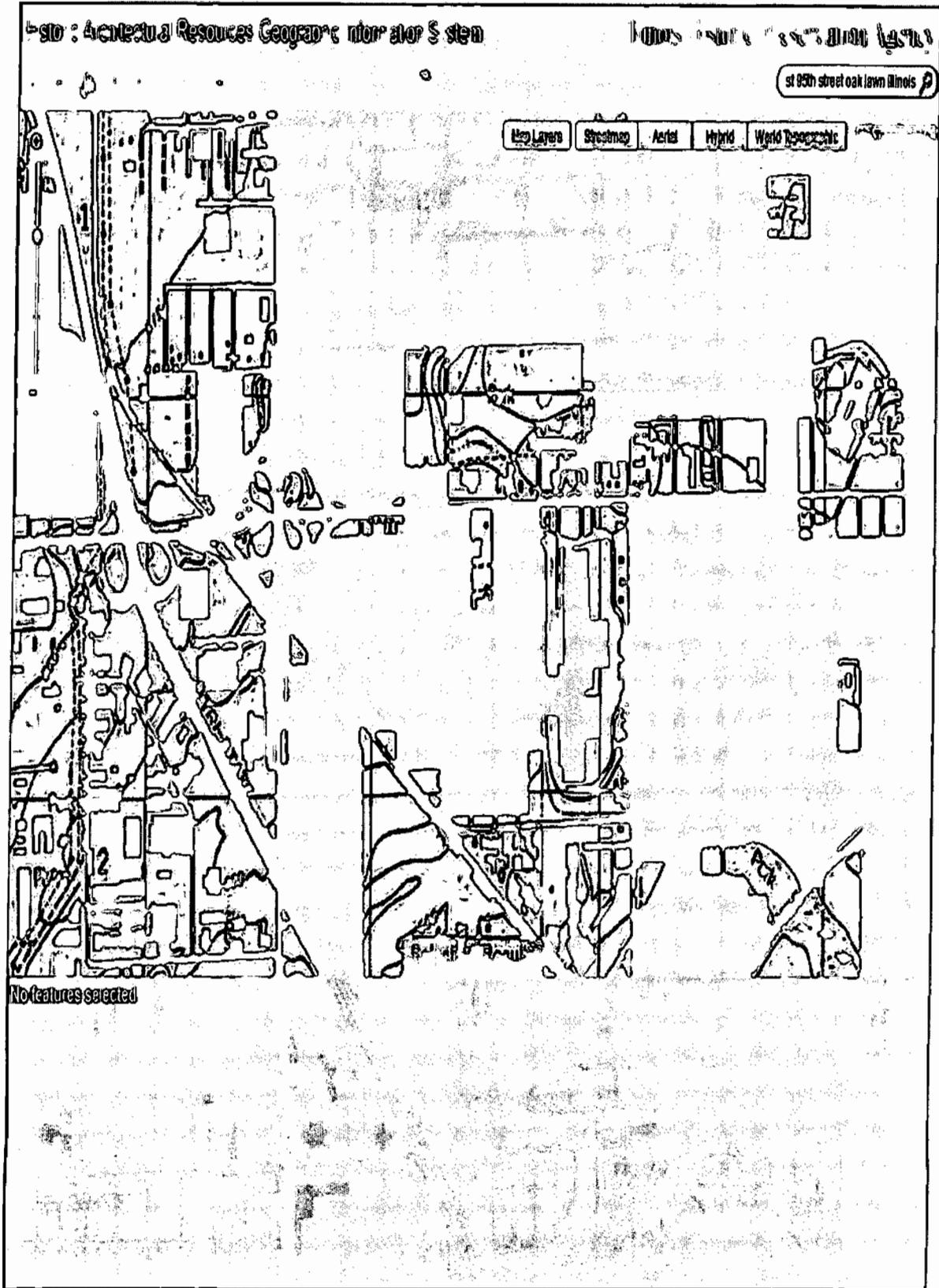
Attachment A-1

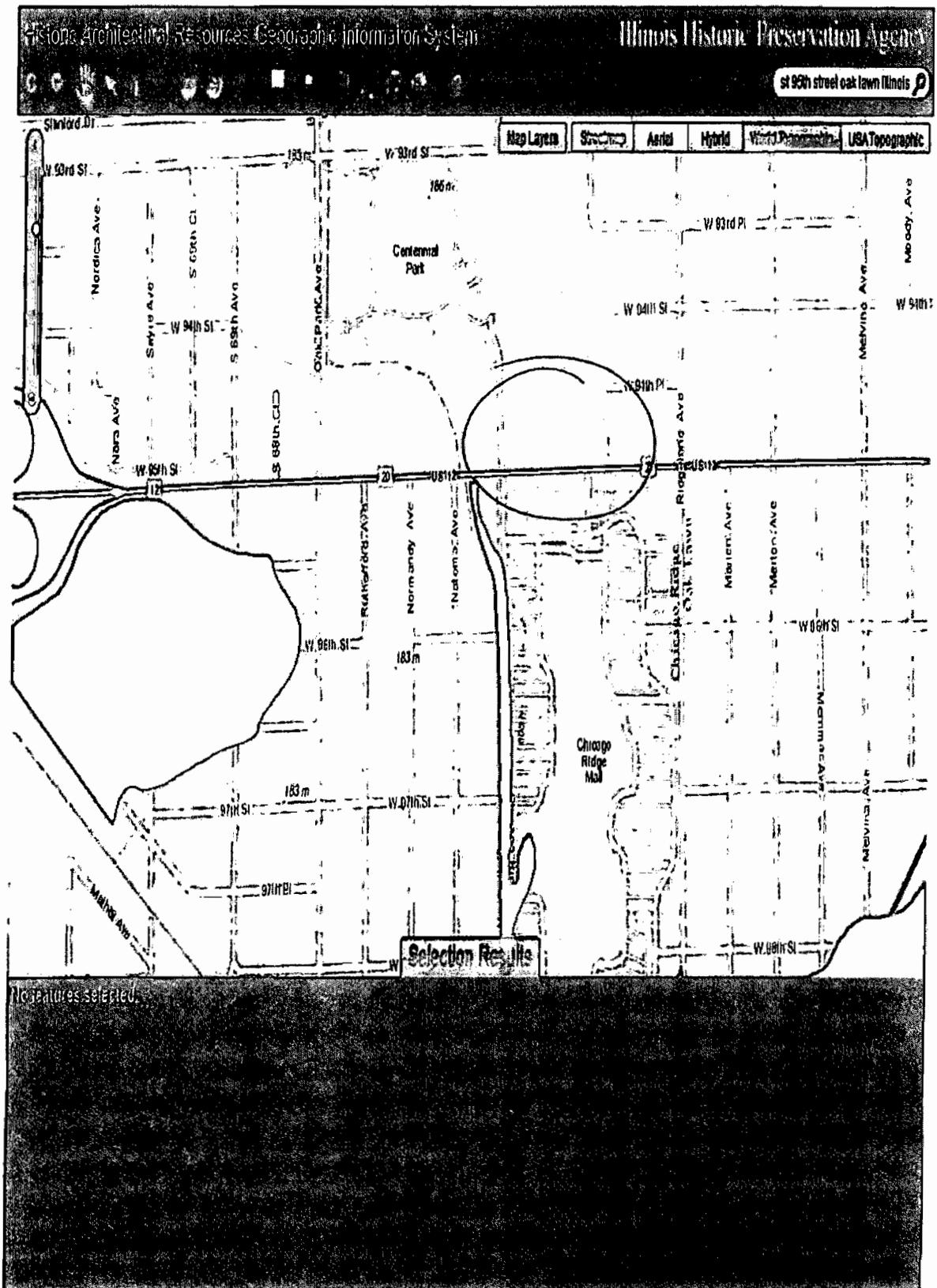
Google Maps 6700 95th St



Map data ©2016 Google 200 ft

Attachment A-2





Go. gle Maps 6688 US-12

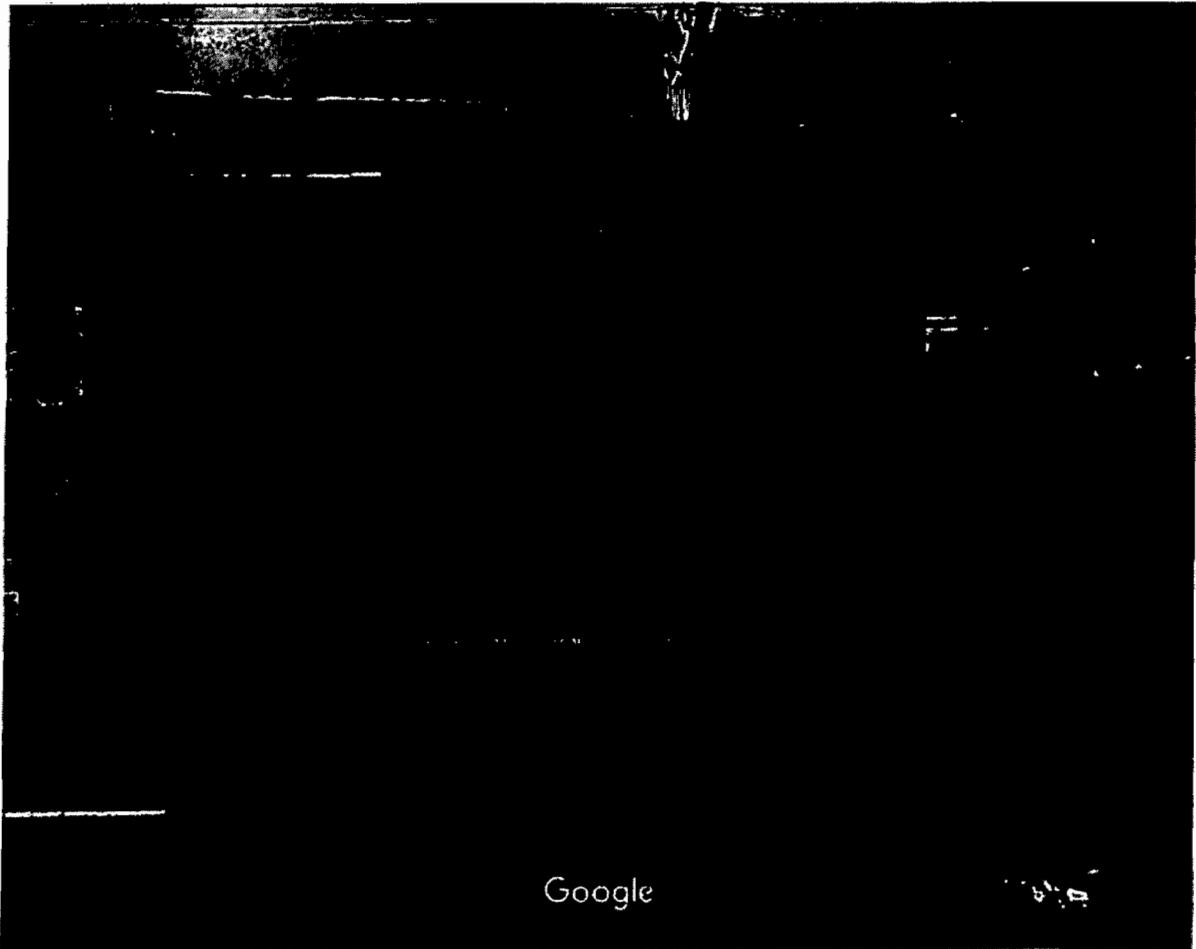
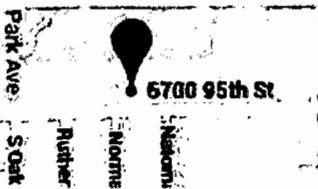


Image capture: Aug 2015 © 2016 Google

Oak Lawn, Illinois

Street View - Aug 2015



Attachment C-1

<https://www.google.com/maps/@41.7195161,-87.786948,3a,75y,90t/data=!3m6!1e1!3m4!1srN...> 2/11/2016

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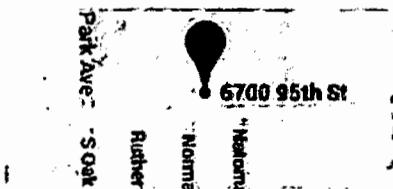
Go gle Maps 6682 US-12



Image capture: Aug 2015 © 2016 Google

Oak Lawn, Illinois

Street View - Aug 2015



Attachment C-2

<https://www.google.com/maps/@41.7195184,-87.7868034,3a,75y,335.3h,91.88t/data=!3m6!1e1...> 2/11/2016

Attachment 7

Project Cost/Source of Funds

The entire project costs relate to the construction of the Care Center. The costs associated with the Imaging Suite are approximately 18% of the entire Care Center costs. The Imaging Suite is the only "reviewable" clinical space under the Board's rules. Thus, the majority of the Care Center project costs on the following page relate to non-reviewable areas of the Care Center.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	30,373	138,364	168,737
Site Survey and Soil Investigation	6,331	28,844	35,175
Site Preparation	126,000	574,000	700,000
Off Site Work	0	0	0
New Construction Contracts	1,453,497	7,506,489	8,959,986
Modernization Contracts	0	0	0
Contingencies	0	0	0
Architectural/Engineering Fees	71,264	324,644	395,911
Consulting and Other Fees	87,841	400,165	488,006
Movable or Other Equipment (not in construction contracts)	3,622,312	0	3,622,312
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	0	0	0
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	5,397,618	8,972,509	14,370,127
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	5,397,618	8,972,509	14,370,127
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	5,397,618	8,972,509	14,370,127
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

SWORN STATEMENT FOR CONTRACTOR AND SUBCONTRACTOR TO OWMHA
STATE OF ILLINOIS
COUNTY OF DAUPHIN

Project 11-416

SIXTEEN

THE AFFRANT, ARY R. KALEBSHO, BEING FIRST DULY SWORN, IN OATH DECEES AND SAYS THAT HE IS PRESIDENT OF KOLEBSHO CONSTRUCTION COMPANY, 3107 SWIFT DRIVE, OAK BROOK, IL 60121, 800-373-1700, THAT HE HAS CONTRACT WITH:

Little Company of Mary Affiliated Services
2100 W. 95th Street
Downers Park, IL 60410
OWMHA FOR GENERAL CONSTRUCTION ON THE FOLLOWING DESCRIBED PREMISES IN SAID COUNTY, TO-WIT:
Little Company of Mary MOB
8700 West 95th Street
Oak Lawn, IL

THAT FOR THE PURPOSES OF SAID CONTRACT, THE FOLLOWING PERSONS HAVE BEEN CONTRACTED WITH AND HAVE FURNISHED OR ARE FURNISHING AND PREPARING THE MATERIALS FOR, AND HAVE DONE OR ARE DOING LABOR ON SAID PROJECTS, THAT THESE ARE AND TO REMAIN THE SAME, RESPECTIVELY, THE AMOUNTS LISTED IN THE STATEMENT FOR MATERIALS OR LABOR AS STATED THAT THIS STATEMENT IS A FULL, TRUE AND COMPLETE STATEMENT OF ALL SUCH PERSONS, THE AMOUNTS PAID AND THE AMOUNTS DUE OR TO BECOME DUE TO EACH:

Contractor Name	Address	City	State	Zip	Contract No.	Contract Value	Amount Paid	Amount Due	Percentage Paid
Central Construction, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$377,407	\$0	\$0	100.00%
ALCOA Industrial Services, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$3,370	\$0	\$0	100.00%
Concrete, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$16,370	\$0	\$0	100.00%
EMM Millwork, LLC	1001 S. Halsted St.	Chicago	IL	60607	10	\$28,730	\$0	\$0	100.00%
EPB Power & Energy	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,210	\$0	\$0	100.00%
Cherry Construction Corp.	1001 S. Halsted St.	Chicago	IL	60607	10	\$71,000	\$0	\$0	100.00%
Marty's Carpet Cleaning, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$28,221	\$0	\$0	100.00%
Claydon Paving Co.	1001 S. Halsted St.	Chicago	IL	60607	10	\$114,240	\$0	\$0	100.00%
ALVF Paving	1001 S. Halsted St.	Chicago	IL	60607	10	\$42,221	\$11,203	\$0	100.00%
Federal Roof & Term, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,411	\$1,411	\$0	100.00%
Frederick Enterprises, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,200	\$0	\$0	100.00%
Kenneth J. Landwehr, Inc.	1001 S. Halsted St.	Chicago	IL	60607	10	\$19,630	\$19,630	\$0	100.00%
Van Der Loo Construction Company	1001 S. Halsted St.	Chicago	IL	60607	10	\$10,155	\$10,155	\$0	100.00%
Vip Inc. (aka Poshing Company)	1001 S. Halsted St.	Chicago	IL	60607	10	\$187,411	\$187,411	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$178,000	\$178,000	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$20,128	\$20,128	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$17,223	\$17,223	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$19,666	\$19,666	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$79,478	\$79,478	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$7,228	\$7,228	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$10,368	\$10,368	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,411	\$1,411	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$11,600	\$11,600	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$14,243	\$14,243	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,728	\$1,728	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$2,912	\$2,912	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$16,713	\$16,713	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$18,818	\$18,818	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,713	\$1,713	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$18,721	\$18,721	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$14,826	\$14,826	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$19,266	\$19,266	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,011	\$1,011	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$18,221	\$18,221	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$19,221	\$19,221	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
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Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,211	\$1,211	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.	Chicago	IL	60607	10	\$1,220	\$1,220	\$0	100.00%
Advanced Roofing Products	1001 S. Halsted St.								

SWORN STATEMENT FOR CONTRACTOR AND SUBCONTRACTOR TO OWNER
STATE OF ILLINOIS
COUNTY OF DAUPHIN

Project #144

SIXTEEN

NAME	WORD OF WORK	AMOUNT OF CONTRACT	RETENTION (INCL CURRENT)	NET PREVIOUSLY BILLED	NET AMOUNT THIS PERIOD	BALANCE TO COMPLETE	WORK COMPLETED TO DATE
<i>A. Services</i>							
Hovland Construction Company	Shared Sealing	\$11,333	\$0	\$0	\$11,333	\$0	100.00%
Hovland Construction Company	Severance	\$14,877	\$0	\$14,877	\$0	\$0	100.00%
Hovland Construction Company	Overhead & Fee	\$107,400	\$0	\$107,400	\$0	\$0	100.00%
SUBTOTAL		\$223,610	\$0	\$223,610	\$17,372	\$0	100.00%
TOTAL		\$223,610	\$0	\$223,610	\$17,372	\$0	100.00%

AMOUNT OF ORIGINAL CONTRACT \$223,610
 EXTRAS TO CONTRACT \$12,106
 TOTAL CONTRACT AND EXTRAS \$235,716
 CREDITS TO CONTRACT \$12,391
 ADJUSTED TOTAL CONTRACT \$223,325

WORK COMPLETED TO DATE \$235,716
 LESS RETAINAGE \$0
 NET AMOUNT EARNED \$235,716
 NET PREVIOUS FARE \$2,848,890
 NET AMOUNT TO BE PAID OFF \$11,466
 BALANCE TO BECOME DUE (including Retainage) \$0

I AGREE TO FURNISH WAIVERS OF LIES FOR ALL MATERIALS UNDER MY CONTRACT WHEN DEMANDED.

SUBSCRIBED AND SWORN TO BEFORE ME THIS 30TH day of OCTOBER, 2012

THE ABOVE SWORN STATEMENT SHOULD BE OBTAINED BY THE OWNER BEFORE EACH AND EVERY PAYMENT.

[Signature]
 JERRY M. [Name], PRESIDENT

[Signature]
 KATHLEEN J. HARRINGER
 NOTARY PUBLIC



Breakdown of Moveable Equipment

Mikron Digital Imaging	\$6,095	
MR Injector	\$8,256	
MRI 1.5t	\$1,445,113	
CT 64 Slice	\$778,865	
Digital Mammography	\$278,014	
Ultrasound	\$111,872	
X-ray	\$152,109	
Medrad Versis Monitoring System	\$37,560	
MRI Ferroguard	\$22,720	
Patient Support	\$49,780	
Lab Cell Counter	\$32,625	
Lab/IStat	\$9,741	
PACS/RIS	\$37,700	
PACS Cube	\$32,000	
Miscellaneous Equipment	\$8,865	
Telecom	\$30,000	
	Sub Total	\$3,041,315
Hospital Diagnostic IT	\$301,987	
Hospital Furniture, Art, Signage	\$173,767	
Hospital Equipment Contingency	\$105,242	
	TOTAL	\$3,622,311

Attachment 8

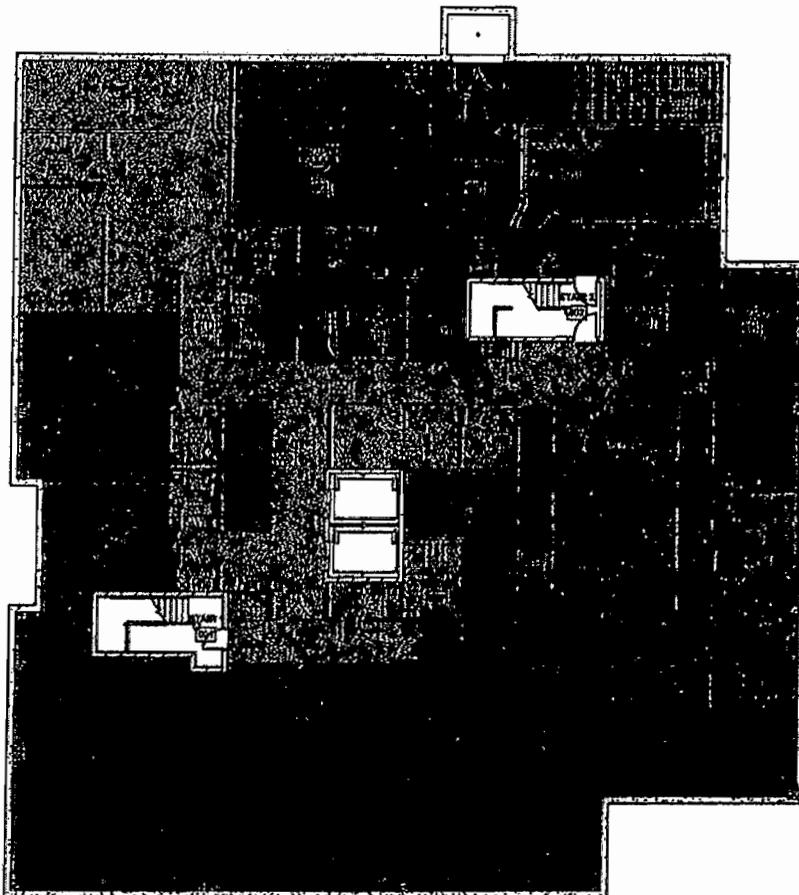
Obligation

The construction of the Care Center is complete.

Attachment 9

Cost Space Requirements

Department/ Area	Cost	Gross Square Feet		Amount of Proposed Gross Square Feet That Is:			
		Existing	Proposed	New Construction	Modernization	As Is	Vacated Space
Clinical Space							
Imaging Suite	\$5,278,695		9,120	9,120			
Clinical Space Total	\$5,278,695		9,120	9,120			
Non-Clinical Space							
Immediate Care	\$1,284,117		5,481	5,481			
Pharmacy/ Pharmacy Storage	\$147,524		628	628			
Physician Office/ Tenant Space	\$4,304,583		21,700	21,700			
Public/ Waiting Areas	\$1,326,069		5,645	5,645			
Staff Support Areas	\$378,894		1,613	1,613			
Storage	\$188,633		803	803			
Mechanical	\$387,602		1,650	1,650			
Elevator/ Stairs/ HVAC System	\$1,074,010		4,572	4,572			
Non-Clinical Space Total	\$9,091,432		42,092	42,092			
Total Space	\$14,370,127		51,212	51,212		51,212	



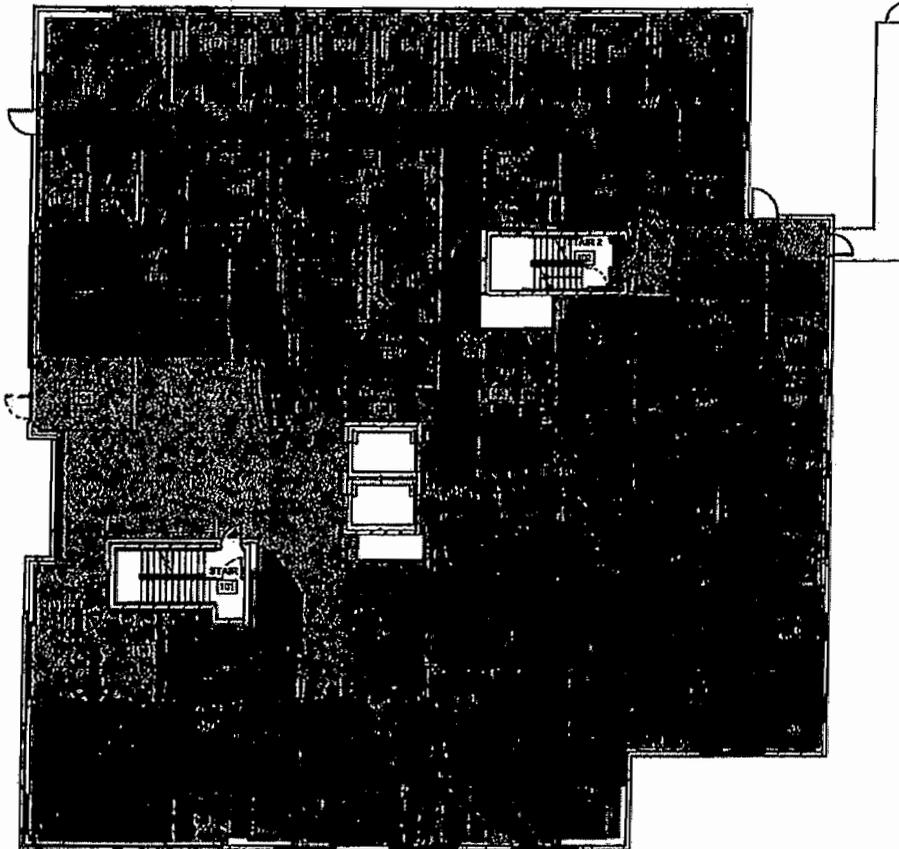
LOWER LEVEL PLAN
 IMAGING AREA: 2,872 SF
 URGENT CARE AREA: 649 SF
 PHARMACY AREA: 333 SF
 SHARED AREA: 5,814 SF
 FUTURE LEASABLE AREA: 3,709 SF

BOMA COMMON SPACE: 1,872 SF
 BOMA TENANT SPACE: 9,495 SF



**Oak Lawn
 Medical Office Building
 BOMA Square Foot Analysis - 9/10/12**

PFB ARCHITECTS, LLC
 33 N. LASALLE STREET, SUITE 3000
 CHICAGO, ILLINOIS 60602
 PHONE: (312) 578-3322 FAX: (312) 578-3128
 A Division of PFB Architects, Inc.



FIRST FLOOR PLAN
 IMAGING AREA: 3,309
 URGENT CARE AREA: 6,852 SF
 PHARMACY AREA: 2,773 SF
 SHARED AREA: 2,773 SF

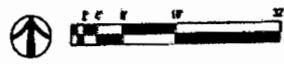
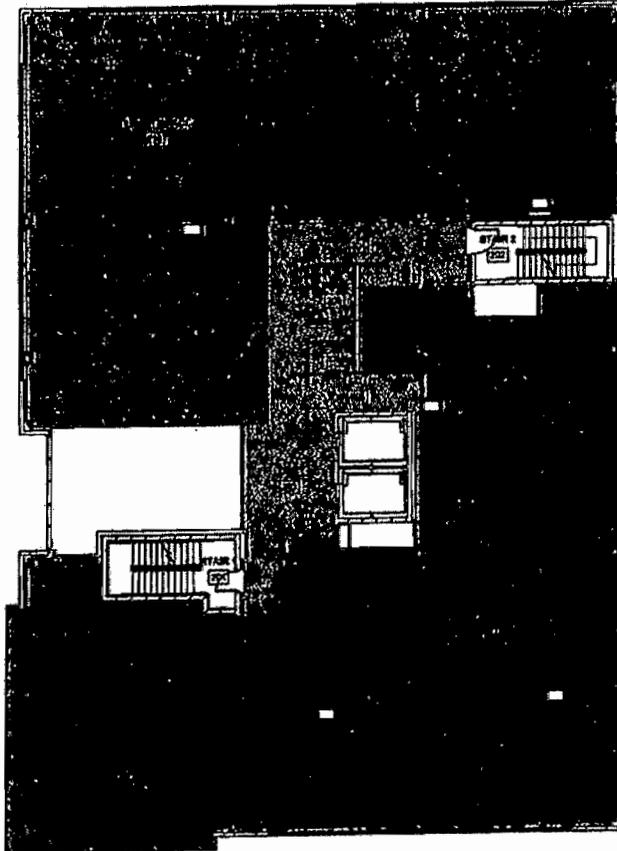
BOMA COMMON SPACE: 1,872 SF
 BOMA TENANT SPACE: 10,784 SF

 COMMON SPACE
 TENANT SPACE



**Oak Lawn
 Medical Office Building
 BOMA Square Foot Analysis - 9/10/12**

PFB ARCHITECTS, LLC
 23 N. LASALLE STREET, SUITE 3020
 CHICAGO, ILLINOIS 60602
 PHONE: (312) 355-8900 FAX: (312) 376-3108
All drawings are the property of PFB Architects, LLC. No part of this drawing may be reproduced without the written permission of PFB Architects, LLC.

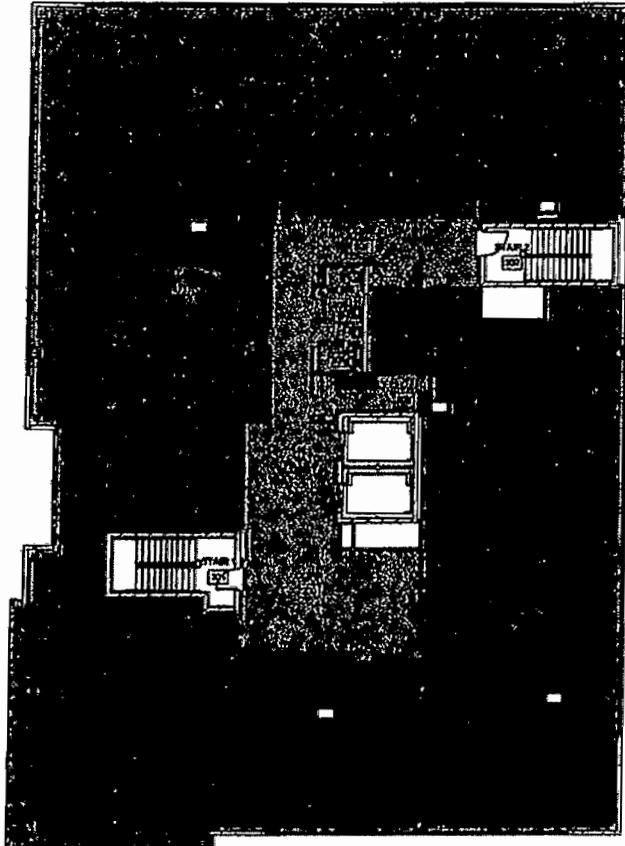


SECOND FLOOR PLAN
 Tenant Area: 3,839 SF
 Employed Physician's Area: 4,997 SF
 Common Area: 967 SF



**Oak Lawn
 Medical Office Building
 BOMA Square Foot Analysis - 9/10/12**

PFB ARCHITECTS, LLC
 23 N. LASALLE STREET, SUITE 3000
 CHICAGO, ILLINOIS 60602
 PHONE: (312) 278-3100 FAX: (312) 278-0700



THIRD FLOOR PLAN
 Tenant Area: 9,033 SF
 Common Area: 1,367 SF



**Little Company
 of Mary Hospital**
and Health Care Centers

**Oak Lawn
 Medical Office Building**
BOMA Square Foot Analysis - 9/10/12

PFB ARCHITECTS, LLC
 33 N. LASALLE STREET, SUITE 200
 CHICAGO, ILLINOIS 60602
 PHONE: (312) 976-3100 FAX: (312) 976-3102

Attachment 11

Background of the Applicant

Please find the attached certification from the Applicant.

Certification & Authorization

February 18, 2016

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Background of Applicant - Little Company of Mary Hospital and Health Care Centers

Dear Ms. Avery:

In connection with the Certificate of Need application for Little Company of Mary Hospital and Health Care Centers (the "Hospital"), please find the following information regarding the Hospital's background.

1. Facilities the Hospital owns or operates:

Little Company of Mary Hospital
2800 West 95th Street, Evergreen Park, IL 60585

Halsted Medical Center
736 West 95th Street, Chicago, IL 60628

Vista Family Medicine
10961 S. Kedzie Ave, Chicago, IL, 60655

Oak Lawn Care Station
5600 West 95th St, Oak Lawn, IL, 60453

Burbank Medical Center
4901 W. 79th St, Oak Lawn, IL, 60453

Palos Medical Center
12450 S. Harlem Ave., Palos Heights, IL, 60463

Outpatient Care Center
6700 W. 95th Street, Oak Lawn, IL, 60453

2. In accordance with 77 Ill. Admin. Code §1110.230, I certify that neither Medicare, Medicaid, nor any State or Federal regulatory authority has taken any adverse

action against the Hospital, or any facility it owns or operates, during the 3 years before the filing of this Certificate of Need application; and

3. In accordance with 77 Ill. Admin. Code §1110.230, I authorize the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access to information in order to verify any documentation or information the Hospital has submitted in response to the requirements of this subsection or to obtain any documentation or information related to this Certificate of Need application.

4. Applicant has not submitted more than one application for permit within the last calendar year.

Kevin Rehder
Signature

Kevin Rehder
Printed Name

Vice President Practice Management
Title

Subscribed and sworn to before me this 18 day of February, 2016.

Barbara A. Meller
Signature of Notary





August 26, 2015

Re: # 7344
CCN: # 140179
Program: Hospital
Accreditation Expiration Date: June 21, 2016

Dennis Reilly
President and CEO
Little Company of Mary Hospital
2800 West 95th Street
Evergreen Park, Illinois 60805

Dear Mr. Reilly:

This letter confirms that your June 22, 2015 unannounced for-cause survey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on August 25, 2015 and the successful on-site unannounced Medicare Deficiency Follow-up event conducted on August 04, 2015, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of June 23, 2015. We congratulate you on your effective resolution of these deficiencies.

§482.12 Governing Body
§482.41 Physical Environment
§482.42 Infection Control

The Joint Commission is also recommending your organization for continued Medicare certification effective June 23, 2015. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location(s):

Little Company of Mary Hospital and Health Care Centers
2800 West 95th Street, Evergreen Park, IL, 60805

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice



August 26, 2015

Dennis Reilly
President and CEO
Little Company of Mary Hospital
2800 West 95th Street
Evergreen Park, IL 60805

Joint Commission ID #: 7344
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 08/25/2015

Dear Mr. Reilly:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 21, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



August 25, 2015

Dennis Reilly
President and CEO
Little Company of Mary Hospital
2800 West 95th Street
Evergreen Park, IL 60805

Joint Commission ID #: 7344
Program: Hospital Accreditation
Accreditation Activity: 45-day Evidence of
Standards Compliance
Accreditation Activity Completed: 08/25/2015

Dear Mr. Reilly:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accreditation with Follow-up Survey for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 21, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

Attachment 12

Purpose of the Project

The project is limited to the establishment of the Imaging Suite within the Care Center in Oak Lawn, Illinois. In addition to the Imaging Suite, the Care Center includes an immediate care center, in which 2-3 physicians and other health care providers provide health care services, and physician office space for 30-35 physicians. The Imaging Suite, Immediate Care Center, and the physicians will provide health care services for planning area residents, which will improve their health and well-being.

The majority of patients using the Imaging Suite and Care Center reside in the area bounded on the north by 79th Street, on the west by Roberts Road, on the south by 119th Street, and on the east by Cicero Avenue. This service area includes significant parts of the following ZIP Codes:

60453, 60459, 60455, 60457, 60415, 60482, 60803, and 6065

The Imaging Suite and Care Center provide contemporary and easily accessible imaging services, immediate care, and physician services for residents in the market area

Attachment 13

Alternatives

Due to the limited nature of the Care Center, the Hospital's need for additional physician office space, and the fact that a sister corporation owns the site on which the Care Center is located, the Hospital did not decide to take another alternative. Even if the sister corporation had not owned the site, the capital cost associated with an alternative project would likely be similar to the Care Center, the quality of care provided within the Care Center would be identical, and access and associated operating costs would have been similar.

In compliance with Section 1110.230(c), a comparison of the project to alternative options follows.

Attachment 13

Alternatives

Alternative	Incremental Cost	Patient Access	Quality	Financial Benefits
Project of Lesser Scope / No Project	Cost: \$0 Alternative Option presents no cost to Applicant but may result in additional costs to patients in the form of travel time and lack of access to convenience imaging services.	Alternative Option limits patient access to imaging services within Health Service Area A-04.	Alternative Option results in reduction in quality as patients are required to travel greater distances to receive imaging services.	Alternative Option does not result in greater financial benefit to any stakeholders (patients, the state, Applicant).
Joint Venture or other Arrangement	Cost: ≈ \$14,400,000 Alternative Option would result in a similar total cost as the proposed project but distribute such costs among different parties.	Alternative Option would likely result in the same increase in patient access as the proposed project.	Alternative Option would likely result in the same increase in quality as the proposed project.	Alternative Option does not result in greater financial benefit to any stakeholders (patients, the state, Applicant).
Use Existing Resources	Cost: \$0 Alternative Option presents no cost to Applicant but may result in additional costs to patients in the form of travel time and lack of access to convenience imaging services.	Alternative Option limits patient access to imaging services within Health Service Area A-04.	Alternative Option results in reduction in quality as patients are required to travel greater distances to receive imaging services.	Alternative Option does not result in greater financial benefit to any stakeholders (patients, the state, Applicant).

Alternative	Incremental Cost	Patient Access	Quality	Financial Benefits
Chosen Alternative	<p>Cost: \$14,370,127</p> <p>The Chosen Alternative represents the lowest total cost of the alternatives discussed above to provide immediate access to imaging services to Health Service Area A-04 residents.</p>	<p>The Chosen Alternative provides immediate and convenient access to imaging services for residents of Health Service Area A-04.</p>	<p>The Chosen Alternative increases quality by providing Applicant's patients and residents of Health Service Area A-04 with immediate access to imaging services.</p>	<p>The Chosen Alternative provides financial benefit to patients through the provision of immediate access to imaging without such patients incurring travel costs associated with receiving care from existing providers of such services.</p>

Attachment 14

Size of the Project

The Imaging Suite is located on the first floor and lower level in the Care Center. The physicians' offices/waiting areas are located on the second and third floors. The Immediate Care Center and Laboratory are located on the first floor.

The proposed amount of physical space for the Project is 9120 department gross square feet of clinical space. Applicant's determination of square footage includes all functional areas of the Imaging Suite.

The only area in the Care Center having an identified space standard in the Board's rules is the Imaging Suite. The Imaging Suite will contain one x-ray unit, one mammography unit, one ultrasound unit, one MRI unit, and one CT Scan unit. Under 77 Illinois Administrative Code 1110. APPENDIX B, square footage numbers are not applicable for the establishment of single units.

Size of Project				
Department/Service	Proposed DGSF	State Standard (DGSF)	Difference (DGSF)	Met Standard?
X-ray Room	353	1,300	(947)	Yes
Mammography Room	208	900	(692)	Yes
Ultrasound Room	103	900	(797)	Yes
MRI Room	1,053	1,800	(747)	Yes
CT Scan Room	516	1,800	(1,284)	Yes

Attachment 15

Project Services Utilization

The only area in the Care Center having an identified utilization standard in the Board's rules is the Imaging Suite. The Imaging Suite will contain one x-ray unit, one mammography unit, one ultrasound unit, one MRI unit, and one CT Scan unit. Under 77 Illinois Administrative Code 1110, APPENDIX B, utilization numbers are not applicable for the establishment of single units.

Utilization					
	Dept./ Service	Historical Utilization/ Patient Days etc.	Projected Utilization	State Standard	Met Standard?
2014	X-ray	3495		8,000	Yes*
2015	X-ray	4273		8,000	Yes*
2014	Mammography	1586		5,000	Yes*
2015	Mammography	1755		5,000	Yes*
2014	Ultrasound	2293		3,100	Yes*
2015	Ultrasound	1950		3,100	Yes*
2014	MRI	1396		2,500	Yes*
2015	MRI	1606		2,500	Yes*
2014	CT Scan	1001		7,000	Yes*
2015	CT Scan	1228		7,000	Yes*

All Diagnostic and Treatment utilization numbers are the minimums per unit for establishing more than one unit. Since the Hospital is not establishing more than one unit of any of the services, the Hospital meets the standard.

The Historical Utilization is for patients who received imaging services in the Imaging Suite in the years 2014 and 2015.

Attachment 34

Clinical Service Areas other than Categories of Service

The Imaging Suite in the Care Center includes a clinical service area that is not a category of service under Board rules.

The primary purpose of the imaging services in the Imaging Suite is to provide necessary health care services to residents of the area around the Care Center and in the surrounding communities. The Hospital provided 10,651 imaging procedures in 2015. The Hospital expects those numbers to increase in 2016.

Facility	Imaging Units	Imaging Procedure Volume	Imaging Procedure Volume Per Unit
X-ray	1	4273	4273
Ultrasound	1	1789	1789
Mammography	1	1755	1755
MRI	1	1606	1606
CT Scan	1	1228	1228

Due to the nature of the services, the Hospital provision of these services does not have a negative impact on other providers.

Attachment 36

Availability of Funds

Applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's. Following is Standard & Poor's Rating Services affirmation of the Hospital's A+ unenhanced rating and AAA/A-1 long-term rating. Therefore, this Application does not have to address the following criteria.

Section 1120.120, Availability of Funds – Review Criteria

Section 1120.130, Financial Viability – Review Criteria

Section 1120.140, Economic Feasibility – Review Criteria, subsection (a)

Illinois Finance Authority

Little Company of Mary Hospital and Health Care Centers; Hospital; Joint Criteria

Credit Profile

Illinois Fin Auth, Illinois

Little Company of Mary Hosp & Hlth Care Cntrs, Illinois

Series 2008B

Unenhanced Rating

A+(SPUR)/Stable

Affirmed

Long Term Rating

AAA/A-1

Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'A+' long-term rating and underlying rating (SPUR) on the Illinois Finance Authority's series 2008A and 2008B variable-rate demand bonds and series 2010 bonds issued for Little Company of Mary Hospital and Health Care Centers (LCM). Standard & Poor's also affirmed its 'AAA/A-1' rating on the 2008A and 2008B bonds. The outlook, where applicable, is stable.

The 'AAA' long-term component of the dual rating is based on our joint criteria (assuming low correlation), which assume that the likelihood of default decreases when two rated entities are obligated to make payments on the bonds. In this case, JPMorgan Chase Bank has issued a letter of credit, which expires in 2016, to the trustee for the benefit of the bondholders, and the company is obligated in the loan agreement to make payments to the trustee for timely payments on the bonds. The 'A-1' short-term component of the dual rating is based solely on the bank.

The 'A+' rating reflects our view of LCM's overwhelmingly strong balance sheet despite continued soft operations. We note that LCM's leadership believes that as a good steward of the strong balance sheet, it has leeway to run LCM at an operating deficit. However, LCM management is focused on the operations and reached close to break-even operations in fiscal 2014 when excluding one-time expenses. LCM leadership will continue focusing on the operations to help bolster the balance sheet. Because LCM has nearly completed the major portion of its capital expenditures, the strong unrestricted reserves should continue to position LCM well as health care reform is implemented.

The 'A+' rating further reflects our view of LCM's:

- Strong liquidity ratios, with unrestricted cash to long-term debt at 315% and 1,053 days' cash on hand as of unaudited fiscal 2014;
- Leadership team that has built a strong balance sheet that allows the organization to continue to invest in its facilities and prepare for the changing landscape of health care; and
- Good leverage ratios, with long-term debt to capitalization at 23% in unaudited fiscal 2014.

Partly offsetting the above strengths, in our view, are LCM's:

- Heavy reliance on governmental payors, and
- Continuous operating loss.

The 'A+' rating is based on our view of LCM's group credit profile and the obligated group's core status. Accordingly, we rate the bonds at the same level as the group credit profile. LCM operates a 298-staffed-bed general acute care hospital in Evergreen Park, Ill., approximately 15 miles southwest of downtown Chicago. In addition, LCM has a foundation and smaller related corporations, all of which we include in this analysis despite that only the hospital is obligated on the bonds. Revenue secures the series 2008 and 2010 bonds. LCM has no swaps.

Outlook

The stable outlook reflects our view that, despite the challenged operating performance highlighted by continuous operating losses, LCM's strong unrestricted reserves give it the flexibility to address the changing landscape of health care.

We are not likely to lower the ratings because of LCM's good liquidity and light debt. However, if unrestricted reserves were to decline to fewer than 800 days and/or if leverage rose to 35%, we could lower the rating or revise the outlook to negative.

We are not likely to raise the ratings because of the challenged operations.

Enterprise Profile

Competition and utilization

LCM's closest competitor -- located about two miles away -- is Advocate Christ Medical Center, owned by Advocate Health Care Network. The market is highly fragmented, with other competitors such as Palos Community Hospital and Metro South Hospital, the latter of which is owned by for-profit operator Community Health.

LCM's market share has grown recently, to 23% based on information provided. LCM has expanded its employed physician base as part of management's strategy to help defend against utilization decline. During fiscal 2014, LCM saw its acute admissions grow by 3.8% based on the aforementioned strategy. The increase also resulted from LCM's focusing on observation patients and correctly documenting the patients so that they would be considered acute care admissions. LCM has engaged an outside consultant to continue to focus on this area and to help with recovery audit contractors' denial of claims. LCM also saw its outpatient surgeries grow by 8.9% in fiscal 2014 after adding another general surgeon. LCM's leadership notes that it is also seeing the impact of the rise in high-deductible plans.

Management

LCM's leadership team has historically been relatively stable. Management has continued to address capital needs without any diminution of the balance sheet and is now focused on health care reform.

LCM's leadership continues to watch the utilization patterns in its service area and the impact of the insurance exchanges. Located in a service area that historically has a high number of uninsured patients, LCM is positively viewing the anticipated enrollment in the insurance exchanges. Only six months have passed since the uninsured were

given the opportunity to buy coverage through the exchanges, so LCM has had insufficient time to quantify the impact. LCM leadership also notes that it is practicing patient-centered practices through its employed physicians. Finally, LCM leadership notes that it has no plans to operate an accountable care entity.

Financial Profile

Operations

Because operating results have remained less than adequate for the rating, the hospital continues to rely on substantial non-operating investment income to boost its bottom line and generate strong coverage. After we adjusted LCM's operations by removing investment income from other operating revenue, LCM lost \$4.5 million from operations for unaudited fiscal 2014 compared with a loss of \$4.6 million for the prior year. However, when excluding demolition costs of \$3.9 million in 2014, LCM's operating loss was \$600,000. LCM's leadership does watch the expense base but has not set a goal to have profitable operations when excluding investment income, and we do not anticipate that it will revise the way it operates. However, the negative operating margins will remain a credit risk.

With good investment returns, LCM's maximum annual debt service coverage has improved to 5.6x for unaudited fiscal 2014. LCM rebalanced its investment portfolio in fiscal 2014, and this was a major factor in the strong non-operating income.

Balance sheet

LCM's excellent unrestricted reserves have remained the main credit strength over the years. Unrestricted reserves have continued to grow to 1,053 days' cash on hand for unaudited fiscal 2014. With the aforementioned growth, LCM has seen its unrestricted reserves reach a strong 3.1x long-term debt. Leverage remains good for the rating at 23%. LCM's investment allocation is relatively conservative, with 57% of its portfolio in fixed-income/balanced funds, 40% in equities, and 3% in alternative investments.

Capital projects

Leadership notes that it may issue new money to fund approved capital projects. LCM aims to update all of its older operating rooms and will remodel the south pavilion. The remodel of the south pavilion will affect 96 patient rooms and is intended to bring the pavilion rooms up to the standard of the recently completed west pavilion. As of this report, management has provided a specific amount that would be issued to fund the project. However, we believe LCM has the ability to issue debt to a certain level without affecting the rating.

Little Company of Mary Hospital and Health Care Centers Financial Summary					
	--12-month interim ended June 30--		--Fiscal year ended June 30--		'A+' rated stand-alone hospital medians
	2014	2013	2012	2013	
Financial performance					
Net patient revenue (\$000s)	198,896	181,316	185,593	480,537	
Total operating revenue (\$000s)	205,396	200,421	190,361	MNR	
Total operating expenses (\$000s)	209,926	205,028	198,491	MNR	
Operating income (\$000s)	(4,530)	(4,607)	(8,130)	MNR	

Little Company of Mary Hospital and Health Care Centers Financial Summary (cont.)				
Operating margin (%)	(2.21)	(2.30)	(4.27)	4.00
Net non-operating income (\$000s)	58,516	25,150	15,650	MNR
Excess income (\$000s)	53,986	20,543	7,520	MNR
Excess margin (%)	20.46	9.11	3.65	6.60
Operating EBIDA margin (%)	5.96	7.50	3.19	10.90
EBIDA margin (%)	26.81	17.81	10.55	13.60
Net available for debt service (\$000s)	70,751	40,181	21,728	78,541
Maximum annual debt service (MADS; \$000s)	12,652	12,652	12,652	MNR
MADS coverage (x)	5.59	3.18	1.72	4.90
Operating-lease-adjusted coverage (x)				3.9
Liquidity and financial flexibility				
Unrestricted reserves (\$000s)	568,209	493,019	477,738	398,859
Unrestricted days' cash on hand	1,052.80	950.2	934.1	290.9
Unrestricted reserves/total long-term debt (%)	314.7	267.5	253.9	185.8
Unrestricted reserves/contingent liabilities (%)	523.8	422.3	396	MNR
Average age of plant (years)	11.9	12.1	16.1	10.0
Capital expenditures/depreciation and amortization (%)	107.6	292.2	679.5	118.0
Debt and liabilities				
Total long-term debt (\$000s)	180,557	184,280	188,137	MNR
Long-term debt/capitalization (%)	23.1	26.7	30.1	26.7
Contingent liabilities (\$000s)	108,475	116,755	120,630	MNR
Contingent liabilities/total long-term debt (%)	60.1	63.4	64.1	MNR
Debt burden (%)	4.79	5.61	6.14	2.70
Defined benefit plan funded status (%)	119.09	110.97	99.79	86.70

N.A.--Not available. N/A--Not applicable.

Related Criteria And Research

Related Criteria

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria: Joint Support Criteria Update, April 22, 2009
- General Criteria: Methodology: Industry Risk, Nov. 20, 2013

Related Research

- Glossary: Not-For-Profit Health Care Ratios, Oct. 26, 2011 The Outlook For U.S. Not-For-Profit Health Care Providers Is Negative From Increasing Pressures, Dec. 10, 2013
- U.S. Not-For-Profit Health Care Stand-Alone Ratios: Operating Margin Pressure Signals More Stress Ahead, Aug. 13, 2014

Illinois Finance Authority Little Company of Mary Hospital and Health Care Centers; Hospital; Joint Criteria

- Health Care Providers And Insurers Pursue Value Initiatives Despite Reform Uncertainties, May 9, 2013
- Standard & Poor's Assigns Industry Risk Assessments To 38 Nonfinancial Corporate Industries, Nov. 20, 2013
- Health Care Organizations See Integration And Greater Transparency As Prescriptions For Success, May 19, 2014

Ratings Detail (As Of September 4, 2014)

Illinois Fin Auth, Illinois

Little Company of Mary Hosp & Hlth Care Cntrs, Illinois

Series 2008A

<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
<i>Long Term Rating</i>	AAA/A-1	Affirmed

Series 2010

<i>Long Term Rating</i>	A+/Stable	Affirmed
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Illinois Finance Authority

Little Company of Mary Hospital and Health Care Centers; Hospital

Credit Profile

ICR

Long Term Rating

A+/Stable

New

Rationale

Standard & Poor's Ratings Services assigned its 'A+' issuer credit rating (ICR) to Little Company of Mary Hospital and Health Care Centers (LCM), Ill. Standard & Poor's also withdrew its ratings associated with the series 2008A, 2008B, and 2010 bonds. The outlook is stable.

We assessed LCM's financial and enterprise profiles as strong. The strong financial profile is based on excellent unrestricted reserves as measured by cash on hand, leverage, and cash flow. The strong enterprise profile is based on the clinical quality and information technology that LCM has in place coupled with its respected leadership team and robust economic fundamentals. We think these credit factors, coupled with the overwhelming cash on hand, lead to an indicative rating of 'a+'. In our view, the 'A+' rating on LCM reflects our view of its robust financial flexibility.

The 'A+' rating further reflects our view of LCM's:

- Leadership team that has built a balance sheet that allows the organization to continue to invest in its facilities and prepare for the changing landscape of health care,
- Sound maximum annual debt service (MADS) coverage, and
- Capital budget that should not strain the balance sheet.

Partly offsetting the above strengths, in our view, are LCM's:

- Heavy reliance on governmental payors,
- Debt structure with 100% contingent debt, and
- Very weak operating performance for the rating although it is beginning to show improvement.

The 'A+' rating is based on our view of LCM's group credit profile and the obligated group's "core" status. Accordingly, we rate the bonds at the same level as the group credit profile. LCM operates a 298-staffed-bed general acute care hospital in Evergreen Park, approximately 15 miles southwest of downtown Chicago. In addition, LCM has a foundation and smaller related corporations, all of which we include in this analysis. LCM has no swaps.

LCM recently issued \$102 million series 2015 bonds, the proceeds of which it used to refund its series 2010 bonds and refinance a bridge loan. Coupled with the refunding and refinancing, LCM will use approximately \$24 million of the proceeds for various renovations and remodeling projects in its south pavilion.

Outlook

The stable outlook reflects our view that, despite the challenged operating performance highlighted by historical operating losses and slightly better-than-breakeven performance, LCM's excellent unrestricted reserves give it the flexibility to address the changing landscape of health care.

Upside scenario

We are not likely to raise the rating during the outlook period, as we do not anticipate that LCM's financial or enterprise profile will improve to the point that a revision would be warranted. However, if over a longer period LCM is able to consistently produce an operating margin of greater than 1.5% coupled with reducing its reliance on funding from the state provider tax program, we could revise the rating.

Downside scenario

We are not likely to lower the rating during the outlook period, as we do not anticipate that LCM's financial or enterprise profile will deteriorate to the point that a revision would be warranted. However, if LCM were to maintain all metrics amid a precipitous drop in its cash position, we could revise the rating.

Enterprise Profile

Industry risk

Industry risk addresses our view of the health care sector's overall cyclical and competitive risk and growth through application of various stress scenarios and evaluation of barriers to entry, the level and trend of industry profit margins, risk from secular change and substitution of products, services, and technologies, and risk in growth trends. We believe the health care services industry represents an intermediate credit risk when compared with other industries and sectors.

Market position and utilization

LCM's closest competitor--located about two miles away-- is Advocate Christ Medical Center, owned by Advocate Health Care Network. The market is highly fragmented, with other competitors such as Palos Community Hospital and Metro South Hospital, the latter of which is owned by for-profit operator Community Health.

LCM's market share is reported to be 12.1% based on information provided. LCM has maintained its employed physician base and will look to expand when possible, as part of management's strategy to help defend its service area. Management did note an increase in utilization in fiscal 2015 as relates to the Medicaid population that LCM serves. The rise was due to the state's expanding the Medicaid rolls. As of this report, management also states that the use rates by the new Medicaid patients are no cause for alarm. It did state that the Medicaid patients are still gaining access to the system through the emergency room and that LCM is trying to align them with primary care physicians.

Table 1

	--12-month interim ended June 30--		--Fiscal year ended June 30--	
	2015	2014	2013	2012
PSA population	610,284			
PSA market share %	12.1			
Inpatient admissions*	11,478	12,128	11,687	12,139
Equivalent inpatient admissions	24,486	24,272	23,580	23,281
Emergency visits	52,272	47,553	47,051	48,386
Inpatient surgeries	1,962	2,130	2,152	2,505
Outpatient surgeries	5,136	4,900	4,500	4,677
Medicare case mix index	1.42	1.35	1.38	1.40
FTE employees	1,460	1,468	1,460	1,418
Active physicians	532	475	270	279
Top 10 physicians admissions %				
Medicare %§	41.8	44.3	44.3	44.4
Medicaid %§	15.5	13.7	11.3	11.8
Commercial/blues %§	37.8	39.6	39.1	41.3

*Excludes newborns, psychiatric, and rehabilitation admissions. §Based on net revenue. FTE--Full-time equivalent. PSA--Primary service area.

Management

LCM's leadership team has historically been relatively stable. Management has continued to address capital needs without any diminution of the balance sheet and remains focused on health care reform.

LCM's leadership continues to watch the utilization patterns in its service area and the impact of the insurance exchanges. Located in a service area that has historically had a high number of uninsured patients, LCM continues to positively view the enrollment of patients in the insurance exchanges. LCM leadership also notes that it is practicing patient-centered practices through its employed physicians. Finally, LCM leadership has no plans to operate an accountable care entity.

Financial Profile

Financial policies

The financial policies assessment of "neutral" reflects our opinion that financial reporting and disclosure, investment allocation and liquidity, debt profile, contingent liabilities, and legal structure are appropriate for an organization of this type and size and are not likely to impair the organization's ability to pay debt service. We note that the debt structure with 100% contingent debt is a credit risk.

Financial performance

Because operating results have remained less than adequate for the rating, the hospital continues to rely on substantial non-operating investment income to boost its bottom line and generate strong coverage. LCM's leadership does watch the expense base but has not set a goal to have profitable operations when excluding investment income, and we do not anticipate that it will revise the way it operates. However, for the first time in a number of years LCM posted a

positive operating margin per our calculations. Part of the reason for the improvement was more funds from the state through the enhanced assessment program. Management anticipates stable-to-positive operations and that any future improvements will result from top-line growth. With that in mind, LCM has added a linear accelerator and has seen more business return to the facility. Also, LCM recently entered into an affiliation with the University of Chicago Medical Center for enhanced pediatric and neonatology services. This will be the first time that LCM has offered this service and addresses one of its challenges in the services area. Finally, we note that LCM will continue to work to enhance its relationships with other academic medical centers in the area.

Liquidity and financial flexibility

LCM continues to see solid growth in its unrestricted liquidity. As of June 30, 2015, Standard & Poor's considered LCM's unrestricted liquidity (in terms of cash on hand) superior. LCM attributes the growth in its unrestricted reserves to good investment performance and improved operating performance. LCM has no plans to issue new debt. Per conversations with management, LCM will fund future capital expenditures from cash flow and the series 2015 bond proceeds, and plans to maintain its unrestricted reserves.

LCM's investment allocation is relatively conservative, with 52% of its portfolio in fixed-income/balanced funds and 46% in equities.

Debt and contingent liabilities

JPMorgan Chase Bank directly purchased LCM's series 2015. The terms of the agreement include 125 days' cash on hand, 1.1x MADS coverage, and a minimum rating of 'BBB'. If these covenants are not met, LCM has a 30-day cure period after which the bonds can be accelerated. LCM's financial metrics currently exceed its bond covenants.

LCM's series 2008A and 2008B bonds are supported by a letter of credit, expiring 2018, that Barclays Bank issued to the trustee for the benefit of the bondholders. The company is obligated in the loan agreement to make payments to the trustee for timely payments on the bonds.

We note that we do view the debt structure with 100% contingent debt as a credit risk.

Capital projects

Leadership notes that the series 2015 bond proceeds were used to help fund approved capital projects. LCM is updating all of its older operating rooms and will remodel the south pavilion. The remodeling will affect 96 patient rooms and is intended to bring the pavilion rooms up to the standard of the recently completed west pavilion. The south pavilion project is expected to be completed in fiscal 2018. As noted earlier, \$24 million of the bond proceeds will support the various projects. LCM's cash flow will cover other capital projects.

Table 2

Little Company of Mary Hospital and Health Care Centers Financial Summary					
	--12-month interim ended June 30--		--Fiscal year ended June 30--		'A+' rated stand-alone hospital medians
	2015	2014	2013	2012	2014
Financial performance					
Net patient revenue (\$000s)	207,757	198,820	191,316	185,593	483,641
Total operating revenue (\$000s)	215,502	205,290	200,421	190,361	MNR

Illinois Finance Authority Little Company of Mary Hospital and Health Care Centers; Hospital

Table 2

Little Company of Mary Hospital and Health Care Centers Financial Summary (cont.)					
Total operating expenses (\$000s)	214,251	209,796	205,028	198,491	MNR
Operating income (\$000s)	1,251	(4,506)	(4,607)	(8,130)	MNR
Operating margin (%)	0.58	(2.19)	(2.30)	(4.27)	4.30
Net non-operating income (\$000s)	30,350	58,516	25,150	15,650	MNR
Excess income (\$000s)	31,601	54,010	20,543	7,520	MNR
Excess margin (%)	12.85	20.47	9.11	3.85	7.80
Operating EBIDA margin (%)	8.28	5.97	7.50	3.19	12.00
EBIDA margin (%)	19.6	28.83	17.81	10.55	15.40
Net available for debt service (\$000s)	48,196	70,775	40,181	21,728	81,798
Maximum annual debt service (MADS; \$000s)	12,375	12,375	12,375	12,652	MNR
MADS coverage (x)	3.89	5.72	3.25	1.72	5.70
Operating-lease-adjusted coverage (x)	3.79	5.46	3.25	1.72	4.70
Liquidity and financial flexibility					
Unrestricted reserves (\$000s)	584,422	568,262	493,019	477,738	439,565
Unrestricted days' cash on hand	1,061.10	1,053.60	950.2	934.1	316.0
Unrestricted reserves/total long-term debt (%)	331.6	314.7	267.5	253.9	221.7
Unrestricted reserves/contingent liabilities (%)	411.8	523.9	422.3	396.0	MNR
Average age of plant (years)	12.4	11.9	12.1	16.1	10.1
Capital expenditures/depreciation and amortization (%)	143.5	105.5	292.2	679.5	105.9
Debt and liabilities					
Total long-term debt (\$000s)	176,241	180,557	184,280	188,137	MNR
Long-term debt/capitalization (%)	22.1	23.1	26.7	30.1	24.5
Contingent liabilities (\$000s)	141,909	108,475	116,755	120,830	MNR
Contingent liabilities/total long-term debt (%)	80.5	60.1	63.4	64.1	MNR
Debt burden (%)	5.03	4.69	5.49	6.14	2.60
Defined benefit plan funded status (%)		119.09	110.97	99.79	84.60
Pro forma ratios					
Unrestricted reserves (\$000s)	591,692				MNR
Total long-term debt (\$000s)	204,296				MNR
Unrestricted days' cash on hand	1074.29				MNR
Unrestricted cash/total long-term debt (%)	289.62				MNR
Long-term debt/capitalization (%)	24.73				MNR

MNR--Median not reported.

Attachment 41

Charity Care

CHARITY CARE			
	2015	2014	2013
Net Patient Revenue	\$197,406,000	\$188,331,000	\$197,406,000
Amount of Charity Care (Charges)*	\$25,931,000	\$33,461,000	\$34,229,000
Cost of Charity Care	\$4,600,000	\$6,400,000	\$7,207,000

In addition to the provision of financial charity care to patients, in the form of care provided for which the Applicant does not expect payment from either patient or a third party payer, Applicant also plays an important role in the surrounding areas. As provided in the attached Hospital's Community Benefit Plan, the Hospital provides significant services to its surrounding community.



THE COMPANY OF MARY
HEALTH CARE AND HEALTH CARE CENTERS

Our Commitment to Health, Our Mission to Care

HEALTH ANALYTICS

**100 TOP
HOSPITALS**
2015

*Where there is
need, there is
your mission.*

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The Company of Mary, Inc.



COMMUNITY

b e n e f i t p l a n

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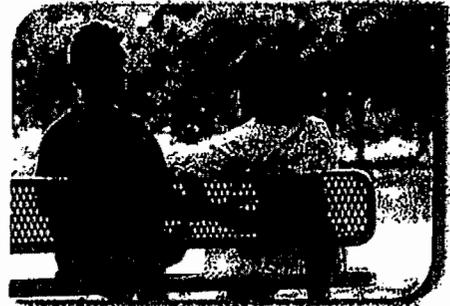


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LITTLE COMPANY OF MARY
HOSPITAL AND HEALTH CARE CENTERS

FY16 community benefit plan



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mission statement & core values

In solidarity with the Sisters of the Little Company of Mary, we are entrusted to serve the community through our ministry of Catholic healthcare. We are the empowered laity – the Greater Company of Mary. Rooted in a deep heritage of prayerful support of the sick and dying, we strive to enhance the sacredness of life and human dignity.

Core Values

Professionalism- expresses our commitment to deliver quality, respectful care with personal pride. This gives individuals the opportunity to demonstrate Little Company of Mary's standards of excellence through their appearance, attitude and actions.

Compassion- states our commitment to create an environment with respect for all. We show this by listening to our patients, assisting their families, encouraging our co-workers and supporting our physicians and leaders.

Quality- states our commitment to meet or exceed our standards of service, promoting the highest level of safety throughout the organization. We demonstrate this through Performance Improvement and our strong commitment to "Spirited Service."

Responsibility- states our commitment to stewardship. We show this by wisely caring for and sharing human, environmental and financial resources held in our trust.



Mission Integration is the sum of processes that serve to enhance our understanding and commitment to the tradition and values from which the healing ministry of Mary Potter began and in which it continues. This mission is rooted in the deep Gospel stories from the life of Jesus. It is more than programs and celebrations; it is the work of the soul.

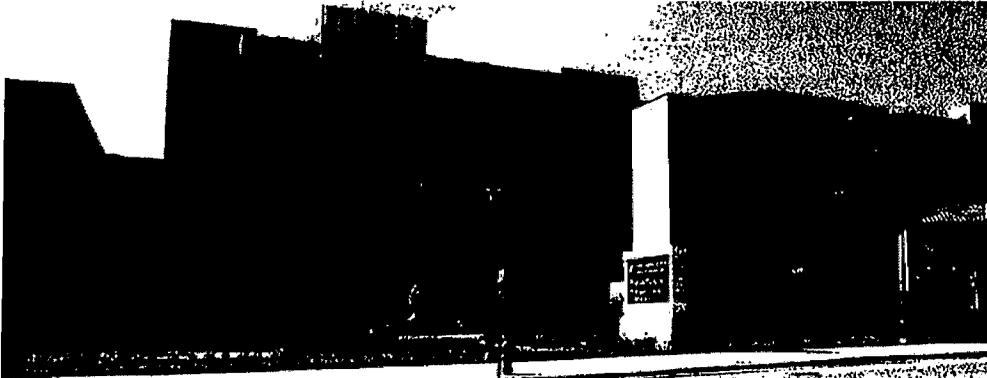
The Board Mission Committee is comprised of LCM Sisters, Administration, representatives from the Hospital Board of Directors, Medical Staff and community members. Its goals are as follows:

1. To integrate the philosophy and relate the identity of Little Company of Mary to our board, physicians and administration.
2. Collaborate with leadership in the decision-making processes of the institution.
3. Provide programs to meet the needs of the community through creative development.

The Mission Awareness Committee is comprised of staff members from various departments of the Hospital. Its goals are as follows:

1. To provide education to the employees of our Little Company of Mary Hospital and Health Care Centers in the history and tradition of Venerable Mary Potter.
2. To implement awareness through various activities that support and celebrate the diversity and uniqueness of who we are and who we serve.
3. To create an understanding of how our core values guide us in our work.

executive summary



Little Company of Mary Hospital is an Illinois not-for-profit and charitable organization within the meaning of section 501(c3) of Internal Revenue Code. We recently completed a seven year Campus Transformation Project. The planning began in 2007 and in September 2010, the Little Company of Mary Sisters, physicians, friends, and neighbors gathered to celebrate the groundbreaking for the West Pavilion patient tower. Construction began in the winter of 2010 and was completed and celebrated with a special Eucharist Liturgy presided by Francis Cardinal George, O.M.I., on September 13, 2014.

The transformation of Little Company of Mary's campus established the area's first comprehensive women's health center – the Women's Center for Life and Health – in the West Pavilion. The new comprehensive women's health center, a cornerstone of the Campus Transformation Project, addresses women's health and wellness needs conveniently under one roof. By combining the latest clinical advances with empowering patient education, the hospital provides forward-thinking, gender-sensitive healthcare for women through all stages of life.

The hospital also incorporated inspirational and relaxing artwork throughout the West Pavilion for patients, visitors and staff to enjoy. The images included in the West Pavilion Art Program inspire hope and offer respite, and reflect nature scenes, cultural diversity, family and community.

The east entrance to the West Pavilion offers a beautiful and scenic landscape with a breathtaking 12-foot Maternal Heart of Mary statue located in the center of the newly constructed circle drive. The blessed Mother Mary statue traveled more than 4,600 miles from Carrara, Italy to the West Pavilion campus.

In addition, the outdoor circle drive features the reconstructed porte cochère with original 1929 façade architectural elements. The garden honors the memory, mission and healing ministry of the founding LCM Sisters. The monuments represent: the "Little Company of Mary" (Mary Magdalene, the apostle John and Mary, the mother of Jesus) at the foot of the cross; the pear tree symbolizing the burgeoning and bountiful early community of the LCM Sisters; the arrival of the LCM Sisters for the blessing of the cornerstone of the hospital's original 1929 Tower Building.

In January 2015, Little Company of Mary Hospital celebrated its 85th anniversary of providing high-quality, compassionate healthcare to the Southwest Chicago area. We remain a strong, not-for-profit Catholic, community hospital, continuing the mission of our founding Sisters.

As the largest employer in Evergreen Park, we employ more than 2100 full-time, part-time and registry employees who embody the mission of the Sisters of the Little Company of Mary, sponsors of the Hospital and Health Care Centers. We offer care and/or support through the Hospital and 10 affiliated facilities.

Throughout FY '15, Little Company of Mary Hospital and Health Care Centers continued to provide healthcare access to the community by offering programs for health improvement to populations at risk, exercising appropriate stewardship over our resources and supporting community organizations sharing similar goals. Highlights of the 2015 community benefit endeavors include:

Providing 10.5 MM* at cost of uncompensated care to those covered by government sponsored indigent healthcare.

Providing 5.6 MM* at cost of charity care to patients who were unable to pay all or a portion of their hospital bills.

Providing the Healthy Start Obstetrics (HSO) Program as a healthcare resource for women in the community in need of obstetric and gynecological care.

Providing health promotion, awareness, education and screening to the participants in our community health programs by reaching 33,085 community members through them.

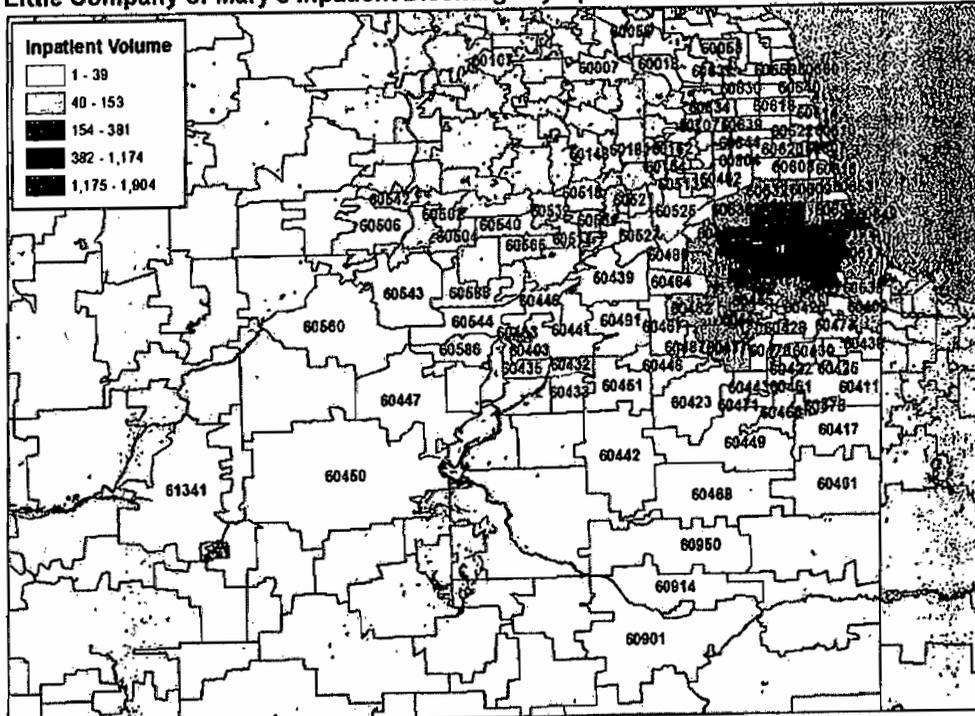
Providing a myriad of additional community benefits through programs such as cancer education and wellness, family wellness programs, volunteer resources and mission services.

The population of individuals who sought care at Little Company of Mary for FY '15 reside across Chicagoland coming from the southwest area as well as surrounding suburbs across more than 300 zip codes. There are two maps that detail our Inpatient and Outpatient visits. The maps show the concentration of patients residing in each area divided by zip codes with the heaviest shaded in dark rust color. The legend in the maps below illustrates that Little Company of Mary Hospital services were heavily concentrated by residents in the Southwest Chicago area including Evergreen Park and Oak Lawn. We cared for more than 100,000 patients in 2014.

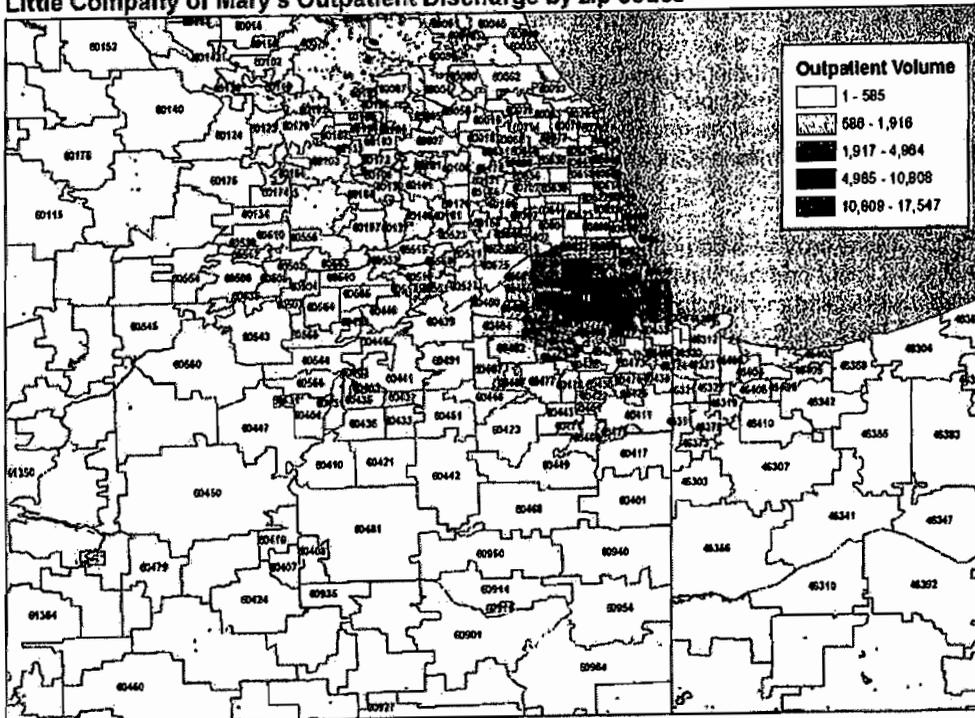
Five additional graphs provide a demographic description of patients who visited Little Company of Mary in our primary service area. The graphs provide visual data by gender, ethnicity, age, religion and marital status. This data was composed by visits made any time during July 2014 and February 2015.

*Figure is from the close of 2014.

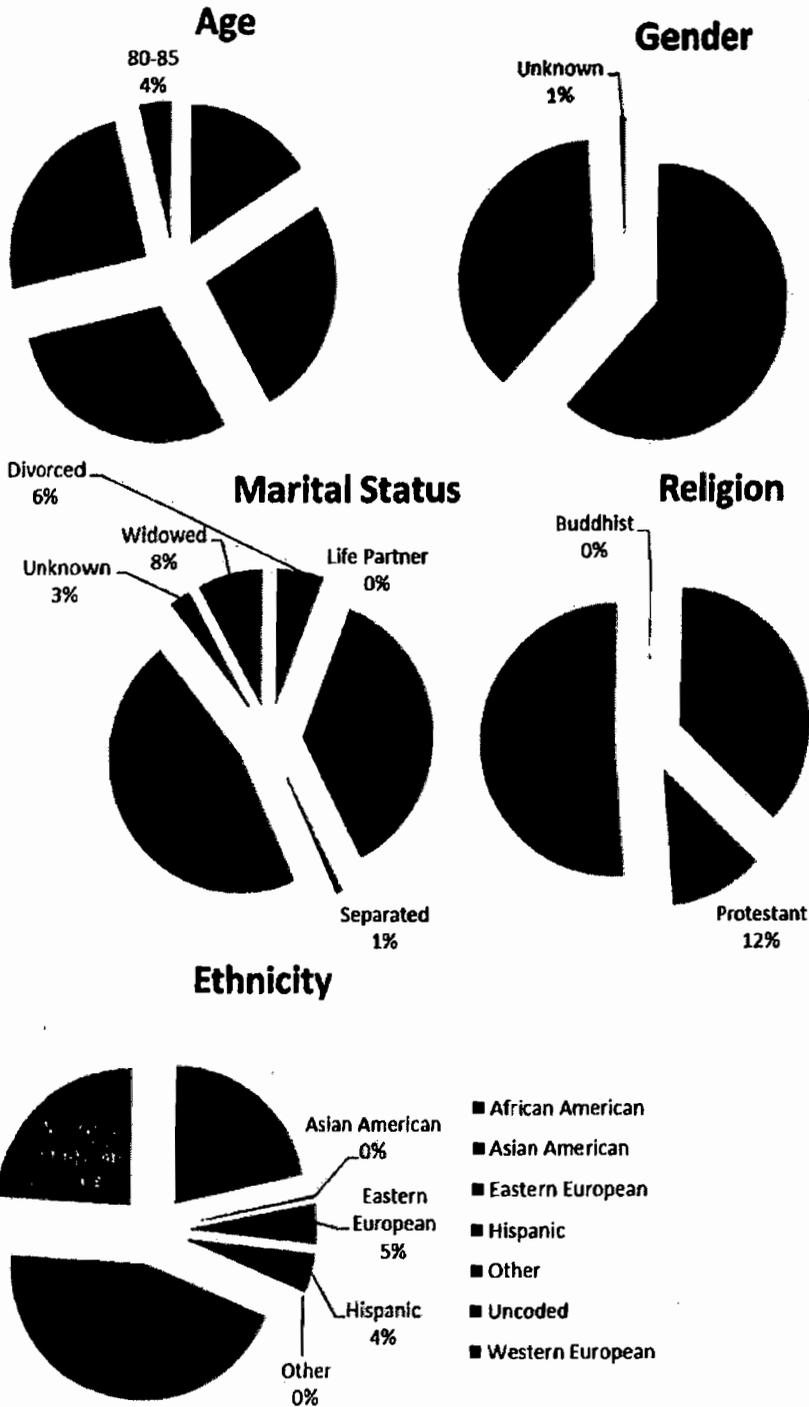
Little Company of Mary's Inpatient Discharge by zip codes



Little Company of Mary's Outpatient Discharge by zip codes



Demographics of Patients who were seen at Little Company of Mary in 2014.



preface and community benefit philosophy

The FY16 plan with regard to charity care and government sponsored indigent healthcare will be similar to those benefits provided in FY15. Little Company of Mary will continue to provide considerable charity care in FY16. This charity will be provided across all service lines and to all age groups. Considerable medical care will be provided to those covered by government sponsored programs. Major beneficiaries of this care are women and their children as well as those individuals suffering the loss of loved ones.

In addition to charity care provided to patients who are not able to pay, LCM does provide other community benefits. Community benefit services are provided for the general well-being of the communities we serve without regard for the ability to pay. Such programs as avoidance or early detection of health care problems, free health screenings, literature on health issues, services to the elderly and use of the hospital facilities are some examples of the hospital's response to community needs.



Therefore, we **plan** for community benefit because:

- We are committed to our mission
- We want to be proactive
- We strive to educate our leaders, employees and communities
- We seek collaboration and build coalitions
- We are challenged to make a long-term commitment to those we serve

We **provide** community benefit because:

- Our Catholic social teaching, our mission and our core values call us to
- We are called to serve and be advocates for the poor and vulnerable
- We are committed to human dignity and the common good

Health Needs Considered in Developing Plan

Little Company of Mary gathers information on the community's health needs from many sources including the following:

1) Community Health Needs Assessment

We provide health care access to the community by offering programs for specifically identified health improvement needs to populations at risk. From our 2012 Community

Health Needs Assessment, facilitated by the Metropolitan Chicago Healthcare Council (MCHC), health risks were identified through a quantitative survey and publicly reported data as well as qualitative data gathered through focus groups. A comprehensive implementation strategy was developed based on the identified needs. New initiatives for identified areas will be developed for improved access, mental health, diabetes, stroke and heart disease. This Community Health Needs Assessment affirmed our awareness of our community's health needs. LCMH will participate in a new Community Health Needs Assessment in summer 2015.

2) Internal records

Little Company of Mary's internal records is readily available, reliable source of timely information about the services used by our community. Information is compiled and analyzed on many levels, including by major diagnostic category (MDC) and diagnosis related group (DRG) to track changes in the community's utilization of health services. For example, internal information shows that the utilization of medical services for circulatory and endocrine problems are increasing among our patients. As it has been in the past, this information will be critical to shaping future program offerings for the community at large.

3) Patient Surveys

As part of its performance improvement activities, the Health Education Department surveys its program participants. The target monthly return was adjusted to 200 surveys per month with 50 surveys actively solicited outside the boundaries of the Health Education Centers. In June 2014, the Health Education Centers were consolidated into one Center based at the hospital. To continue reaching clients in the hospital's western service areas, screenings are now being offered at locations in Oak Lawn and Palos Park with continued services provided to the clients from the western service area of the hospital. Results are reviewed and program. New avenues of community outreach have been developed providing the opportunity to gather survey data from outside the hospital location. A goal of 150 surveys with 25% solicited from outside the boundaries of the health education center has been set with 100% compliance throughout the year. Results are reviewed and program, screening, and health lectures are modified and or designed as appropriate based on this feedback.

4) Internal/external data

Another tool used by Little Company of Mary to determine the community's health related needs is our patient relationship management system, DSS Workbench. Through DSS Workbench, Little Company of Mary provided information based on services used in 2015 by the community's previous health encounters with us.

5) Physician input

Physician input is gathered through the Medical Executive Committee that meets monthly as well as physician departmental meetings. Physicians play an integral role in the hospital's operating committees and serve on, but not limited to the following; Hospital's Board of Directors, Strategic Planning Committee, Mission Committee, Ethics Committee and Performance Improvement Council.

In addition, physicians are periodically surveyed to assess the healthcare services needed by their patients. For example, if access to certain specialties is problematic, Little Company of Mary will work to attract physicians in those specialties to the community.

community benefit plan FY16

Women



Family Birth Center

Little Company of Mary believes that the birth of a child is one of life's greatest miracles. Little Company of Mary's Family Birth Center offers a compassionate environment focused on family-centered maternity care partnered with state-of-the-art medical technology as they now reside in a new home in the Hospital's Women's Center for Life and Health.

Known historically as "Chicago's Baby Hospital," Little Company of Mary has delivered more babies than any other hospital in the southwest area. We offer nationally recognized prenatal and post-natal classes and programs to support the family through pregnancy, birth and after.

Little Company of Mary's maternal fetal experts offers the latest prenatal diagnostic services. In addition, our award-winning nurses offer more than 600 years of combined experience and our lactation consultants help support every mom with the resources for a rewarding breastfeeding experience. Little Company of Mary offers the combination of an award winning staff and the most sophisticated technology to make the process of planning a delivery as pain-free as possible.

- Baby-Friendly Designation Little Company of Mary Hospital (LCMH) has received the prestigious honor of being internationally recognized as a Baby-Friendly birth facility by Baby-Friendly USA. There are 243 designated Baby-Friendly hospitals and birth centers in the United States and 20,000 worldwide. LCMH is the third Baby-Friendly hospital and birth center in the state of Illinois and the first hospital in the Chicagoland area to achieve this designation.

Becoming a Baby-Friendly facility is a comprehensive, detailed and thorough journey toward excellence in providing evidence-based, maternity care with the goal of achieving optimal infant feeding outcomes and mother/baby bonding. It compels our hospital to examine, challenge and modify longstanding policies and procedures. It requires training and skill building among all levels of staff. It entails implementing audit processes to assure quality in all aspects of maternity care operations and can ultimately enhance patient satisfaction and improve health outcomes.

The Baby-Friendly Hospital Initiative (BFHI) is a global program that was launched by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) in 1991 to encourage and recognize hospitals and birthing centers that offer an optimal level of care for infant feeding and mother/baby bonding. It recognizes and awards birthing facilities who successfully implement the Ten Steps to Successful Breastfeeding (i) and the International Code of Marketing of Breast-milk Substitutes (ii). The BFHI assists hospitals in giving all mothers the information, confidence, and skills necessary to successfully initiate and continue breastfeeding their babies or feeding formula safely, and gives special recognition to hospitals that have done so.

A key objective in the government initiative - Healthy People 2020 - is to increase the proportion of live births that occur in facilities that provide recommended care for lactating mother and their babies. The goal is 8.1% of babies will be born in a Baby-Friendly Hospital and the current statistic is 6.9%. The Baby-Friendly Hospital Initiative is an internationally model of this recommended care.

- Baby TALK - Maternal Child and Volunteer Resources have teamed up to bring this very exciting program to Little Company of Mary Hospital. Nine professionally trained LCM Volunteers provide our Birth Center moms and babies with a "Newborn Encounter." Visiting new parents while in the hospital has proven to be an effective means of reaching families in the community. Baby TALK volunteers visit, observe and provide families with resources to understand how a baby learns and grows. The goal of this nationally recognized model is to promote engagement and discovery from birth. Baby TALK Newborn Encounters are performed Monday through Friday. We have French and Spanish speaking volunteers who provide the Encounters in native languages. Each family receives a board book and periodic newsletters are available on the Hospital's website until the age of three. Saint Xavier University is collaborating with us by providing information about their Birth to Three program, also a Baby TALK model program. From its inception in early 2012 more than 2,500 babies have been seen to date.



- Great Expectations Nurse Program Every mom who chooses to deliver her baby at The Family Birth Center may participate in the Great Expectations Nurse Program. This unique program partners one of our highly skilled and trained nurses with a mom for the duration of her pregnancy. By maintaining a relationship with a nurse from early pregnancy through delivery, parents and family members can design the birth experience that best meets their wishes and needs. Through regular conversations, tours and visits, the nurse provides the mom with advice, options and answers to all those normal questions and concerns that arise during pregnancy.
- WIC (Women, Infant and Children Program) The Women, Infant and Children Program is a government program funded through the Illinois Department of Health and Human Services. Little Company of Mary helps women in our community to be connected to these available resources and helps them begin their application process if they request assistance. Little Company of Mary staff work with the local Oak Lawn WIC program to educate their staff and ensure that each participant receives consistent information about the latest evidenced-based information on nutrition and healthy living. This educational support is made available through the grant Communities Putting Prevention to Work (CPPW)-Model Communities.
- Our Breast Feeding Support Group is a free offering to new mothers to have an opportunity to meet and share experiences with other breastfeeding women, and also provides guidance from an expert LCM Lactation Consultant.



Lactation Consultants also are available for all moms in the Family Birth Center.

- Our Healthy Start OB Clinic The Healthy Start Obstetrics (HSO) program is a healthcare resource for women in the community in need of obstetric and gynecological care. These women lack commercial insurance and are seeking a provider. Prenatal care is provided in accordance with established standards and practices. The women have prenatal labs and testing as indicated. Healthy Start OB Clinic also provides a Peer Counselor who informs and educates our pregnant women on the following topics:
 - Explain the importance of skin to skin contact for mother and baby at delivery and beyond
 - Describe and explain baby led feeding
 - Discuss rooming in-the benefits of keeping mom and baby together
 - Support and educate mothers on making an informed decision on infant feeding
 - Exclusive breastfeeding for six months: AAP recommendation
 - Formula preparation and proper feeding
 - Advise mothers of available support

Following birth, the women are seen for post-partum care as well. Women in the community have also been turning to the HSO for gynecological care as well. This community service is managed by one of the employed OB/Gyn physician groups and is located in one of our satellite physician office buildings.

- Care Depot From newborn to 16 years of age, employees and community may bring their sick children to the Care Depot for a nominal fee. The Care Depot provides meals, snacks, rest periods and play therapy. We tailor our care to meet the child's individual needs. Last year over 70 children used the Care Depot.

Little Company of Mary Care Station offers free pregnancy testing to young women, in partnership with The COURAGE Program, which provides assistance to pregnant young women and those who are single parenting by offering resources to help them make important life decisions on issues of sexuality, self-esteem, parenting, personal growth, and maturity. The COURAGE Program is a special and unique ministry based at St. Germaine Parish in Oak Lawn, Illinois.

The Comprehensive Breast Health Center which is accreditation by the National Accreditation Program for Breast Centers, a program administered by the American College of Surgeons, offers patients the latest information regarding breast health, including the treatment of benign diseases as well as the prevention, diagnosis and treatment of breast cancer. Little Company of Mary was also designated a Breast Imaging Center of Excellence. This designation is awarded to breast imaging centers that achieve excellence by seeking and earning accreditation in all of the ACR's voluntary breast-imaging accreditation programs and Community Benefit Plan FY16



modules, in addition to the mandatory Mammography Accreditation Program. Little Company of Mary Hospital has been named a recipient of the Women's Choice Award as one of America's Best Breast Centers, acknowledging its dedication to providing exceptional patient care and treatment. Breast cancer is the second most common form of cancer among American women according to the American Cancer Society, and one in eight women in the U.S. will develop invasive breast cancer during their lifetime. Our website offers a free breast cancer risk test, which was taken by nearly 700 women since its inception. The Comprehensive Breast Health Center Radiation Department offers the latest breast conservation therapies including Mammosite Radiation Therapy System.

Women in Balance This event is a quarterly program for women that addresses important issues that women in our community face. In 2015, One hundred women will attend programs on nutrition and cancer prevention, memory disorders, behavior patterns related to birth order.

Girl's Night Out This two-hour evening event is held at a local community business and features a keynote speaker and breakout sessions that focus on women's health and wellness. Girl's Night Out This two-hour evening event is held at a local community business and features a keynote speaker and breakout sessions that focus on women's health and wellness. In 2015, the keynote speaker, Dr. Simona Chivu will present "The Future is Here," providing information on updates in cancer care during the last century and how to promote an excellent patient experience during treatment for cancer. It is anticipated 150 women will attend this event in 2015.

Celebrate the Heart of Women This February 2015 event featured Dr. Nancy Taft, a fellowship trained breast oncology surgeon and director of the Comprehensive Breast Center who empowered and motivated 161 women to use their life experience to enhance their own lives, the of family and the community.

Women's Advisory Board The Women's Advisory Board consisting of women from the business community, local churches, schools, and social service agencies along with community residents continues to be active in identifying needs of women in the community and providing outreach opportunities to meet that need. The board was established to review opportunities for Women's Health, identify community resources for women and commit to support women's health initiatives. As a result of the activities of the Women's Advisory Board, opportunities to increase awareness of and access to services available through LCMH and other agencies/organizations serving the southwest metro area have been shared, a patient safety program for individuals with dementia has been introduced, and a community partnership has been established with the grammar school district in the village. The partnership focuses on supporting positive behavior in youth, early identification and treatment of behavioral health issues. In 2015, outreach was focused on the Beverly / Morgan Park communities. A health awareness column has been added to two local newspapers which have provided an opportunity to share important health information as well as a partnership with an area high school. A new lecture series is in development and will be offered in the Beverly/Morgan Park community center.

Men

Men's Wellness Event This annual event addresses gender specific health issues for men. The Men's Event is a day program that offers a variety of health information pertinent to cardiovascular disease, cancer, and obesity. Lab work includes a coronary risk profile assessment, thyroid panel and an h/s CRP, colon rectal cancer screening kit for home use, body mass index (BMI) calculation, and blood pressure and oxygenation level. In 2015 all

participants with a fasting blood glucose level of greater than 130 mg/dl received a hemoglobin A1C to determine estimated blood glucose levels for the past two to three months in an effort to identify previously undiagnosed diabetes and/or poorly regulated diabetes. In addition to screening, each participant receives personal health counseling with a wellness nurse educator that addresses personal health risk factors. A physician presentation related to men's health and wellness and heart healthy breakfast is included for a nominal fee. This event addresses Healthy People 2020 initiatives to promote cardiovascular health and cancer prevention. It is anticipated that 75 men will attend this event in June.



Prostate Health Other than skin cancer, prostate cancer is the most common cancer in American men. About one in seven will be diagnosed with prostate cancer during his lifetime.

- **Prostate Cancer Screening** Prostate Cancer affects many men in the Little Company of Mary community and the diagnosis is increasing. Current guidelines for prostate cancer screening have changed. A patient information letter related to these changes is disseminated to more than 500 men in the community who have previously participated in programs and services. This event allows men in the community to become well informed about screening criteria from the American Urological Society and be actively involved in the decision to participate in screening accordingly. Men in the community receive a discounted PSA blood test, a free digital exam by Little Company of Mary board certified urologists and education on the most current information regarding prostate cancer, diagnosis and the latest treatment options available. Little Company of Mary physicians offer free community seminars addressing prostate health several times during the year. We anticipate 75 men to attend this event in June.
- **Prostate Cancer on-line Risk Assessment Tool** Little Company of Mary's website, lcmcancercare.org offers a free Prostate Cancer Risk Test where the participant can learn their prostate cancer risk level, what factors put them at risk, and what that risk level means. A total of 743 men took the test on-line since its inception.
- **Us TOO** is a Prostate Cancer support group co-sponsored by Us TOO International. The monthly support group also offers special presentations on relative conditions participants may face as well as wellness presentations for daily living. In this past fiscal year there were 125 attendees at the Prostate Support Groups.

Seniors

Senior Billing Assistance This free Little Company of Mary service assists seniors with their Medicare claim forms and health insurance paperwork. A Senior Health Insurance Program (SHIP) counselor provides resources for insurance assistance, community agencies, information regarding Medicare Prescription Drug Plans.

The Memory Center This program offers preventative care testing in addition to follow-up appointments and treatment options for those who have concerns about their memory or who would just like a consultation. A neuropsychological examination assesses a patient's cognitive abilities that include, but are not limited to, memory, attention, language, visuospatial skills, and certain executive functions. These screenings can document problems with memory and other kinds of thinking skills and can indicate other behavioral and Community Benefit Plan FY16

psychological issues, such as depression and anxiety, which may contribute to memory deficits.

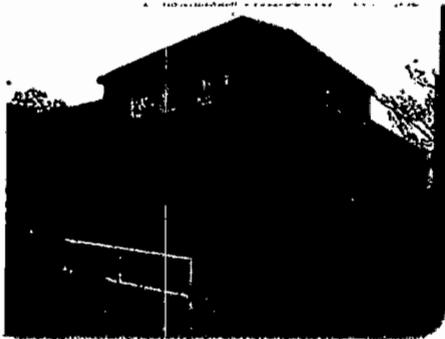
Health Academy This free lecture program is offered to the community on a monthly basis. Little Company of Mary physicians, dieticians, advanced practice nurses and other hospital professionals provide a wide variety of health and safety information. A total of 825 community members participated in these programs in 2015.



The Renaissance Program: The health education center collaborated with Saint Xavier University to provide a semester of health education through an active senior program called The Renaissance Program. This year, two physicians, two advanced practice nurses, the director of community health, and a hospice nurse provided eight programs on health and well-being to more than 250 seniors.

Worth Township Senior Days In 2015, the Health Education partnered with Worth Township to provide programs once a month for over 100 seniors living in Worth Township.

Senior Clubs Every Wednesday LCM offers two Senior Groups for community members to gather. The groups are hosted by staff from the Volunteer Resources Department. They enjoy crafts, educational talks, holiday celebrations, trivia, bingo and other social activities. These clubs are offered free to the community.



Halsted Medical Center The Little Company of Mary Sisters recognized the need to provide healthcare access to the community in the Washington Heights area. A healthcare center is operating within this neighborhood that offers primary care physician services and specialists such as gynecologists and family medicine care for the whole family. Ancillary services that are on-site include laboratory, diagnostic imaging and cardiology testing.

Mobile Medical Under this community outreach program, Little Company of Mary brings primary healthcare providers to homebound seniors. A physician or nurse practitioner makes home visits to those who do not require hospitalization but are in need of regular to care manage acute or chronic conditions. A comprehensive health care plan is initiated during the first visit, and follow-up Mobile Medical Care home visits are scheduled as often as the Mobile Medical Team determines is necessary for continuity of care. Mobile Medical is the proud recipient of The VNA Foundation's 2014 Anne M. Davis Mobile Health Award. This award is presented up to once a year, at the discretion of the VNA Foundation Board of Directors, to a grantee using mobile health services in a particularly innovative, effective and/or impactful way.

Little Company of Mary Volunteer Program

There are more than 600 volunteers at Little Company of Mary that have provided more than 71,000 hours of service this year. According to A Healthier Evergreen, the Village of Evergreen Park has an older than average senior population, which consequently requires a greater need for programs and services that can cater to this population. Volunteer programs offer seniors in the community opportunities to socialize, keep physically active and attain a sense of belonging while helping others. Volunteering promotes a healthy lifestyle for seniors. In addition to seniors, the volunteer programs spans across all age groups including high school students who provide help through various programs, either through school

collaboration or other extracurricular activities. Students become involved through special programs like the Cuddle program, where they can rock newborn babies. They also have first hand experience in all departments including Food Services, MIS, Health Promotions, Public Relations and Marketing, Employee Education and more.

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Comprehensive Bereavement Services

Grief and Bereavement Support Little Company of Mary independently, as well as in cooperation with outside agencies continues to sponsor our award winning and Nationally Recognized by Mutual of America bereavement and grief support groups. These programs are either free, available on a sliding scale or by voluntary donation, including:

- The Heart Connection – a children (5-18 yrs) and family program, since its founding in 1995, has supported 950 families coming with many circumstances of loss. Spanish speaking families are assisted by our bilingual social worker who helps them navigate through their grief and families mourning due to a traumatic death are supported by trauma trained facilitators.
- Living When a Loved One Has Died – an adult bereavement program formatted to offer a support group specific to the participants loss
- Coping with the Holidays – an evening of Remembrance offered in November for grieving families
- Compassionate Friends – a support group for bereaved parents due to the death of their child at any age
- The Barr-Harris Children's Grief Support Center – Individual therapy services offered in the West Pavilion Counseling office for children experiencing grief due to death, divorce, separation or abandonment
- Parents of Murdered Children, Inc. – a support group for families and friends whose loved one has died through violence
- Little Company of Mary Hospice Program – bereavement services begin immediately with supportive counseling and spiritual guidance from the chaplain and social work staff as the needs of the families becomes apparent. This sensitive support and outreach takes place not only as the family prepares for their loved one's death, but also continues with caring concern and contacts throughout the year. Support groups are offered twice a year, ordinarily in January and June.
- Perinatal Loss Committee – offers guidance and support by Little Company of Mary's Family Birth Center Nurses and Pastoral Care Chaplains to any parents who have experienced perinatal loss, whether by miscarriage, stillbirth or neonatal death. Additionally, the Cherished Angel Memory Garden, located on the hospital's campus, is available to provide a place of comfort to their grieving families; the stone benches provide a welcoming environment for families seeking the quiet time and reflection. The Garden is open from May through October and annually, an invitation to the Remembrance Service is extended to families mourning the death of their baby either

recently or in the past. It is an opportunity to remember and honor their baby, however brief their life.

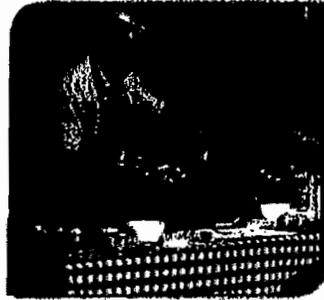
- School Education Crisis Intervention – a training program for schools that started in the fall of 2009, this bereavement facilitation training will be annually at the Hospital for local schools' administration, faculty and school personnel in an effort to provide them the skills they need to support their students when death comes to the classroom and in their families. A licensed clinical social worker and chaplain in the Pastoral Care Department created the program to assist schools to be available as "first responders" to the students and faculty as the needs arises, especially as there is an increase of trauma-related deaths in the community.
- Support services for Spanish-speaking families – who have experienced a death of a loved one due to a variety of circumstances. Our bilingual consultant leads the support group for parents as the family navigates through their grief.

Cancer

Cancer is a major health concern. The five most common cancers treated at Little Company of Mary are in this order: Breast, Prostate, Lung, Colon, and Bladder. Little Company of Mary identifies our commitment to the holistic and state-of-the-art treatments for these cancers. Detailed below is LCM cancer programs, support groups and services offered.

Integrative Therapy Program

Little Company of Mary recognizes the importance of holistic health in the healing process and thus has incorporated an Integrative Therapy Department. A full array of free education, support and instructional programs for cancer patients and their families is available. Picnic in the Park, which offers weekly educational programs, Art Therapy, Hypnosis, Yoga, Healing Touch, Look Good Feel Better, Guided Imagery, Meditation, Accupuncture, Nutritional Counseling, and Mini Spa, are all designed to support cancer patients.



In addition, we have been able to provide a Weekend Retreat for women with a cancer diagnosis. Each year the Integrative Therapy program invites 25 to 30 women living with a cancer diagnosis to attend a weekend long retreat at The Carmelite Spiritual Center in Darien, IL. The weekend is filled with various activities, guest speakers, as well as time to relax and enjoy the 40 acres of beautiful grounds and lake that surrounds the retreat center. The tranquil setting provides the women with a respite from the stresses in their lives. It is also a bonding experience in which the women can share their experiences with those who have a mutual understanding of what they are going through.

- This year there were more than 5,000 attendees in the Integrative Therapy programs – including a special chef event shown in the photo above.

Support groups include Breast Cancer Network of Strength (formerly Y-Me), and *Us TOO* Prostate Cancer support group. In FY'15 there were 76 women who attended the Breast cancer support group and 125 men who participated in the Prostate Cancer Support Group.

The Elyn Rose Cronin Community Resource Center is a full lending library open to the community. Along with checking out books, there are many brochures and pamphlets that

Community Benefit Plan FY16

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people can take free of charge. There is also free internet access with links to the American Cancer Society as well as other cancer related web sites. The American Cancer Society has partnered with our Resource Center to offer additional resources to our patients. Many of the volunteers in the library are retired nurses.

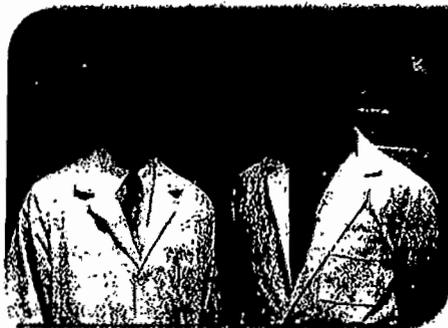
Cancer Nurse Navigator The Cancer Center has a full time oncology Nurse Navigator and a Breast Nurse Navigator. The nurse navigators guide patients through diagnosis and treatment by providing educational support, resource material, as well as assisting them with any needs they may have. They see both inpatients and outpatients.

LCMCANCERCARE.org is an on-line tool that provides an overview of Little Company of Mary's oncology services and serves as a resource for cancer information. This valuable on-line resource helps viewers understand their risk of developing cancer. It offers tools and information about detecting, preventing and fighting breast, colon and prostate cancer. It is important to know the risk factors and symptoms of cancer because catching it early can greatly improve the results of treatment - saving time, pain and potentially a life. The site also features the capability to find a physician from the privacy of your own home and take a free risk test for breast, colon and prostate cancer. We have more than 1,500 members of the community take this free on-line test.

Cardiology

Healthy Heart Screening This adult screening, conducted in the Health Education Centers, includes comprehensive blood testing for lipids and chemistries, thyroid panel, an h/s CRP, blood oxygen levels, blood pressure, height, weight, and body composition. A follow-up meeting with the nurse educator and the participant is also included to discuss screening results, risk reduction, education and recommendation for behavior change,

physician follow-up and referral. There is a minimal charge for this program. Many individuals who have participated in this program have been identified as being at high risk for heart disease and diabetes. This program enables individuals to make lifestyle changes to reduce their health risks and achieve an optimal state of wellness. This year all participants who have a fasting glucose of greater than 130 also receive a Hemoglobin A1C test to provide estimated blood glucose for the past two to three months. This facilitates identification of previously undiagnosed diabetes as well as poorly controlled diabetes, serious risk factors of cardiovascular disease. In 2015, this program will be provided to the faculty and staff at a local high school. More than 260 individuals received this screening. All participants received basic education about stroke awareness and prevention. Congestive Heart Failure awareness and prevention information has been added to the exit counseling session.



Wake Up Call Screening This comprehensive program screens adults in the community for risk factors for stroke and heart disease. This year the hospital was accredited and certified as a Primary Stroke Center and the Wake Up Call Screening was amended to incorporate specific dialogue with each participant to determine knowledge of stroke signs and symptoms. The exit counseling addresses general risk factors for stroke, personal risk factors for stroke, stroke prevention, recognition and importance of immediate activation of the emergency medical system to initiate treatment early and decrease the prevalence and severity of this long term disability. This is a comprehensive program that targets adults and

is held every month for a significantly discounted fee. Wake Up Call Screening consists of an ultrasound screening of the carotid arteries, and the abdominal aorta arteries and peripheral vascular screening to detect risk of stroke, abdominal aneurysm, and peripheral arterial disease. Little Company of Mary ultrasound technologists conduct the ultrasound procedures, and Little Company of Mary radiologists provide the ultrasound reading, interpretation and results. A lead 2 heart rhythm screening for Atrial Fibrillation is administered by the wellness nurse educator and interpreted by a member of the medical staff. Nurses from the Health Education Centers provide the Healthy Heart Screening that consists of blood testing for lipids and chemistry, blood oxygen levels, blood pressure, height, weight, body composition analysis and lifestyle change education to review results and discuss interventions. The lab panel has been enhanced with the addition of a Hemoglobin A1C for all participants with a fasting glucose level of greater than 130. This facilitates identification of previously undiagnosed diabetes as well as poorly controlled diabetes, serious risk factors of cardiovascular disease. All blood tests are processed in the Little Company of Mary laboratory. A heel ultrasound for bone density and education about osteoporosis is also given. The Wake Up Call Screening provides a vehicle to deliver education related to personal risk factors for stroke, heart attack and congestive heart failure. There were 250 people who received this screening 2015.

Community at Large

Catholic Identity Little Company of Mary has a strong commitment to the spiritual needs of our patients and their families, our physicians and staff and our community. This is evidenced by a substantially supported Pastoral Care Services Department. Ten chaplains (catholic and non-catholic) comprise this department and are available to offer various services 24 hours a day, seven days a week, such as:



- Monday through Friday Daily Mass
- Sacraments and Anointings
- Reconciliation Services
- Memorial Masses three times a year for patients and employees
- Special Liturgies for Physicians and Volunteers
- Lenten, Holy Week and Advent celebrations
- Eucharistic Minister Program
- Blessing of Hands Ritual
- Commissioning services for staff, management, administration and Board of Directors for committing and re-committing to our Mission and Core Values
- Advance Directives Education
- Prayer Services
- Blessing of new and renovated units
- LCM Heritage Education and Celebration

Our Chaplains minister to various other faith traditions; there are resources and information readily available to them as we respect and honor other faith traditions. These resources provide insight to end of life preferences as well as cultural specificities.

Additionally, we have a Religious Outreach program that works with ambassadors for more than 30 local churches.

Diabetes Center According to the Centers for Disease Control and Prevention, diabetes is the seventh leading cause of death in the United States and is on the rise. It is a contributing factor in cardiovascular mortality and renal failure. In response to this growing health concern,



the Diabetes Center will continue to provide comprehensive outpatient diabetes services to the adult community. Patients with diabetes may receive services from a board certified endocrinologist and medical director; a registered nurse with certification in diabetes education (CDE); and a registered dietitian with certification in diabetes education (CDE). Little Company of Mary offers treatment, nutrition, medication education, support and glucose monitoring for patients and support services for family members. The American Diabetes Association certifies this program and scholarship funding is available for those in need. We offer two support Diabetes support groups. The diabetes educators also provide community education through the Health Education Center with a monthly program "Diabetes Toolkit," and four programs per year at the Stickney Township Health Center as well as a program for the local school district for teachers and faculty working with students living with diabetes.

On-site Flu Vaccinations Little Company of Mary administered 115 flu shots to community organizations and local parishes.

Health Education Centers In July of 2014, two Health Education Centers at Little Company of Mary that support our commitment to the community by focusing on family wellness, health education and screening in a nonthreatening environment consolidated into one center located at the hospital. To continue outreach to the western service area, two new convenient locations for screenings were identified. The Health Education Centers provide ongoing free and discounted screenings to detect cardiovascular risks, high cholesterol, diabetes, hypertension, asthma, foot conditions, osteoporosis, and colon cancer. The Skin Cancer Screening program added last year continues and the center screened 125 community members. Multiple anomalous screenings resulted in referrals for treatment of potentially serious skin lesions. All screenings are provided by a variety of Little Company of Mary physicians and specialists and enable individuals at risk to receive assessment, recommendations for treatment, follow-up and referral to additional services as needed.

In 2015, two new health screenings were added to address concerns voiced by community members through monthly health needs surveys and opportunities identified in the Community Health Needs Assessment. A knee/hip joint pain screening provided information and access to orthopedic care for 75 community members. A new Lung Cancer Screening Program in accordance with the guidelines developed by the National Comprehensive Cancer Network was initiated. The program was awarded designation as a "Lung Cancer Screening of Excellence" by the Lung Cancer Alliance. This program provides significantly discounted low dose CT scanning of the lungs for individuals at high risk for lung cancer. Eighty people participated in this screening to promote early identification and treatment of lung cancer. This program addresses the opportunity identified in the Community Health Needs Assessment related to lung cancer deaths. Staff collaborates with community organizations such as churches and schools to meet ongoing and emerging health needs. 4,635 screenings were provided.

In addition to scheduled awareness, screening, and lifestyle enhancement programs, the Health Education Center also provides programs at multiple venues in the community such as churches, schools, women's groups, and other community organizations. Approximately 4,000 community members were reached through these activities.

- Anger/Stress Management – Emotional health is an important aspect to the state of wellness and is an integral part of one's level of health. The Health Education Centers recognize this and will continue to offer anger and stress management classes for individuals who are experiencing these issues in their daily lives. Participants learned skills and behavior modification techniques to understand the impact of anger and stress and to manage conflict more effectively in order to improve both personal and work relationships.
- C.H.E.E.R. – This unique program brings people with chronic disease together and empowers them to utilize humor and positive attitude to improve the quality of their lives. Each month 20-25 community members attend this free program offered by Little Company of Mary professionals, staff and community representatives.
- Smoking Cessation – Little Company of Mary is a smoke-free environment and in an effort to support and assist our employees and community to successfully stop smoking, programs has been held at a minimal charge and employees receive a \$25 rebate. The Great American Smoke Out is supported with the availability of smoking cessation literature, hypnosis classes, and information regarding smoking cessation programs available in the community. Participants in the lung cancer screening program who are current smokers are referred to the hypnosis program for smoking cessation.
- Humor Outreach Project – This unique program empowers hospitalized patients to utilize humor and positive attitude as effective tools for healing. A specially trained volunteer brings the "Humor Cart" to the bedside for patients to utilize a variety of stress reduction tools and materials as they please. The volunteers provide an individualized focused visit and listening ear to the patients on the medical surgical units. Along with several adult volunteers, local senior high school students actively participate in service to hospitalized individuals.
- Local Veterans Program. In collaboration with the local American Legion Hall, the health education center is providing quarterly awareness programs for local veterans. Four different topics were presented to 70 veterans over the year which has resulted in veterans participating in other programs offered at the Little Company of Mary Health Education Center. This program will continue in 2015. Veterans were included in a special event in 2015 to provide a "Heartfelt Salute" to community members in the military.
- Special Presentations for Community
In addition to scheduled community events, the Health Education staff provided health awareness programs throughout the community, participated in multiple health fairs in the local townships and provided health programs to various community groups. This allowed the sharing of health information and assistance with access to care to 4,000 community members.

R^x PRESCRIPTION
for Wellness

NAME _____ DATE _____

Wake Up Call Screening

Healthy Heart Screening

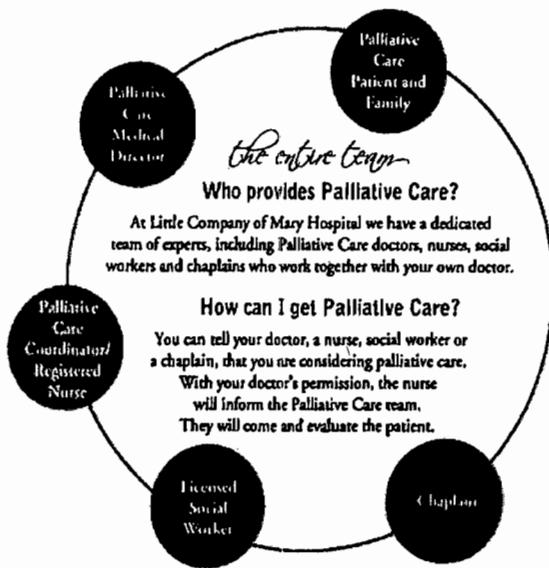
Shape Your Future -
Weight Management Class

Total Control -
Urinary Incontinence Program

Anger and Stress
Management Workshop

Please Call 708.423.5774 to make an appointment for your prescribed service.

 LITTLE COMPANY OF MARY
HEALTH EDUCATION CENTER



Palliative Care is an interdisciplinary approach that aims to relieve suffering and improve the quality of life for patients with chronic and/or life-threatening illness. Little Company of Mary's Palliative Care inpatient unit also helps provide extended support services for their families. The Palliative Care Team includes a Medical Director, Registered Nurse, Social Worker and Chaplain. End of life care education has been offered to all staff and continued collaboration between this staff and Hospice staff is ongoing.

Physician and Allied Health Professional Lectures Little Company of Mary will continue to provide lectures by physicians and other healthcare professionals, including pharmacists, respiratory therapists, speech pathologists, dieticians, etc. on important health-related topics at Little Company of Mary facilities free of charge. Approximately 1000 participants attended these lectures in 2015.

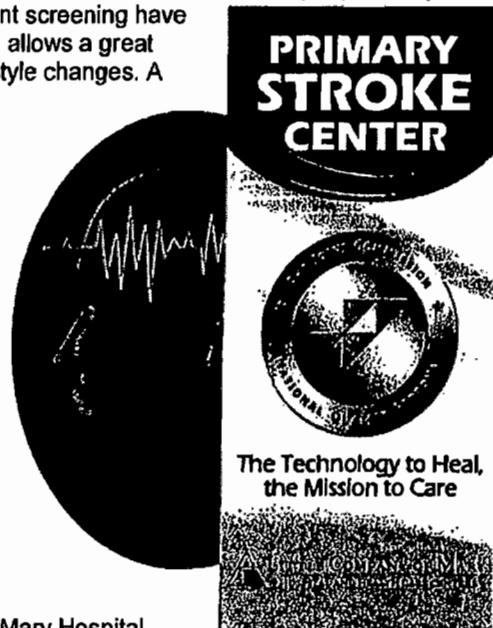
Physician Match Little Company of Mary's free community service that matches patients with physicians based on a number of criteria such as specialty, office location and health plan participation. Physician Match has provided nearly 4,000 free physician referrals in 2014.

Special Health Events The Adult Health Fair and Personal Health Day for hospital employees provide an opportunity for free and discounted health screenings and resources for adults both in the community and hospital. Exit counseling is provided to all participants and is conducted by Little Company of Mary nurses to discuss screening results. This enables an opportunity for appropriate referral as identified. The comprehensive blood testing and colon rectal cancer kit screening have been an effective tool in identifying individuals at high risk for cardiovascular disease, diabetes and cancer. Staff in the Little Company of Mary laboratory processes all blood tests. These important screening have detected numerous abnormal health conditions and allows a great opportunity for obtaining treatment and making lifestyle changes. A total of 215 people participated in the two events and each received stroke and congestive heart failure education.

Stroke Accreditation In 2015, LCMH will be undergoing a recertification as a Primary Stroke Center by the Joint Commission, the independent, not-for-profit organization that reviews healthcare performance standards. After undergoing a vigorous certification process that involved an on-site evaluation and demonstration of compliance with nationally developed standards for stroke, Little Company of Mary's Stroke Center earned the Gold Seal of Approval through the assessment. We began a Stroke Survivors Support Group in February 2015.

Think First Programs In partnership with the Evergreen Park Fire Department, Little Company of Mary Hospital

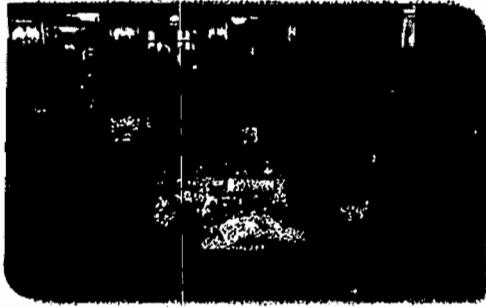
Community Benefit Plan FY16



joins in presenting a free yearly program to eighth grade students in local schools on the risks of acting without thinking.

Interpreter Services for Limited English Proficiency

Little Company of Mary is committed to providing our patients and community with appropriate and adequate communication regarding their healthcare needs. We engage the services of Pacific Interpreters, which provides telephonic and virtual interpreters in hundreds of languages; this service is available 24 hours a day, seven days a week at no charge to the patient.



Living Well Celebration – Little Company of Mary's Bariatric Surgery Center recently hosted its 11th Annual Living Well Celebration at the Chateau Bu-Sche in Alsip, Illinois.



The dinner-dance honored the program's patients and their many success stories. More than 100 former bariatric patients, along with their family and friends, attended

the celebration. The night included a family-style dinner, a presentation by the Medical Director and Surgeon Dr. Gerald Cahill and four testimonials. The first 100 bariatric patients to register for the event received free tickets to the dinner dance.

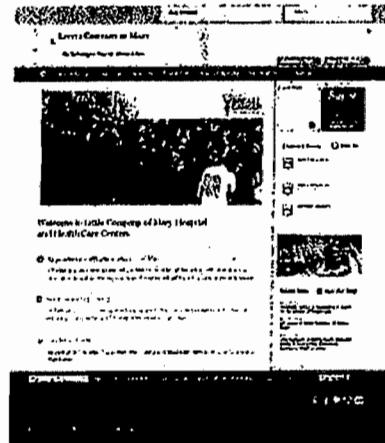
GreenTeam – The GreenTeam promotes waste reduction, energy conservation, and use of environmentally sound building materials through partnerships with the community and Hospital vendors. Little Company of Mary and the GreenTeam has found many ways to go green incorporating recycled building materials into new construction wherever possible. Little Company of Mary recycles paper, equipment such as outdated computers and batteries.

The Huff and Puff Club – This support group lends help to adults of all ages with chronic pulmonary disease. It is an informative, social and emotional support group that offers free monthly educational programs and special events.

On-line Resources

On-line Risk Assessments

There are three free on-line risk assessment tests available including breast, prostate, and colon cancer for participants to take to on-line evaluate their risks for these areas. Based on the outcome, participants receive information customized to their risk factors and symptoms of the respected diseases because catching it early can greatly improve the results of treatment.



Social Media & E-Newsletters

We provide up-to-date information to members of the community by offering real time communication via several social media tools including Facebook, twitter and YouTube and e-newsletters. Information about screenings, classes, Hospital updates, and community

topics are provided to give the community updated communication on what's occurring at their community hospital relevant to them as well.

Community Collaboration & Support

Little Company of Mary's community benefit plan is driven by identified unmet community needs and focuses on the underserved, women and seniors. We believe that matching our areas of expertise with unmet community needs will drive improvement in community health.

As a not-for-profit community partner, Little Company of Mary Hospital and Health Care Centers understands the importance of supporting and giving back to the communities it serves. We participate with other organizations in the community to leverage community resources toward mutual goals. Though we cannot assist everyone, we try to fulfill as many requests that fit our mission also; we believe this is a model for sustained community health improvement.

A Community Resource Directory is prepared and distributed to other community organizations that provide care and services to the community at large including, schools, churches, physician offices. It is available upon request. Monthly Health Newsletters are distributed to schools, churches and townships to provide health awareness and availability of programs and services through Little Company of Mary Hospital. The Health Education Centers collaborate with schools in the community to identify needs and provide assistance with health awareness and screening.

Little Company of Mary partners with organizations which may include financial sponsorships, partnerships or support services to help their cause as well.

Support Health Fairs and Sponsorships

19th Ward Youth Foundation	Evergreen Park Police and Fire Departments	Peter J. Cunningham Children's Education Fund
38th BAPA Ridge Run	Evergreen Park Recreation Department	Queen of Martyrs Parish
A Healthier Evergreen	Friends of Clissold School	Sheilah A. Doyle Foundation
A New Direction Beverly Morgan Park	Harmony Hope Healing	South Side Irish Parade
American Cancer Society	Hyde Park School of Dance	Southland Health Care Forum
Beacon Therapeutic Diagnostic and Treatment Center	Illinois District 15	St. Barnabas School Association
Beverly Arts Center	Kennedy Park Little League Baseball	St. Bernadette Church
Beverly Ridge Lion's Club	Kevin Dowling Scholarship Fund	St. Christina School
Brother Rice High School	Maeve McNicholas Memorial Foundation	St. Christopher School
Campaign for Better Healthcare	March of Dimes	St. Germaine Parish
Catholic Theological Union	Maria High School	St. John Fisher Parish
Chicago Police Memorial Foundation	Marist High School	St. Laurence High School
Consuelo, Inc.	Misericordia	St. Linus Parish
Cook County Sheriffs	Morgan Park Academy Gala	St. Rita of Cascia High School
Crestwood Fire Department	Morraine Valley Community College	St. Walter Parish School
Crestwood Ladies Softball League	Mother McAuley High School	St. Xavier University
Evergreen Park Athletic Association	Oak Lawn Chamber of Commerce	Sully Shuffle
Evergreen Park Chamber of Commerce	Oak Lawn Fall on the Green	Syrian American Medical Society Midwest Foundation
Evergreen Park Community High School	Oak Lawn Police	Westside Baseball of Oak Lawn
Evergreen Park Fire Association	Palos Area Chamber of Commerce	Young Irish Fellowship Club

Appendix 1

Applicant's Audited Financial Report – June 30, 2015

Attached is the Hospital's most recent audited financial report.

Little Company of Mary Hospital and Health Care Centers

Consolidated Financial Report
June 30, 2015

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Independent Auditor's Report

To the Board of Directors
Little Company of Mary Hospital and
Health Care Centers
Evergreen Park, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Little Company of Mary Hospital and Health Care Centers (the Hospital), which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Little Company of Mary Hospital and Health Care Centers as of June 30, 2015 and 2014, and the results of their operations, their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

McGladrey LLP

Chicago, Illinois
September 30, 2015

Little Company of Mary Hospital and Health Care Centers

Consolidated Balance Sheets
June 30, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,940,852	\$ 12,179,322
Patient accounts receivable, less allowance for uncollectible accounts of \$5,072,000 in 2015 and \$6,912,000 in 2014	28,425,585	28,088,602
Due from third-party payors	970,232	336,408
Prepaid expenses and other	6,539,939	7,144,766
Total current assets	48,876,608	47,749,098
Assets Limited as to Use, net of amounts to meet current obligations		
Internally designated for capital replacement and expansion	571,480,529	556,083,147
Internally designated under self-insurance program	82,725,706	90,665,593
Other long-term investments	4,450,214	4,660,016
Pension asset	26,343,474	30,251,444
Deferred bond issuance costs, net	599,833	875,462
Total assets limited as to use	685,599,756	682,535,662
Property and Equipment		
Land and land improvements	19,466,656	18,429,390
Buildings	253,356,174	236,699,089
Furniture and equipment	100,588,262	94,501,658
Construction in progress	2,340,036	10,574,093
	375,751,128	360,204,230
Less accumulated depreciation	(163,311,099)	(154,512,787)
Total property and equipment, net	212,440,029	206,691,443
Total assets	\$ 946,916,393	\$ 936,976,203
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 6,522,978	\$ 8,920,656
Accrued expenses and other current liabilities	18,817,135	18,411,716
Due to third-party payors	29,822,967	23,027,546
Current portion of long-term debt	4,410,000	4,225,000
Total current liabilities	59,573,080	54,584,918
Noncurrent Liabilities		
Long-term debt, less current portion	176,241,348	180,557,254
Insurance reserves	82,002,232	88,031,236
Total noncurrent liabilities	258,243,580	268,588,490
Total liabilities	317,816,660	323,173,408
Commitments and Contingencies (Note 14)		
Net Assets		
Unrestricted	621,698,502	599,623,265
Temporarily restricted	5,751,231	12,529,530
Permanently restricted	1,650,000	1,650,000
Total net assets	629,099,733	613,802,795
Total liabilities and net assets	\$ 946,916,393	\$ 936,976,203

See Notes to Consolidated Financial Statements.

Little Company of Mary Hospital and Health Care Centers

Consolidated Statements of Operations
Years Ended June 30, 2015 and 2014

	2015	2014
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 213,061,390	\$ 211,223,516
Provision for bad debts	(4,449,997)	(10,220,817)
Net patient service revenue	<u>208,611,393</u>	<u>201,002,699</u>
Other revenue	7,744,800	8,020,912
Total revenue	<u>216,356,193</u>	<u>209,023,611</u>
Expenses:		
Salaries, wages and employee benefits	109,397,454	105,780,405
Supplies and drugs	31,670,847	29,715,287
Professional fees	17,117,839	14,190,080
Depreciation and amortization	13,218,121	12,935,305
Interest and other financing costs	3,376,562	3,829,585
Insurance	867,110	906,033
Utilities	3,058,760	3,089,388
Maintenance and repairs	6,240,852	6,097,862
Linens	1,367,836	1,369,072
Other	27,254,591	30,120,406
Total expenses	<u>213,569,772</u>	<u>208,033,423</u>
Operating income before demolition (recovery) expense	2,786,421	990,188
Demolition (recovery) expense	<u>(157,800)</u>	<u>3,946,047</u>
Operating income (loss)	<u>2,944,221</u>	<u>(2,955,859)</u>
Nonoperating gains (losses):		
Investment income	21,966,208	16,786,035
Realized gain on investments	2,919,190	38,737,679
Net unrealized (losses) gains on investments	(6,114,971)	30,280,585
Loss on early extinguishment of debt	-	(613,505)
Other, net	3,710,053	1,441,084
Total nonoperating gains	<u>22,480,480</u>	<u>86,631,878</u>
Excess of revenue over expenses	<u>\$ 25,424,701</u>	<u>\$ 83,676,019</u>

See Notes to Consolidated Financial Statements.

Little Company of Mary Hospital and Health Care Centers

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2015 and 2014

	2015	2014
Unrestricted net assets:		
Excess of revenue over expenses	\$ 25,424,701	\$ 83,676,019
Other	(210,764)	70,552
Net asset transfers	(5,591,607)	(5,283,658)
Transfers from permanently restricted net assets	54,014	68,188
Net assets released from restriction used for capital	8,000,898	1,800,000
Pension-related changes other than net periodic pension cost	(5,602,005)	13,385,444
	<u>22,075,237</u>	<u>93,716,545</u>
Temporarily restricted net assets:		
Restricted contributions and investment return	2,259,183	2,531,122
Net assets released from restrictions and used for operations and capital purposes	(9,037,482)	(2,516,258)
	<u>(6,778,299)</u>	<u>14,864</u>
	<u>(6,778,299)</u>	<u>14,864</u>
Permanently restricted net assets:		
Investment return	54,014	68,188
Transfers to unrestricted net assets	(54,014)	(68,188)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>15,296,938</u>	<u>93,731,409</u>
Net assets:		
Beginning of year	<u>613,802,795</u>	<u>520,071,386</u>
End of year	<u>\$ 629,099,733</u>	<u>\$ 613,802,795</u>

See Notes to Consolidated Financial Statements.

Little Company of Mary Hospital and Health Care Centers

Consolidated Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating and Nonoperating Activities		
Increase in net assets	\$ 15,296,938	\$ 93,731,409
Adjustments to reconcile increase in net assets to net cash provided by operating and nonoperating activities:		
Pension-related changes other than net periodic pension cost	5,602,005	(13,385,444)
Provision for depreciation and amortization	13,218,121	12,935,305
Loss on early extinguishment of debt	-	613,505
Loss on disposal of property and equipment	3,336	93,537
Provision for self-insured risks	88,038	133,931
Provision for bad debts	4,449,997	10,220,817
Changes in operating assets and liabilities:		
Assets limited as to use	(8,935,467)	(71,991,540)
Patient accounts receivable and due from third-party payors	(5,420,804)	(12,871,007)
Due to third-party payors	6,795,421	(1,109,973)
Prepaid expenses and other assets	604,827	3,973,396
Accounts payable and accrued expenses	324,366	(667,164)
Other liabilities	(6,022,948)	(1,755,519)
Net cash provided by operating and nonoperating activities	26,003,830	19,921,253
Cash Flows from Investing Activities		
Purchases of property and equipment, net	(21,017,300)	(13,650,294)
Net cash used in investing activities	(21,017,300)	(13,650,294)
Cash Flows from Financing Activities		
Repayments of long-term debt	(4,225,000)	(37,310,000)
Proceeds from issuance of long-term debt	-	33,434,177
Payment of debt issuance costs	-	(187,103)
Net cash used in financing activities	(4,225,000)	(4,062,926)
Net increase in cash and cash equivalents	761,530	2,208,033
Cash and cash equivalents:		
Beginning of year	12,179,322	9,971,289
End of year	\$ 12,940,852	\$ 12,179,322
Supplemental Schedule of Noncash Investing and Financing Activities		
Purchases of property and equipment in accounts payable	\$ 1,562,787	\$ 3,879,412

See Notes to Consolidated Financial Statements.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Organization and nature of business: Little Company of Mary Hospital and Health Care Centers (the Hospital) is a health care organization dedicated to providing health care services, including acute inpatient and outpatient services, to the southwest side of metropolitan Chicago.

The Hospital is an affiliate of the American Province of Little Company of Mary Sisters (the Province). The Hospital's Board of Directors is elected by certain members of the Provincial Council of the Province.

Effective September 3, 2002, the Hospital is the sole corporate member of Little Company of Mary Foundation (the Foundation). As a result, the accompanying consolidated financial statements include the amounts of the Foundation. The purpose of the Foundation is to provide encouragement and financial support for the mission of the Hospital. The Foundation and the Hospital are considered financially interrelated organizations.

Significant accounting policies are as follows:

Principles of consolidation: The accompanying consolidated financial statements include the accounts and transactions of the Hospital, the Foundation, Southwest Health Systems, Inc. (SW Health Systems), LCMH Home Health Equipment Center (DME), and Mary Cap Insurance, Inc. (Mary Cap). All significant intercompany transactions in these consolidated financial statements have been eliminated.

In addition to the Foundation, the Hospital consolidates SW Health Systems, DME, and Mary Cap, as the Hospital has 100%, 99.5%, and 100% ownership, respectively, in these entities. At June 30, 2014, the noncontrolling interest related to DME is recorded in other current liabilities. The operations of DME were discontinued effective September 1, 2014.

Accounting policies: The Hospital follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of operations, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*[™], sometimes referred to as the Codification or ASC.

Use of estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that estimates are made, actual results could differ from those estimates. The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable and amounts due from/to third-party payors, insurance reserves, and the pension asset. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the consolidated financial statements.

Cash and cash equivalents: Investments that are not limited to use with an original maturity of three months or less at the time of acquisition are recorded as cash equivalents. The carrying value of cash equivalents approximates fair value.

Throughout the year, the Hospital may have amounts on deposit with financial institutions in excess of those insured by the Federal Deposit Insurance Corporation (FDIC).

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Patient accounts receivable and allowance for uncollectible accounts: The collection of receivables from third-party payors and patients is the Hospital's primary source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual allowances or discounts provided to third-party payors.

Patient accounts receivable are stated at net realizable value. The Hospital evaluates the collectibility of its accounts receivable based on the length of time the receivable is outstanding, major payor sources of revenue, historical collection experience, and trends in health care insurance programs to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. For receivables associated with services provided to patients who have third-party payor coverage, the Hospital analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts. For receivables from self-pay patients, the Hospital 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. These allowances are recorded on an estimated basis and are adjusted as needed in future periods. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible.

The allowance for uncollectible accounts as a percentage of accounts receivable decreased from 19.8% at June 30, 2014 to 15.1% at June 30, 2015, primarily due to an increase in the proportion of Hospital patients who qualify for discounts under the Hospital's charity care program. The Hospital's allowance for uncollectible accounts receivable for self-pay patients decreased to 38.7% from 75.1% of self-pay accounts receivable at June 30, 2015 and 2014, respectively, due to an increase in the proportion of patients who qualify for discounts under the Hospital's charity program.

Inventories: Inventories are stated at the lower of cost (based on first-in, first-out method) or market. Inventories consist mainly of medical supplies.

Investments and assets limited as to use: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment return is included in the excess of revenue over expenses unless the return is restricted by donor or law.

Investments limited as to use include investments set aside by the Board of Directors for future capital replacement, expansion, and for the Hospital's self-insurance program over which the Board of Directors retains control and may at its discretion subsequently designate to be used for other purposes.

Joint venture: The Hospital has a joint venture arrangement with Southwest Hospitals MRI, Inc. which includes a 50% interest in the entity. This investment is accounted for on the equity method and is included in other long-term investments in the accompanying consolidated balance sheets.

Deferred costs: Deferred bond issuance costs are amortized using the straight-line method over the period of time that the bonds are expected to be outstanding.

Property and equipment: Property and equipment are stated at cost. Provisions for depreciation of property and equipment are computed using the straight-line method based upon the estimated useful lives of the assets, ranging from 2 to 40 years.

Asset impairment: The Hospital considers whether indicators of impairment are present and performs the necessary tests to determine if the carrying value of an asset is appropriate. Impairment write-downs are recognized in operating income (loss) at the time the impairment is identified.

Insurance reserves: Insurance reserves represent the provision for accrued professional liability which includes estimates of the ultimate costs of claims incurred but not reported and is actuarially determined.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Net assets: The Hospital classifies its net assets into three categories, which are unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets are reflective of revenues and expenses associated with the principal operating activities of the Hospital and are not subject to donor-imposed stipulations.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Hospital and/or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restriction. Assets released from restrictions that are used for the purchase of fixed assets or capital purposes are reported in the consolidated statements of operations and changes in net assets as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the consolidated statements of operations and changes in net assets as other operating revenue.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Hospital.

Net asset transfers: During the years ended June 30, 2015 and 2014, the Hospital made net asset transfers to the Province of \$5,591,607 and \$5,283,658, respectively.

Donor-restricted gifts: Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either 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 as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

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. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the related net assets are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

Fair value of financial instruments: Financial instruments consist primarily of cash and cash equivalents, investments, patient accounts receivable, amounts due to/from third-party payors, accounts payable, accrued expenses, and long-term debt. Except for long-term debt, the fair values of these instruments approximated their financial statement carrying amounts at June 30, 2015 and 2014, because of the short-term nature of these financial instruments. See Note 6 for additional fair value disclosures.

Net patient service revenue: The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments, and per procedure payments. Net patient service revenue is reported at the estimated net realizable amounts from third-party payors, patients, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and are adjusted in future periods, as final settlements are determined.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Medicare and Medicaid Electronic Health Records (EHR) Incentive Programs: The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid Incentive Programs beginning in Federal fiscal year 2011 for eligible acute care hospitals that are meaningful users of certified EHR technology, as defined by *the Federal Register*. The Hospital has implemented certified EHR technology that has enabled it to demonstrate its meaningful use and to qualify for the incentive programs. The initial incentive payments received for both the Medicare and Medicaid EHR incentive programs are estimates based upon data from prior year's cost reports. The final settlements will be determined after the submission of the current annual cost reports and subsequent audits by the fiscal intermediary. The Hospital's compliance with the meaningful use criteria is also subject to audit by the Federal government. The EHR Incentive Programs are expected to continue through September 30, 2017, and the incentive payments will be calculated annually. The Hospital accounts for EHR incentive funds using the gain contingency method. Under this method, the Hospital records the incentive payments as nonoperating gains entirely in the period in which the last remaining contingency related to the incentives' realizability is resolved.

The Hospital has recorded \$1,887,477 of Medicare EHR incentive for the year ended June 30, 2015, and \$187,380 and \$749,521 of Medicaid EHR incentive for the years ended June 30, 2015 and 2014, respectively, reported as other nonoperating gains in the accompanying consolidated statements of operations.

Excess of revenue over expenses: The consolidated statements of operations include excess of revenue over expenses that represents the results of operations. Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include transfers to related organizations, contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets) and pension changes. Realized gains and losses on the sale of self-insurance investments are included in income from operations.

Operating income (loss): The consolidated statements of operations include operating income (loss). Changes in unrestricted net assets, which are excluded from operating income (loss), include investment income, realized and unrealized investment gains and losses, and loss on early extinguishment of debt. Other nonoperating gains (losses) primarily consists of income from donated services, meaningful use incentive and gains (losses) on fixed asset disposals.

Income taxes: The Hospital and the Foundation have received determination letters from the Internal Revenue Service stating that they are exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Hospital adopted the FASB-issued guidance for accounting for uncertainty in income taxes on July 1, 2007. The Hospital and the Foundation each file a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to health systems include such matters as the following: the tax-exempt status of each entity, the continued tax-exempt status of bonds issued by the obligated group, the nature, characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business income (UBI). UBI is reported on Form 990-T, as appropriate. The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Tax positions are not offset or aggregated with other positions. Tax positions that meet the "more-likely-than-not" recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above would be reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Upon the adoption of the FASB-issued guidance at July 1, 2007, and since that date through June 30, 2015, there were no unrecognized tax benefits identified and recorded as a liability.

Forms 990 and 990-T filed by the Hospital and the Foundation are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Forms 990 and 990-T filed by the Hospital and the Foundation are no longer subject to examination for the years 2011 and prior.

Recent accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for the Hospital's June 30, 2019 consolidated financial statements. The Hospital has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation, with no effect on the excess of revenue over expenses or net assets.

Subsequent events: The Hospital has evaluated subsequent events for potential recognition and/or disclosure through September 30, 2015, the date the consolidated financial statements were issued.

Note 2. Net Patient Service Revenue

Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at standard charges for services and the amounts reimbursed by Medicare, Medicaid, Blue Cross, and other third-party payors; and any differences between estimated third-party reimbursement settlements for prior years and subsequent final settlements. Contractual adjustments under third-party reimbursement programs are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined. Net patient service revenue for the years ended June 30, 2015 and 2014, was increased by the effect of favorable third-party payor settlements and changes in allowance estimates of approximately \$2,320,000 and \$2,790,000, respectively. A summary of the basis of reimbursement with major third-party payors follows:

Medicare: The Hospital is paid for inpatient acute care and outpatient care services rendered to Medicare program beneficiaries under prospectively determined rates per discharge (Prospective Payment Systems). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Hospital's classification of patients under Prospective Payment Systems and the appropriateness of the patients' admissions are subject to audit. The Hospital is reimbursed for cost reimbursable items, such as Medicare patient bad debts, at tentative rates with final settlement determined after submission of annual reimbursement reports by the Hospital and audits by the Medicare Administrative Contractor. The Hospital's Medicare cost reports have been audited through fiscal years ended June 30, 2008, as has the Medicare cost report for the fiscal year ended June 30, 2011.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 2. Net Patient Service Revenue (Continued)

Medicaid: The Hospital is reimbursed at prospectively determined rates for each Medicaid inpatient discharge. Outpatient services are reimbursed based on established fee screens. For inpatient acute care services, payment rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The prospectively determined rates are not subject to retroactive adjustment. Medicaid reimbursement may be subject to periodic adjustment, as well as to changes in existing payment levels and rates, based on the amount of funding available to the Medicaid program.

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

Affordable Care Act Supplemental Payments: In January 2015, the Centers for Medicare and Medicaid Services (CMS) approved the State of Illinois' request for a new supplemental payment to hospitals for services provided to newly eligible Medicaid beneficiaries under the Affordable Care Act. The new supplemental payment to hospitals is retroactive to March 1, 2014. Payments are made to eligible hospitals on an approximately 4-month lag basis. During the year ended June 30, 2015, the Hospital recorded \$3,928,764 of these supplemental payments in patient service revenue, including \$675,224 relating to the period from March 1, 2014 through June 30, 2014. As of June 30, 2015, the Hospital recorded a receivable for supplemental payments relating to the year ended June 30, 2015 of \$805,957.

Medicaid Hospital Tax Assessment Program: The Hospital participates in the State of Illinois hospital tax assessment program which is administered by the Illinois Department of Public Aid. The provider assessment program payments are in effect for the state fiscal years ending each June 30. The laws and regulations authorizing this program have been extended through June 30, 2018. In October 2013, the Hospital was notified that under the Enhanced Hospital Assessment program, the Hospital would receive additional annual revenue of \$3,096,325 and pay an additional annual provider tax assessment of \$2,196,270. These additional enhanced payments are retroactive to June 10, 2012. In March 2015, the Hospital was notified that it would have to pay an additional temporary tax of \$238,415 due to the State budget fix for fiscal year 2015. For the years ended June 30, 2015 and 2014, the Hospital has recorded \$12,227,766 and \$15,502,236, respectively, in assessment revenue (reported in patient service revenue) and \$10,686,828 and \$12,771,046, respectively, in assessment tax expense (reported in other expense). Of the amounts recorded during the year ended June 30, 2014, \$3,274,470 of revenue and \$2,322,631 of expense relate to the period from June 10, 2012 through June 30, 2013. At June 30, 2015 and 2014, there were no advanced provider tax payments received or prepaid assessment tax payments made.

Illinois Medicaid reform: On June 16, 2014, the Governor of Illinois signed legislation to reform Illinois Medicaid. The legislation codifies Medicaid rate reform and payment system changes proposed by the Illinois Department of Healthcare and Family Services (HFS). It includes protections to prevent future rate reductions by HFS and a transition period of four years until June 30, 2018. It extended the current and enhanced Medicaid Hospital Tax Assessment Program (Programs) through June 30, 2018, and includes new funding to hospitals which will be used to attract additional Federal matching funds.

Blue Cross: Substantially all of the Hospital's reimbursement from Blue Cross is derived from two managed care contracts, which reimburse the Hospital under a cost-based reimbursement agreement with Blue Cross. The Hospital's Blue Cross cost reports have been audited through fiscal years ended June 30, 2014.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 2. Net Patient Service Revenue (Continued)

Managed care organizations: The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes discounts from established charges and prospectively determined per diem, per case and per procedure rates.

Note 3. Concentrations of Credit Risk

The Hospital's concentration of credit risk related to accounts receivable is limited due to the diversity of payors and patients. The mix of net receivables from patients and third-party payors, before consideration of the allowance for uncollectible accounts, at June 30, 2015 and 2014, was as follows:

	2015	2014
Medicare (including Medicare Advantage)	26 %	29 %
Medicaid (including Medicaid managed care)	21	10
Blue Cross	12	14
Other managed care	20	28
Self pay	10	12
Other	11	7

The mix of the Hospital's net patient service revenue from patients and third-party payors, before the provision for bad debts, for the years ended June 30, 2015 and 2014, was as follows:

	2015	2014
Medicare (including Medicare Advantage)	41 %	39 %
Medicaid (including Medicaid managed care)	15	13
Blue Cross	28	28
Other managed care	12	16
Self pay	3	2
Other	1	2

Note 4. Community Service and Care to the Indigent

The Hospital provides care to patients who meet certain criteria without charge or at amounts less than established rates. Community service and care to the indigent provided by the Hospital are excluded from net patient service revenue. In addition, the Hospital, in furtherance of its commitment to its mission, incurs significant time and commits significant resources to meet otherwise unfulfilled needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. These programs, which are oriented to the economically disadvantaged, medically underserved, or elderly, as well as to the community at large, include health screening and assessments, prevention, prenatal and nutritional services, and care for children. The cost of providing charity care was approximately \$4,600,000 and \$6,400,000 for the years ended June 30, 2015 and 2014, respectively. The cost of providing charity care is estimated based on the total cost-to-charge ratio derived from the Hospital's Medicare cost report, applied to the uncompensated charges associated with providing charity care to patients.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 5. Investments and Assets Limited as to Use

The composition of investments classified as assets limited as to use at June 30, 2015 and 2014, consists of the following:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Funds invested in stock	\$ 235,509,986	\$ 317,809,710	\$ 222,603,342	\$ 297,907,311
Funds invested in fixed income	214,577,204	210,863,849	212,913,806	217,026,769
Funds in other investments	111,255,693	125,420,617	110,943,408	131,702,611
Cash equivalents	112,059	112,059	112,059	112,049
	<u>\$ 561,454,942</u>	<u>\$ 654,206,235</u>	<u>\$ 546,572,615</u>	<u>\$ 646,748,740</u>

Investment return for years ended June 30, 2015 and 2014, consists of the following:

	2015	2014
Dividend and interest income	\$ 24,473,248	\$ 19,345,741
Net realized gain on sales of investments	2,919,190	38,737,679
Net change in unrealized gain on investments	(7,126,884)	30,877,426
	<u>\$ 20,265,554</u>	<u>\$ 88,960,846</u>
Reported as:		
Investment return - nonoperating	\$ 18,770,427	\$ 85,804,299
Investment return in other revenue - operating	2,086,536	2,300,605
Investment (loss) return on temporarily restricted net assets	(645,423)	787,754
Investment return on permanently restricted net assets	54,014	68,188
	<u>\$ 20,265,554</u>	<u>\$ 88,960,846</u>

Note 6. Fair Value Measurements

ASC 820, *Fair Value Measurement*, requires disclosures about instruments measured at fair value. The Hospital follows ASC 820, which establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial statements.

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

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements (Continued)

For 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following table presents the financial instruments carried at fair value as of June 30, 2015, by caption on the consolidated balance sheet by ASC 820 valuation hierarchy defined above (in thousands):

	June 30, 2015					
	Level 1	Level 2	Level 3	Fair Value	Equity Method	Carrying Value
Assets						
Cash and cash equivalents	\$ 12,941	\$ -	\$ -	\$ 12,941	\$ -	\$ 12,941
Internally designated investments - capital replacement and expansion:						
Bonds - Domestic Mutual Fund	168,119 (a)	-	-	168,119	-	168,119
Bonds - International Mutual Fund	9,301 (a)	-	-	9,301	-	9,301
Balanced Mutual Fund	124,657 (a)	-	-	124,657	-	124,657
Commodity Mutual Fund	764 (a)	-	-	764	-	764
Equities - Domestic	209,747 (a)	29,940 (b)	-	239,687	-	239,687
Equities - International	28,840 (a)	-	-	28,840	-	28,840
Cash	112	-	-	112	-	112
	<u>541,540</u>	<u>29,940</u>	<u>-</u>	<u>571,480</u>	<u>-</u>	<u>571,480</u>
Internally designated investments - self-insurance program:						
Bonds - Domestic	-	30,084 (b)	-	30,084	-	30,084
Bonds - International	3,360 (a)	-	-	3,360	-	3,360
Equities - Domestic	9,596 (a)	34,559 (b)	-	44,155	-	44,155
Equities - International	5,127 (a)	-	-	5,127	-	5,127
	<u>18,083</u>	<u>64,643</u>	<u>-</u>	<u>82,726</u>	<u>-</u>	<u>82,726</u>
Total investments	572,564	94,583	-	667,147	-	667,147
Other long-term investments	2,251 (c)	-	-	2,251	2,199 (c)	4,450
Total	<u>\$ 574,815</u>	<u>\$ 94,583</u>	<u>\$ -</u>	<u>\$ 669,398</u>	<u>\$ 2,199</u>	<u>\$ 671,597</u>

- (a) Pricing for mutual funds, short-term investments, and government obligations is based on the open market and is valued on a daily basis.
- (b) Pricing is based on the market value of the securities and is valued on a monthly basis. Information used to value this account is provided by JP Morgan.
- (c) Other long-term investments are a combination of equity and fixed income investments in mutual funds and commingled investments. The equity method investment is the Hospital's ownership in Southwest Hospitals MRI, Inc., as to which the Hospital's percentage ownership is applied to the total equity of Southwest Hospitals MRI, Inc. as of June 30, 2015.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 6. Fair Value Measurements (Continued)

The following table presents the financial instruments carried at fair value as of June 30, 2014, by caption on the consolidated balance sheet by ASC 820 valuation hierarchy defined above (in thousands):

	June 30, 2014					
	Level 1	Level 2	Level 3	Fair Value	Equity Method	Carrying Value
Assets						
Cash and cash equivalents	\$ 12,179	\$ -	\$ -	\$ 12,179	\$ -	\$ 12,179
Internally designated investments - capital replacement and expansion:						
Bonds - Domestic Mutual Fund	166,725 (a)	-	-	166,725	-	166,725
Bonds - International Mutual Fund	14,239 (a)	-	-	14,239	-	14,239
Balanced Mutual Fund	130,584 (a)	-	-	130,584	-	130,584
Commodity Mutual Fund	1,119 (a)	-	-	1,119	-	1,119
Equities - Domestic	187,541 (a)	27,328 (b)	-	214,869	-	214,869
Equities - International	28,436 (a)	-	-	28,436	-	28,436
Cash	111	-	-	111	-	111
	528,755	27,328	-	556,083	-	556,083
Internally designated investments - self-insurance program:						
Bonds - Domestic	-	32,585 (b)	-	32,585	-	32,585
Bonds - International	3,477 (a)	-	-	3,477	-	3,477
Equities - Domestic	9,334 (a)	39,774 (b)	-	49,108	-	49,108
Equities - International	5,496 (a)	-	-	5,496	-	5,496
	18,307	72,359	-	90,666	-	90,666
Total investments	559,241	99,687	-	658,928	-	658,928
Other long-term investments	2,229 (c)	-	-	2,229	2,431 (c)	4,660
Total	\$ 561,470	\$ 99,687	\$ -	\$ 661,157	\$ 2,431	\$ 663,588

- (a) Pricing for mutual funds, short-term investments, and government obligations is based on the open market and is valued on a daily basis.
- (b) Pricing is based on the market value of the securities and is valued on a monthly basis. Information used to value this account is provided by JP Morgan.
- (c) Other long-term investments are a combination of equity and fixed income investments in mutual funds and commingled investments. The equity method investment is the Hospital's ownership in Southwest Hospitals MRI, Inc., as to which the Hospital's percentage ownership is applied to the total equity of Southwest Hospitals MRI, Inc. as of June 30, 2014.

The Hospital has no liabilities that are recorded at fair value on a recurring basis.

The Hospital's investments are exposed to various kinds and levels of risk. Equity mutual funds expose the Hospital to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a company's operating performance. Fixed income securities expose the Hospital to interest rate risk, credit risk, and liquidity risk. As interest rates change, the value of many fixed income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell given securities. Liquidity risk tends to be higher for equities related to small capitalization companies. Due to the volatility of the capital markets, there is a reasonable possibility of changes in fair value, resulting in additional gains and losses in the near term.

The estimated fair value of long-term debt based on quoted market prices for the same or similar issues was approximately \$182,430,000 and \$187,121,000 at June 30, 2015 and 2014, respectively. The estimated fair value of debt is a Level 2 measurement.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 7. Investment in Nonconsolidated Affiliate

The Hospital holds a 50% interest in Southwest Hospitals MRI, Inc., a not-for-profit corporation that provides diagnostic imaging services. The Hospital's interest in this entity was approximately \$2,199,200 and \$2,431,000 at June 30, 2015 and 2014, respectively, and is included in other long-term investments in the accompanying consolidated balance sheets. The Hospital's interest in this entity's net loss for the years ended June 30, 2015 and 2014 was approximately \$(137,000) and \$(108,000), respectively, included in other operating revenue in the accompanying consolidated statements of operations. Unaudited financial information relating to this entity as of and for the years ended June 30, 2015 and 2014 is as follows:

	2015	2014
Assets	\$ 4,460,864	\$ 4,862,941
Liabilities	62,463	81,856
Net loss	(273,041)	(215,719)

Note 8. Long-Term Debt

Long-term debt consists of the following at June 30, 2015 and 2014:

	2015	2014
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 A and B, 0.75% and 0.76% (weighted-average rate during 2015 and 2014, respectively), maturing in varying annual installments through 2035	\$ 108,475,000	\$ 112,700,000
Illinois Finance Authority Revenue Bonds, Series 2010, 5.25% to 5.50%, refinanced in August 2015 (see Note 15)	38,745,000	38,745,000
JP Morgan Credit Agreement, 1.04% (weighted average rate), refinanced in August 2015 (see Note 15)	33,434,178	33,434,178
	180,654,178	184,879,178
Less unamortized discount	2,830	96,924
Less current portion	4,410,000	4,225,000
Long-term debt	<u>\$ 176,241,348</u>	<u>\$ 180,557,254</u>

Under the terms of the long-term debt arrangements, certain specified payments are required for bond redemption, interest payments, and asset replacement. The terms of certain long-term debt agreements require, among other things, the maintenance of various financial ratios and limitations on additional indebtedness and pledging of assets.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 8. Long-Term Debt (Continued)

Scheduled repayments of long-term debt, prior to the August 2015 refinancing (see Note 15) and assuming successful remarketing of the Series 2008 Demand Revenue Bonds, are as follows:

<u>Years ending June 30:</u>	
2016	\$ 37,844,178
2017	4,590,000
2018	4,800,000
2019	5,000,000
2020	5,215,000
Thereafter	123,205,000
	<u>\$ 180,654,178</u>

Interest paid amounted to \$2,640,375 and \$3,666,753 in 2015 and 2014, respectively. There was no interest capitalized in 2015 and 2014.

The Hospital has a reimbursement agreement, which expires in November 2016, with a bank, under the terms of which the bank agreed to make liquidity loans to the Hospital in the amount necessary to purchase the Series 2008 Variable Rate Demand Revenue Bonds if not remarketed. The maximum amount of the liquidity loan would be the principal (\$108,475,000 at June 30, 2015) plus accrued interest. The liquidity loan would be priced at prime plus 1.00% for the first 180 days, and prime plus 2.00% thereafter, until the maturity of the reimbursement agreement.

At the maturity, if there are still any unreimbursed liquidity draws outstanding, such liquidity draws will amortize over three years. Interest payments will be made in 12 quarterly installments with the initial installment commencing three months after the termination date of the agreement. The initial installment of principal will not be due until 367 days after the termination date of the reimbursement agreement. See Note 15 regarding the replacement of this facility in July 2015.

At June 30, 2015 and 2014, the Hospital had a letter of credit agreement with a financial institution in the amount of \$200,000 with regard to Mary Cap. No amounts were drawn on the letter of credit at June 30, 2015 and 2014.

On March 26, 2012, the Hospital executed a Demand Promissory Note with Mary Cap in the amount of \$3,000,000. Interest is payable at a rate equal to the short-term applicable federal rate that is amended from time to time by the Secretary of the United States Treasury Department. This note is eliminated in the consolidated financial statements.

Note 9. Endowment

In August 2008, the FASB issued *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, which was subsequently incorporated into ASC 958. This guidance, among other things, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. In 2009, the state of Illinois adopted UPMIFA. The adoption of UPMIFA had no effect on accounting for the Hospital's endowment. The following disclosures are made as required by ASC 958.

The Hospital's endowment consists of two donor-restricted endowment funds established for nursing education and campus transformation. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for donor-specified periods.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 9. Endowment (Continued)

Management of the Hospital has interpreted the Illinois State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently net restricted assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent 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 as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

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

The endowment net asset composition by type of fund consisted of the following as of June 30, 2015 and 2014:

	Permanently Restricted	
	2015	2014
Donor-restricted endowment funds	\$ 1,650,000	\$ 1,650,000

Changes in endowment net assets for the years ended June 30, 2015 and 2014, consisted of the following:

	Permanently Restricted	
	2015	2014
Endowment net assets, beginning of year	\$ 1,650,000	\$ 1,650,000
Investment return:		
Investment income	50,369	58,793
Net appreciation (realized and unrealized)	3,645	9,395
Total investment return	54,014	68,188
Other changes:		
Transfers to temporarily restricted net assets	(54,014)	(68,188)
Endowment net assets, end of year	\$ 1,650,000	\$ 1,650,000

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 9. Endowment (Continued)

The Hospital has adopted an investment policy for endowment assets that attempts to provide a stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Hospital relies on asset allocation diversification to achieve a total return strategy in which investment returns are obtained through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a real return, net of investment management costs, that corresponds to the appropriate benchmark indexes. Actual returns in any given year may vary from this amount.

Note 10. Employee Pension Plan

The Hospital and Little Company of Mary Hospital of Indiana, Inc. d/b/a Memorial Hospital and Health Care Center (Memorial Hospital), affiliated and controlled by the Province, participate in a single defined-benefit pension plan, named The Little Company of Mary Hospital Pension Plan (the Plan). The defined-benefit plan was curtailed, and no new participants were permitted as of January 1, 2007. As of December 31, 2012, the defined-benefit plan was frozen at current service levels. The amendment to freeze the Plan was approved at the February 7, 2012, Board of Directors meeting. Employees can elect to participate in a matching defined-contribution plan that was established as of January 1, 2007. The Hospital recorded defined-contribution matching expense of approximately \$1,391,000 and \$1,361,000 for the years ended June 30, 2015 and 2014, respectively.

Each hospital's employee and employer contributions, investment earnings, trust expenses, and benefit payments to participants are separately tracked and invested in two plan trust accounts. The net periodic pension cost under ASC 715, *Compensation – Retirement Benefits*, is allocated to each participating hospital based on the actual liabilities, normal cost, expected benefit payments, and tracked assets of each hospital. The fair value of assets and amortization of unrecognized amounts is allocated separately, which determines the liability and asset experience for the employees in each location. The amounts recognized on the consolidated balance sheets for each hospital reflect the allocated pension cost and contributions for each hospital. The total assets of the Plan are available to pay benefits for any participant in the Plan. If either participating hospital were to dissolve, the total plan assets would be available to pay the benefits for any participant of the Plan.

A measurement date of June 30 is utilized. All amounts are based on the Hospital's allocated assets and liabilities.

Included in unrestricted net assets at June 30, 2015 and 2014, are unrecognized losses of \$15,807,786 and \$10,206,674, respectively, which have not yet been recognized in net periodic pension cost. The actuarial losses included in unrestricted net assets that are expected to be recognized in the net periodic pension cost during the year ending June 30, 2016, are \$1,439,536.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 10. Employee Pension Plan (Continued)

A summary of the changes in the projected benefit obligation and plan assets and the resulting funded status of the Plan for the years ended June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 158,455,223	\$ 148,906,208
Interest cost	6,362,978	6,707,162
Actuarial losses	4,166,453	10,826,531
Benefits paid	(7,739,197)	(7,984,678)
Projected benefit obligation at end of year	<u>\$ 161,245,457</u>	<u>\$ 158,455,223</u>
Accumulated benefit obligation	<u>\$ 161,245,457</u>	<u>\$ 158,455,223</u>
Change in plan assets:		
Plan assets at fair value at beginning of year	\$ 188,706,667	\$ 165,244,579
Actual return on plan assets	6,957,812	31,636,638
Benefits paid	(7,739,197)	(7,984,678)
Expenses paid	(336,351)	(189,872)
Plan assets at fair value at end of year	<u>\$ 187,588,931</u>	<u>\$ 188,706,667</u>
Funded status - pension asset	<u>\$ 26,343,474</u>	<u>\$ 30,251,444</u>

All benefits paid under the Plan were paid from the Plan's assets.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 10. Employee Pension Plan (Continued)

A summary of changes in the funded status of the Plan, pension liability, and net pension credit as of and for the years ended June 30, 2015 and 2014, is as follows:

	2015	2014
Projected benefit obligation funded status (recognized asset)	\$ 26,343,474	\$ 30,251,444
Unrecognized net actuarial losses	15,807,786	10,206,674
Prepaid pension expense	42,151,260	40,458,118
ASC 715 adjustments to unrestricted net assets	15,807,786	10,206,674
Amounts recognized in consolidated balance sheets	<u>\$ 26,343,474</u>	<u>\$ 30,251,444</u>
Net pension credit comprises the following:		
Service cost	\$ 140,000	\$ 80,486
Interest cost	6,362,978	6,707,162
Expected return of plan assets	(10,425,597)	(9,722,107)
Amortization of unrecognized actuarial loss	2,229,477	2,406,971
Net pension credit	<u>\$ (1,693,142)</u>	<u>\$ (527,488)</u>

The Hospital does not plan to contribute any funds to plan assets during fiscal year 2016 from employer assets. Expected associate benefit payments are \$8,439,000 in fiscal year 2016; \$8,851,000 in fiscal year 2017; \$9,218,000 in fiscal year 2018; \$9,448,000 in fiscal year 2019; \$9,866,000 in fiscal year 2020; and \$53,028,000 for fiscal year 2021 through fiscal year 2025.

Assumptions used to measure the benefit obligation and cost as of and for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Obligation:		
Discount rate	4.30 %	4.12 %
Expected return on plan assets	6.00	6.50
Rate of compensation increase	N/A	N/A
Benefit cost:		
Discount rate	4.12 %	4.62 %
Expected return on plan assets	6.50	6.50
Rate of compensation increase	N/A	N/A

On October 27, 2014, The Society of Actuaries released new mortality tables, the RP-2014 tables, and a new mortality improvement scale, Scale MP-2014. These new tables were used to measure the benefit obligation as of June 30, 2015.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 10. Employee Pension Plan (Continued)

The Hospital's target and actual pension asset allocations are as follows:

Asset Category	Target	2015	2014
Equity securities	60.0 %	63.9 %	62.7 %
Debt securities	35.0	33.0	35.8
Other mutual funds	5.0	2.7	1.2
Cash equivalents	-	0.4	0.3
	100.0 %	100.0 %	100.0 %

Within the equity portfolio, investments are diversified among capitalization and style. As of June 30, 2015, domestic equities account for 56% of the total plan, split between 41% for large capitalization securities, 7% for mid-capitalization, and 8% for small capitalization securities. Up to 10% of the equity portfolio may be invested in financial markets outside of the United States. Debt securities are utilized to minimize the Plan's total investment return risks.

Fair value methodologies are consistent with the inputs described in Note 6.

The tables below present the balances of pension assets measured at fair value on a recurring basis, as of June 30, 2015 and 2014:

	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 817,182	\$ -	\$ -	\$ 817,182
Equity funds:				
U.S.	28,769,155	76,966,222	-	105,735,377
International	14,116,040	-	-	14,116,040
Other mutual funds	4,977,054	-	-	4,977,054
Fixed income funds:				
U.S.	-	54,437,787	-	54,437,787
International	7,505,491	-	-	7,505,491
Total	\$ 56,184,922	\$ 131,404,009	\$ -	\$ 187,588,931

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 566,489	\$ -	\$ -	\$ 566,489
Equity funds:				
U.S.	20,366,831	83,234,330	-	103,601,161
International	14,790,583	-	-	14,790,583
Balanced mutual fund	2,027,427	-	-	2,027,427
Fixed income funds:				
U.S.	3,106,095	56,850,046	-	59,956,141
International	7,764,866	-	-	7,764,866
Total	\$ 48,622,291	\$ 140,084,376	\$ -	\$ 188,706,667

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 10. Employee Pension Plan (Continued)

To develop the long-term rate of return on plan assets assumption, the Hospital considered the current environment supported by a historical perspective. The Hospital assumed a bond return of 3.0% based upon a long-term forecast for a diversified fixed income portfolio. A portfolio of domestic and international diversified equities shows returns near 6.7%. The analysis allows the Hospital to justify the overall return assumption of 6.0% for the Plan's assets as of June 30, 2015.

Note 11. Insurance and Litigation

The Hospital is self-insured for general public liability and professional liability claims up to certain specific limits arising from incidents occurring after August 15, 1977. In addition, umbrella coverage has been purchased from Mary Cap to provide coverage in excess of the self-insured limits. Expense relating to the general public liability and professional liability risks amounted to approximately \$582,000 and \$610,000 during the years ended June 30, 2015 and 2014, respectively. The Hospital is funding its self-insured risks in an internally designated fund based on a report of consulting actuaries.

The Hospital's insurance reserves represent the present value of the estimated liability for asserted and unasserted professional malpractice and patient general liability claims. The undiscounted amounts of these claims were \$98,283,000 and \$105,866,000 at June 30, 2015 and 2014, respectively. The discount rates used in computing the present value of these claims was 5.51% and 5.85% at June 30, 2015 and 2014, respectively. Amounts earned on investments of the self-insurance program are included in other revenue.

Note 12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

	2015	2014
Campus transformation - Capital	\$ -	\$ 8,168,874
Health care reform - Operations	1,264,200	1,515,296
Other - Operations	4,487,031	2,845,360
	<u>\$ 5,751,231</u>	<u>\$ 12,529,530</u>

During the years ended June 30, 2015 and 2014, temporarily restricted net assets were released from restriction for the following purposes:

	2015	2014
Operating purposes	\$ 1,036,584	\$ 716,258
Capital expenditures	8,000,898	1,800,000
	<u>\$ 9,037,482</u>	<u>\$ 2,516,258</u>

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 13. Functional Expenses

The Hospital provides comprehensive, quality health care services to the residents of the southwest side of metropolitan Chicago. The operating expenses, excluding demolition expense, included in the consolidated statements of operations are primarily related to the following:

	2015	2014
Health care-related services	\$ 198,590,783	\$ 192,974,525
General and administrative	13,680,541	13,917,701
Fundraising	1,298,448	1,141,197
	<u>\$ 213,569,772</u>	<u>\$ 208,033,423</u>

Note 14. Commitments and Contingencies

Medicare and Medicaid Reimbursement – Significant cuts to both the Medicare and Medicaid programs are under consideration by the U.S. Congress as it looks to cut federal spending. Such cuts in Medicare and Medicaid reimbursement, if enacted, could have an adverse effect on the Hospital's financial position, results of operations and cash flows.

Litigation – In addition to professional liability claims, the Hospital is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of these lawsuits cannot be predicted with certainty, management is of the opinion that the ultimate disposition of such matters will not have a material adverse effect on the Hospital's financial position or results of operations.

Regulatory Investigations – The U.S. Department of Justice, other federal agencies and the Illinois Department of Public Aid routinely conduct regulatory investigations and compliance audits of health care providers. The Hospital is subject to these regulatory efforts. Management is currently unaware of any regulatory matters which may have a material effect on the Hospital's financial position, results of operations and cash flows.

Construction in Progress – The Hospital is committed to updating its medical facilities, which are expected to be completed in future years. Various areas within the South Pavilion are to be renovated during the next year. Through June 30, 2015, \$1,995,402 of these costs have been incurred. The estimated cost of remaining commitments is \$6,843,000.

Regulatory Environment Including Fraud and Abuse Matters – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant refunds for patient services previously billed and paid. Management believes that the Hospital is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries that are expected to have a material adverse effect on the Hospital have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 14. Commitments and Contingencies (Continued)

CMS Recovery Audit Contractor Program – Congress passed the Medicare Modernization Act in 2003, which among other things established a three-year demonstration of the Medicare Recovery Audit Contractor (RAC) program. The RAC identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states by 2010. CMS implemented the RAC program in Illinois in 2010. Management does not believe that Medicare RAC audits will have a material effect on the Hospital's results of operations or cash flows. At June 30, 2015 and 2014, the Hospital has recorded a reserve for estimated amounts that will be repaid under the RAC program based on the Hospital's RAC program experience to date.

Property and Sales Tax Exemption – On June 14, 2012, the Governor of Illinois signed into law legislation that governs property and sales tax exemption for not-for-profit hospitals. The law took effect on the date it was signed. Under the law, in order to maintain its property and sales tax exemption, the value of specified services and activities of a not-for-profit hospital must equal or exceed the estimated value of the hospital's property tax liability, as determined under a formula in the law. The specified services are those that address the health care needs of low-income or underserved individuals or relieve the burden of government with regard to health care services, and include: the cost of free or discounted services provided pursuant to the hospital's financial assistance policy; other unreimbursed costs of addressing the health needs of low-income and underserved individuals; direct or indirect financial or in-kind subsidies of State and local governments; the unreimbursed cost of treating Medicaid and other means-tested program recipients; the unreimbursed cost of treating dual-eligible Medicare/Medicaid patients; and other activities that the Illinois Department of Revenue determines relieve the burden of government or address the health of low-income or underserved individuals. Management believes that the Hospital meets the requirements under the law to maintain its property and sales tax exemption.

Note 15. Subsequent Events

The Hospital on July 1, 2015 replaced the bank that had provided letters of credit to support the Illinois Finance Authority Variable Rate Demand Revenue Bonds Series 2008 A & B with a new bank. The new letters of credit have a stated expiration date of June 29, 2018. In the event that the bonds are not remarketed, the bank has agreed to make liquidity loans to the Hospital to purchase the bonds. The maximum of the liquidity loan would be the principal (\$108,475,000 at July 1, 2015) plus accrued interest. The liquidity loan would be priced at the highest of i) 8.00%; ii) Prime Rate plus 2.50%; iii) Federal Funds Rate plus 2.50%; and iv) 150% of the yield on the 30-year U.S. Treasury Bond Rate.

The Hospital on August 18, 2015 refunded the outstanding Illinois Finance Authority Revenue Bonds, Series 2010 of \$38,745,000 and the JP Morgan Credit Agreement debt of \$33,434,178, with Illinois Finance Authority Revenue Bonds, Series 2015 of \$102,000,000. The Series 2015 bonds are in a Private Placement Mode for an initial three-year period and pay interest at a variable rate. The Hospital incurred a loss on refinancing on the transaction of \$1,624,250 due to the 5% optional call premium.

Little Company of Mary Hospital and Health Care Centers

Notes to Consolidated Financial Statements

Note 15. Subsequent Events (Continued)

Future maturities of long-term debt giving effect to the refinancing that occurred in August 2015, are as follows:

<u>Years ending June 30:</u>	
2016	\$ 4,410,000
2017	4,590,000
2018	4,800,000
2019	5,000,000
2020	5,215,000
Thereafter	<u>186,460,000</u>
	210,475,000
Less payments made on Series 2008 bonds on August 2015	<u>(4,410,000)</u>
Total amount of debt outstanding after refinance	<u><u>\$ 206,065,000</u></u>

Little Company of Mary Hospital and Health Care Centers

Consolidating Balance Sheet Information
June 30, 2015

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Assets							
Current Assets							
Cash and cash equivalents	\$ 9,534,231	\$ 2,272,402	\$ 513,321	\$ 28,465	\$ 592,433	\$ -	\$ 12,940,852
Patient accounts receivable, less allowance for uncollectible accounts of \$5,072,000	27,999,268	-	434,613	(8,296)	-	-	28,425,585
Due from third-party payors	970,232	-	-	-	-	-	970,232
Prepaid expenses and other	7,758,392	746,445	1,250,000	-	3,003,821	(6,218,719)	6,539,939
Total current assets	48,262,123	3,018,847	2,197,934	20,169	3,596,254	(6,218,719)	48,876,608
Assets Limited as to Use, net of amounts to meet current obligations							
Internally designated for capital replacement and expansion	569,055,641	2,424,888	-	-	-	-	571,480,529
Internally designated under self-insurance program	82,725,706	-	-	-	-	-	82,725,706
Other long-term investments	6,875,100	1,650,000	-	-	-	(4,074,866)	4,450,214
Pension asset	26,343,474	-	-	-	-	-	26,343,474
Deferred bond issuance costs, net	599,833	-	-	-	-	-	599,833
Total assets limited as to use	685,599,754	4,074,888	-	-	-	(4,074,866)	685,599,756
Property and Equipment							
Land and land improvements	19,466,656	-	-	-	-	-	19,466,656
Buildings	253,356,174	-	-	-	-	-	253,356,174
Furniture and equipment	100,416,811	171,451	-	-	-	-	100,588,262
Construction in progress	2,340,036	-	-	-	-	-	2,340,036
Less accumulated depreciation	(375,579,677)	171,451	-	-	-	-	375,751,128
	(163,211,695)	(99,404)	-	-	-	-	(163,311,099)
Total property and equipment, net	212,367,982	72,047	-	-	-	-	212,440,029
Total assets	\$ 944,229,859	\$ 7,165,782	\$ 2,197,934	\$ 20,169	\$ 3,596,254	\$ (10,293,605)	\$ 946,916,393
Liabilities and Net Assets							
Current Liabilities							
Accounts payable	\$ 7,754,195	\$ 1,623,960	\$ 89	\$ 13,453	\$ -	\$ (2,868,719)	\$ 6,522,978
Accrued expenses and other current liabilities	23,676,404	-	2,057,398	684	507,535	(7,424,866)	18,817,135
Due to third-party payors	29,822,967	-	-	-	-	-	29,822,967
Current portion of long-term debt	4,410,000	-	-	-	-	-	4,410,000
Total current liabilities	65,663,566	1,623,960	2,057,487	14,137	507,535	(10,293,605)	59,573,080
Noncurrent Liabilities							
Long-term debt, less current portion	176,241,348	-	-	-	-	-	176,241,348
Insurance reserves	82,002,232	-	-	-	-	-	82,002,232
Total noncurrent liabilities	258,243,580	-	-	-	-	-	258,243,580
Total liabilities	323,907,146	1,623,960	2,057,487	14,137	507,535	(10,293,605)	317,816,660
Net Assets							
Unrestricted	618,391,655	71,649	140,447	6,032	3,088,719	-	621,698,502
Temporarily restricted	1,931,058	3,820,173	-	-	-	-	5,751,231
Permanently restricted	-	1,650,000	-	-	-	-	1,650,000
Total net assets	620,322,713	5,541,822	140,447	6,032	3,088,719	-	629,099,733
Total liabilities and net assets	\$ 944,229,859	\$ 7,165,782	\$ 2,197,934	\$ 20,169	\$ 3,596,254	\$ (10,293,605)	\$ 946,916,393

Little Company of Mary Hospital and Health Care Centers
 Consolidating Statement of Operations Information
 Year Ended June 30, 2015

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Unrestricted revenues, gains and other support:							
Patient service revenue (net of contractual allowances and discounts)	\$ 201,866,352	\$ -	\$ 12,006,038	\$ -	\$ -	\$ (801,000)	\$ 213,061,390
Provision for bad debts	(4,449,997)	-	-	-	-	-	(4,449,997)
Net patient service revenue	197,406,355	-	12,006,038	-	-	(801,000)	208,611,393
Other revenue	5,480,456	586,171	1,435,125	143,091	99,957	-	7,744,800
Total revenue	202,886,811	586,171	13,441,163	143,091	99,957	(801,000)	216,356,193
Expenses:							
Salaries, wages and employee benefits	108,523,928	587,462	-	286,064	-	-	109,397,454
Supplies and drugs	31,530,122	53,761	-	86,964	-	-	31,670,847
Professional fees	16,248,715	87,772	705,728	-	62,719	-	17,117,839
Depreciation and amortization	13,193,367	11,280	-	13,474	-	-	13,218,121
Interest and other financing costs	3,376,562	-	-	-	-	-	3,376,562
Insurance	867,110	-	-	-	-	-	867,110
Utilities	3,042,084	-	-	16,676	-	-	3,058,760
Maintenance and repairs	6,195,851	23,686	-	21,115	-	-	6,240,652
Linens	1,367,836	-	-	-	-	-	1,367,836
Other	14,373,493	534,487	13,042,710	40,668	64,233	(801,000)	27,254,591
Total expenses	198,719,068	1,288,448	13,748,436	477,868	126,952	(801,000)	213,569,772
Operating income (loss) before demolition recovery	4,167,743	(712,277)	(307,273)	(334,777)	(26,995)	-	2,786,421
Demolition recovery	(157,800)	-	-	-	-	-	(157,800)
Operating income (loss)	4,325,543	(712,277)	(307,273)	(334,777)	(26,995)	-	2,944,221
Nonoperating gains (losses):							
Investment income	21,825,003	130,048	-	-	11,157	-	21,966,208
Realized gain on investments	2,919,190	-	-	-	-	-	2,919,190
Net unrealized losses on investments	(5,758,153)	(356,818)	-	-	-	-	(6,114,971)
Other, net	3,875,433	-	-	(165,380)	-	-	3,710,053
Total nonoperating gains (losses)	22,861,473	(226,770)	-	(165,380)	11,157	-	22,480,480
Excess (deficiency) of revenue over expenses	\$ 27,187,016	\$ (939,047)	\$ (307,273)	\$ (500,157)	\$ (15,838)	\$ -	\$ 25,424,701

Little Company of Mary Hospital and Health Care Centers
 Consolidating Statement of Changes in Net Assets Information
 Year Ended June 30, 2015

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Unrestricted net assets:							
Excess (deficiency) of revenue over expenses	\$ 27,187,016	\$ (939,047)	\$ (307,273)	\$ (500,157)	\$ (15,838)	\$ -	\$ 25,424,701
Other	(244,132)	-	-	-	33,366	-	(210,764)
Net asset transfers	(5,191,807)	-	-	(400,000)	-	-	(5,591,807)
Transfer from permanently restricted net assets	-	54,014	-	-	-	-	54,014
Net assets released from restriction used for capital	8,000,898	-	-	-	-	-	8,000,898
Pension-related changes other than net periodic pension cost	(5,602,005)	-	-	-	-	-	(5,602,005)
Increase (decrease) in unrestricted net assets	24,150,170	(885,033)	(307,273)	(900,157)	17,530	-	22,075,237
Temporarily restricted net assets:							
Restricted contributions and investment return	8,711,695	1,687,317	-	-	-	(8,139,829)	2,259,183
Net assets released from restrictions and used for operations and capital purposes	(9,037,482)	(8,139,829)	-	-	-	8,139,829	(9,037,482)
Decrease in temporarily restricted net assets	(325,787)	(6,452,512)	-	-	-	-	(6,778,299)
Permanently restricted net assets:							
Investment return	-	54,014	-	-	-	-	54,014
Transfer to unrestricted net assets	-	(54,014)	-	-	-	-	(54,014)
Increase (decrease) in permanently restricted net assets	-	-	-	-	-	-	-
Increase (decrease) in net assets	23,824,383	(7,337,545)	(307,273)	(900,157)	17,530	-	15,296,938
Net assets:							
Beginning of year	596,498,330	12,879,367	447,720	906,189	3,071,189	-	613,802,795
End of year	\$ 620,322,713	\$ 5,541,822	\$ 140,447	\$ 6,032	\$ 3,088,719	\$ -	\$ 629,099,733

Little Company of Mary Hospital and Health Care Centers

Consolidating Balance Sheet Information
June 30, 2014

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Assets							
Current Assets							
Cash and cash equivalents	\$ 9,294,781	\$ 182,646	\$ 2,036,625	\$ 506,888	\$ 158,382	\$ -	\$ 12,179,322
Patient accounts receivable, less allowance for uncollectible accounts of \$6,912,000	27,476,872	-	510,346	101,384	-	-	28,088,602
Due from third-party payors	336,408	-	-	-	-	-	336,408
Prepaid expenses and other	5,755,400	1,255,006	198,349	167,399	3,014,387	(3,245,775)	7,144,766
Total current assets	42,863,461	1,437,652	2,745,320	775,671	3,172,769	(3,245,775)	47,749,098
Assets Limited as to Use, net of amounts to meet current obligations							
Internally designated for capital replacement and expansion	546,201,238	9,981,909	-	-	-	-	556,083,147
Internally designated under self-insurance program	90,665,593	-	-	-	-	-	90,665,593
Other long-term investments	14,541,925	1,650,000	-	-	-	(11,531,909)	4,660,016
Pension asset	30,251,444	-	-	-	-	-	30,251,444
Deferred bond issuance costs, net	875,462	-	-	-	-	-	875,462
Total assets limited as to use	682,535,652	11,531,909	-	-	-	(11,531,909)	682,535,652
Property and Equipment							
Land and land improvements	18,380,699	-	-	48,691	-	-	18,429,390
Buildings	236,699,089	-	-	-	-	-	236,699,089
Furniture and equipment	93,617,747	134,032	-	749,879	-	-	94,501,658
Construction in progress	10,574,093	-	-	-	-	-	10,574,093
Less accumulated depreciation	(359,271,628)	(134,032)	-	(798,570)	-	-	(360,204,230)
	(152,890,668)	(89,714)	-	(532,405)	-	-	(153,512,787)
Total property and equipment, net	206,380,960	44,318	-	266,165	-	-	206,691,443
Total assets	\$ 931,780,083	\$ 13,013,879	\$ 2,745,320	\$ 1,041,836	\$ 3,172,769	\$ (14,777,684)	\$ 936,976,203
Liabilities and Net Assets							
Current Liabilities							
Accounts payable	\$ 8,950,893	\$ 134,512	\$ 89	\$ 80,937	\$ -	\$ (245,775)	\$ 8,920,656
Accrued expenses and other current liabilities	30,489,824	-	2,297,511	54,710	101,580	(14,531,909)	18,411,716
Due to third-party payors	23,027,546	-	-	-	-	-	23,027,546
Current portion of long-term debt	4,225,000	-	-	-	-	-	4,225,000
Total current liabilities	66,693,263	134,512	2,297,600	135,647	101,580	(14,777,684)	54,584,918
Noncurrent Liabilities							
Long-term debt, less current portion	180,557,254	-	-	-	-	-	180,557,254
Insurance reserves	88,031,238	-	-	-	-	-	88,031,236
Total noncurrent liabilities	268,588,490	-	-	-	-	-	268,588,490
Total liabilities	335,281,753	134,512	2,297,600	135,647	101,580	(14,777,684)	323,173,408
Net Assets							
Unrestricted	594,241,485	956,682	447,720	906,189	3,071,189	-	599,623,285
Temporarily restricted	2,256,845	10,272,685	-	-	-	-	12,529,530
Permanently restricted	-	1,650,000	-	-	-	-	1,650,000
Total net assets	596,498,330	12,879,367	447,720	906,189	3,071,189	-	613,802,795
Total liabilities and net assets	\$ 931,780,083	\$ 13,013,879	\$ 2,745,320	\$ 1,041,836	\$ 3,172,769	\$ (14,777,684)	\$ 936,976,203

Little Company of Mary Hospital and Health Care Centers
 Consolidating Statement of Operations Information
 Year Ended June 30, 2014

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Unrestricted revenues, gains and other support:							
Patient service revenue (net of contractual allowances and discounts)	\$ 198,552,157	\$ -	\$ 12,671,359	\$ -	\$ -	\$ -	\$ 211,223,516
Provision for bad debts	(10,220,817)	-	-	-	-	-	(10,220,817)
Net patient service revenue	188,331,340	-	12,671,359	-	-	-	201,002,699
Other revenue	5,401,634	353,297	937,733	1,248,901	79,347	-	8,020,912
Total revenue	193,732,974	353,297	13,609,092	1,248,901	79,347	-	209,023,611
Expenses:							
Salaries, wages and employee benefits	104,453,300	568,109	-	758,996	-	-	105,780,405
Supplies and drugs	29,330,560	82,829	-	301,898	-	-	29,715,287
Professional fees	13,258,887	54,803	746,180	30,531	99,679	-	14,190,080
Depreciation and amortization	12,841,617	9,876	-	83,812	-	-	12,935,305
Interest and other financing costs	3,829,585	-	-	-	-	-	3,829,585
Insurance	895,082	-	-	10,851	-	-	906,033
Utilities	3,054,170	-	-	35,218	-	-	3,089,388
Maintenance and repairs	6,061,400	12,262	-	24,200	-	-	6,097,862
Linens	1,369,072	-	-	-	-	-	1,369,072
Other	16,802,425	413,318	12,651,212	205,756	47,695	-	30,120,405
Total expenses	191,896,098	1,141,197	13,397,392	1,451,362	147,374	-	208,033,423
Operating income (loss) before demolition expense	1,836,876	(787,900)	211,700	(202,461)	(68,027)	-	990,188
Demolition expense	3,946,047	-	-	-	-	-	3,946,047
Operating income (loss)	(2,109,171)	(787,900)	211,700	(202,461)	(68,027)	-	(2,955,859)
Nonoperating gains (losses):							
Investment income	16,719,196	59,222	-	-	7,617	-	16,786,035
Realized gain on investments	38,737,679	-	-	-	-	-	38,737,679
Net unrealized gains on investments	30,063,027	217,558	-	-	-	-	30,280,585
Loss on early extinguishment of debt	(613,505)	-	-	-	-	-	(613,505)
Other, net	1,454,622	-	-	(13,538)	-	-	1,441,084
Total nonoperating gains (losses)	86,361,019	276,780	-	(13,538)	7,617	-	86,631,878
Excess (deficiency) of revenue over expenses	\$ 84,251,848	\$ (511,120)	\$ 211,700	\$ (215,999)	\$ (60,410)	\$ -	\$ 83,676,019

Little Company of Mary Hospital and Health Care Centers
 Consolidating Statement of Changes in Net Assets Information
 Year Ended June 30, 2014

	Hospital	Foundation	SW Health Systems	DME	Mary Cap	Intercompany and Other Eliminations	Consolidated
Unrestricted net assets:							
Excess (deficiency) of revenue over expenses	\$ 84,251,848	\$ (511,120)	\$ 211,700	\$ (215,999)	\$ (60,410)	\$ -	\$ 83,676,019
Other	-	-	-	-	70,552	-	70,552
Net asset transfers	(5,283,658)	-	-	-	-	-	(5,283,658)
Transfer from permanently restricted net assets	-	68,188	-	-	-	-	68,188
Net assets released from restriction used for capital	1,800,000	-	-	-	-	-	1,800,000
Pension-related changes other than net periodic pension cost	13,385,444	-	-	-	-	-	13,385,444
Increase (decrease) in unrestricted net assets	94,153,634	(442,932)	211,700	(215,999)	10,142	-	93,716,545
Temporarily restricted net assets:							
Restricted contributions and investment return	2,256,250	2,173,872	-	-	-	(1,899,000)	2,531,122
Net assets released from restrictions and used for operations and capital purposes	(2,516,258)	(1,899,000)	-	-	-	1,899,000	(2,516,258)
Increase (decrease) in temporarily restricted net assets	(260,008)	274,872	-	-	-	-	14,864
Permanently restricted net assets:							
Investment return	-	68,188	-	-	-	-	68,188
Transfer to unrestricted net assets	-	(68,188)	-	-	-	-	(68,188)
Increase (decrease) in permanently restricted net assets	-	-	-	-	-	-	-
Increase (decrease) in net assets	93,893,626	(168,060)	211,700	(215,999)	10,142	-	93,731,409
Net assets:							
Beginning of year	502,604,704	13,047,427	236,020	1,122,188	3,061,047	-	520,071,386
End of year	\$ 596,498,330	\$ 12,879,367	\$ 447,720	\$ 906,189	\$ 3,071,189	\$ -	\$ 613,802,795