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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Termination

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

BUTLER HEALTHCARE PROVIDERS

Doing Business As

BUTLER MEMORIAL HOSPITAL

Number and street (or P O box if mail is not delivered to street address)

Room/suite

911 EAST BRADY STREET

City or town, state or country, and ZIP + 4

BUTLER, PA 160014646

D Employer identification number

25-0965274

E Telephone number

(724) 284-4429

G Gross receipts

\$ 185,401,243

F Name and address of Principal Officer

Kenneth P DeFurio

911 East Brady Street

Butler, PA 160014646

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☒ No

(If "No," attach a list See instructions)

H(c) Group Exemption Number

I Tax-exempt status

☒ 501(c) (3) ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Web site:

www.butlerhealthsystem.org

K Type of organization

☒ Corporation ☐ trust ☐ association ☐ other

L Year of Formation

1898

M State of legal domicile

PA

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities The mission of Butler Memorial Hospital is to be a healing presence in the communities we serve We exist to make a positive difference in the lives of people by providing compassionate, high quality care and comfort, and inspiring health and wellbeing		
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5	Total number of employees (Part V, line 2a)	5	1,973
	6	Total number of volunteers (estimate if necessary)	6	348
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	3,422,061
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	520,976
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,399,024	1,871,301
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	482,562,943	177,783,653
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,661,014	1,407,947
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,030,620	4,338,342
			491,653,601	185,401,243
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	81,347,930	89,068,047
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	(Total fundraising expenses, Part IX, column (D), line 25 ⁰)		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	394,711,577	83,831,333
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	476,059,507	172,899,380
	19	Revenue less expenses Subtract line 18 from line 12	15,594,094	12,501,863
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Year	End of Year
			166,591,027	303,033,487
	21	Total liabilities (Part X, line 26)	53,926,974	183,840,822
	22	Net assets or fund balances Subtract line 21 from line 20	112,664,053	119,192,665

Part II

Signature Block

Please Sign Here

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

Signature of officer

Anne B Krebs VP of Finance

Type or print name and title

2010-05-14

Date

Paid Preparer's Use Only

Preparer's signature

Date

2010-05-14

Check if self-employed ☐

Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4

Butler Healthcare Providers

911 East Brady Street

Butler, PA 160014646

EIN

Phone no

May the IRS discuss this return with the preparer shown above? (See instructions)

☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2008)

Part III

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

The mission of Butler Memorial Hospital is to be a healing presence in the communities we serve. We exist to make a positive difference in the lives of people by providing compassionate, high quality care and comfort, and inspiring health and wellbeing.

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☒

No

If “Yes,” describe these new services on Schedule O.

3

Did the organization cease conducting or make significant changes in how it conducts any program services?

Yes

☒

No

If “Yes,” describe these changes on Schedule O.

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a

(Code) (Expenses \$ 135,780,098 including grants of \$) (Revenue \$ 174,836,615)

Butler Memorial Hospital (BMH) is an independent, community-based hospital that has served Butler County, PA, and the surrounding area for over 100 years. BMH employs nearly 2000 people, making it the largest employer in Butler County. The hospital has grown into a regional referral center for the area, and it is the largest hospital facility between Pittsburgh and Erie. It is comprised of 232 acute care beds and a 25-bed skilled nursing facility. BMH serves approximately 14,000 acute care patients (admissions) and over 400,000 outpatients each year. The hospital maintains a deep commitment to its community, as is demonstrated through its broad service offering. It provides all levels of general medical and surgical care, emergency services, a robust psychiatric service, drug & alcohol treatment, family prevention and wellness programs, and tertiary cardiovascular care. It also has a network of 24 convenient, low-cost outpatient sites that are located in communities throughout Butler County and the surrounding area.

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 135,780,098 Must equal Part IX, Line 25, column (B).

Form 990 (2008)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4	No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	5	No
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	11	Yes
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	12	Yes
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? <i>If "Yes," complete Schedule F, Part I</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	Yes
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	No
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	23	Yes
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25</i>	24a	Yes
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	No
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>	25b	No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27	No

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

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	112	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	1,973	
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	5c		No
6a	Did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		No
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		No
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		No
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		No
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		No
10	Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI

Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		No
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization?	Yes	
	Describe the process in Schedule O		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed PA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☒ own website ☒ another's website ☒ upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. Butler Healthcare Providers 911 East Brady Street Butler, PA 160014646 (724) 284-4429

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

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[illegible]

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **29**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Turner Construction Company Two PNC Plaza 620 Liberty Avenue 27th Floor Pittsburgh, PA 152222719	Construction	5,683,743
MBM Contracting Inc 4999 Old Clairton Road Pittsburgh, PA 15236	Construction	2,707,047
Design Group HGA 515 E Main Street Columbus, OH 43215	Architects	2,265,339
Metz Associates Two Woodland Drive Dallas, PA 18612	Environmental/Dietar	2,097,215
HGA PO Box 86 Minneapolis, MN 554861861	Interior Design	1,358,046
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization		25

Part VIII

Statement of Revenue

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514				
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a7,524								
	b	Membership dues									
	c	Fundraising events									
	d	Related organizations . . .	1d1,249,478								
	e	Government grants (contributions)	1e538,581								
	f	All other contributions, gifts, grants, and similar amounts not included above	75,718								
	g	Noncash contributions included in lines 1a-1f \$									
	h	Total (Add lines 1a-1f)	1,871,301								
	Program Service Revenue	2a	Net patient services					Business Code 621,500	177,783,653	174,836,615	2,947,038
b											
c											
d											
e											
f		All other program service revenue									
g		Total. Add lines 2a-2f									
		\$ 177,783,653									
Other Revenue		3	Investment income (including dividends, interest other similar amounts)		1,407,947			1,407,947			
	4	Income from investment of tax-exempt bond proceeds									
	5	Royalties									
	6a	Gross Rents	(i) Real	(ii) Personal							
	b	Less rental expenses									
	c	Rental income or (loss)									
	d	Net rental income or (loss)									
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other							
	b	Less cost or other basis and sales expenses									
	c	Gain or (loss)									
	d	Net gain or (loss)									
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000									
									b	Less direct expenses	
									c	Net income or (loss) from fundraising events	
	9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000									
									b	Less direct expenses	
									c	Net income or (loss) from gaming activities	
	10a	Gross sales of inventory, less returns and allowances									
									b	Less cost of goods sold	
									c	Net income or (loss) from sales of inventory	
		Miscellaneous Revenue	Business Code								
	11a	Other Revenue	900,099	2,387,167	2,262,733	124,434					
b	Dietary/Cafeteria Sale	722,210	1,112,445			1,112,445					
c	Physician Billing Services	541,900	838,730	488,141	350,589						
d	All other revenue										
e	Total. Add lines 11a-11d										
	\$ 4,338,342										
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		185,401,243	177,587,489	3,422,061	2,520,392					

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).					
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,521,480		1,521,480	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	66,543,659	58,651,077		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,322,725	2,863,160	459,565	
9	Other employee benefits	12,817,046	11,044,326	1,772,720	
10	Payroll taxes	4,863,137	4,305,924	557,213	
11	Fees for services (non-employees)				
a	Management				
b	Legal	691,325	84,175	607,150	
c	Accounting	126,901	17,541	109,360	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	15,022,520	11,409,192	3,613,328	
12	Advertising and promotion	533,974	399,342	134,632	
13	Office expenses	42,583,532	41,462,769	1,120,763	
14	Information technology	1,158,608	1,150,626	7,982	
15	Royalties				
16	Occupancy	3,710,048	3,300,610	409,438	
17	Travel	403,135	126,959	276,176	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	87,318	33,106	54,212	
20	Interest	1,214,419		1,214,419	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	7,634,824		7,634,824	
23	Insurance	1,830,882		1,830,882	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad Debt Expense	6,008,166		6,008,166	
b	Miscellaneous	1,632,731	525,998	1,106,733	
c	Recruitment	587,543	113,915	473,628	
d	Organizational Dues	390,208	291,378	98,830	
e	Collection Agency Fees	215,199		215,199	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	172,899,380	135,780,098	37,119,282	0
26	Joint Costs. Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year		
Assets	1	Cash—non-interest-bearing	2,550	1	2,700	
	2	Savings and temporary cash investments	22,353,354	2	14,786,602	
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net	18,612,730	4	20,373,185	
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5		
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6		
	7	Notes and loans receivable, net	3,046,700	7	2,172,108	
	8	Inventories for sale or use	2,368,408	8	2,669,582	
	9	Prepaid expenses and deferred charges	3,535,891	9	3,600,054	
	10a	Land, buildings, and equipment cost basis				
		10a	196,550,610			
	b	Less accumulated depreciation <i>Complete Part VI of Schedule D</i>				
		10b	123,706,905	46,323,971	10c	72,843,705
	11	Investments—publicly traded securities	65,282,563	11	179,936,482	
	12	Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>		12		
	13	Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13	1,994,357	
14	Intangible assets		14			
15	Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	5,064,860	15	4,654,712		
16	Total assets. Add lines 1 through 15 (must equal line 34)	166,591,027	16	303,033,487		
Liabilities	17	Accounts payable and accrued expenses	13,730,482	17	20,275,494	
	18	Grants payable		18		
	19	Deferred revenue		19		
	20	Tax-exempt bond liabilities	20,227,221	20	143,116,135	
	21	Escrow account liability <i>Complete Part IV of Schedule D</i>		21		
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22		
	23	Secured mortgages and notes payable to unrelated third parties	3,481,566	23		
	24	Unsecured notes and loans payable		24		
	25	Other liabilities <i>Complete Part X of Schedule D</i>	16,487,705	25	20,449,193	
	26	Total liabilities. Add lines 17 through 25	53,926,974	26	183,840,822	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets	112,018,347	27	118,818,066	
	28	Temporarily restricted net assets	645,706	28	374,599	
	29	Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds		30		
	31	Paid-in or capital surplus, or land, building or equipment fund		31		
	32	Retained earnings, endowment, accumulated income, or other funds		32		
	33	Total net assets or fund balances	112,664,053	33	119,192,665	
	34	Total liabilities and net assets/fund balances	166,591,027	34	303,033,487	

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☒ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits?	3b		No

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization BUTLER HEALTHCARE PROVIDERS	Employer identification number 25-0965274
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Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1	☐	A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).
2	☐	A school described in Section 170(b)(1)(A)(ii). (Attach Schedule E)
3	☒	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)
4	☐	A medical research organization operated in conjunction with a hospital described in Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
5	☐	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv). (Complete Part II)
6	☐	A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).
7	☐	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in Section 170(b)(1)(A)(vi) (Complete Part II)
8	☐	A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	☐	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)
10	☐	An organization organized and operated exclusively to test for public safety See Section 509(a)(4). (See instructions)
11	☐	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See Section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other
e	☐	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	☐	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
g	☐	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? (ii) a family member of a person described in (i) above? (iii) a 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the organizations the organization supports

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total Support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						☐

Computation of Public Support Percentage		
14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% Test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
b 33 1/3% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
17a 10% Facts and Circumstances Test - 2008. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		☐
b 10% Facts and Circumstances Test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		☐
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		☐

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
cTotal of lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Computation of Public Support Percentage			
15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16	Public Support Percentage for 2007 Schedule A, Part IV -A, line 27g	16	

Computation of Investment Income Percentage			
17	Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18	
19a	33 1/3% Tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b	33 1/3% Tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Employer identification number

25-0965274

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate Contributions to (during year)	
3	Aggregate Grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes☒ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes☒ No	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of certified historic structure☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶

4

Number of states where property subject to conservation easement is located ▶

5

Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?

☐ Yes☒ No

6

Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶

7

Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☒ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

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

b

Assets included in Form 990, Part X▶ \$

For Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2008

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes☒ No

Part IV

Trust, Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes☒ No

b

If "Yes," explain why in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes☒ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

Yes

No

3a(ii)

Yes

No

b

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

3b

No

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		2,550,603		2,550,603
b Buildings		30,699,347	23,210,401	7,488,946
c Leasehold improvements		4,332,934	1,258,928	3,074,006
d Equipment		122,611,079	96,254,086	26,356,993
e Other		36,356,647	2,983,490	33,373,157
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				72,843,705

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Benbrook Medical Holdings	115,392	
Chart- Insurance Captive	1,397,076	
Benbrook II	214,450	
Butler Physicians Realty	124,687	
Vie Care Butler LLC	55,152	
South Butler Medical Hold	87,600	
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ▶	1,994,357	

(a) Description	(b) Book value
Split \$ Life Insurance	1,156,574
Delta Development Grp Fees	333,272
Asset Value Life Insurance	100,509
VHA of PA	200,000
Debt Issuance Costs	2,541,080
Net Assets of Butler Healthsystem Foundation	323,277
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	4,654,712

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Pension liability	17,103,047
Third party settlements	3,346,146
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	20,449,193

Schedule D (Form 990) 2008

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1185,401,243
2	Total expenses (Form 990, Part IX, column (A), line 25)	2172,899,380
3	Excess or (deficit) for the year Subtract line 2 from line 1	312,501,863
4	Net unrealized gains (losses) on investments	4-14,822
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-5,958,429
9	Total adjustments (net) Add lines 4 - 8	9-5,973,251
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	106,528,612

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1185,433,291
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d32,048	
e	Add lines 2a through 2d	2e32,048
3	Subtract line 2e from line 1	3185,401,243
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5185,401,243

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1178,633,576
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Losses reported on Form 990, Part IX, line 252c	
d	Other (Describe in Part XIV)2d5,734,196	
e	Add lines 2a through 2d	2e5,734,196
3	Subtract line 2e from line 1	3172,899,380
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5172,899,380

Part XIVSupplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
		Part XII Line 8 Net transfers to affiliates -2,149,709 Pension liability adjustment -3,569,665 Net assets released from restrictions 32,048 Decrease in temp restricted net assets -271,103 Part XII Line 2D Net assets released from restrictions 32,048 Part XIII Line 2D Net transfers to affiliates -2,149,709 Pension liability adjustments -3,569 665 Net unrealized loss on investments -14,822 The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on its exempt income under Section 501(a) of the Internal Revenue Code The Hospital applies the provisions of Financial Accounting Standards Board ("FASB") Interpretation No 48, "Accounting for Uncertainty in Income Taxes -- an interpretation of FASB Statement No 109" ("FIN 48") FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority Measurement of the tax uncertainty occurs if the recognition threshold has been met FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure Management has determined that the adoption of FIN 48 does not have a material impact on the financial statements The Hospital's federal Exempt Organization Business Income Tax Returns for 2009, 2008, 2007, and 2006 remain subject to examination by the IRS The Hospital's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Employer identification number
25-0965274

Part I

Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	No
b	If "Yes," is it a written policy?	1b	No
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____% b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____% c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Does the organization's policy provide free or discounted care to the "medically indigent"?	3a	No
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy? . . .	5a	No
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	No
6a	Does the organization prepare an annual community benefit report?	6a	No
6b	If "Yes," does the organization make it available to the public?	6b	No
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from <i>worksheets 1 and 2</i>) . .						
b Unreimbursed Medicaid (from <i>worksheet 3, column a</i>) .						
c Unreimbursed costs—other means-tested government programs (from <i>worksheet 3, column b</i>)						
d Total Charity Care and Means-Tested Programs .						
Other Benefits						
e Community health improvement services and community benefit operations (from <i>worksheet 4</i>)						
f Health professions education (from <i>worksheet 5</i>) . .						
g Subsidized health services (from <i>worksheet 6</i>) . .						
h Research (from <i>worksheet 7</i>)						
i Cash and in-kind contributions to community groups (from <i>worksheet 8</i>) . .						
j Total Other Benefits . . .						
k Total (line 7d and 7j) . . .						

Part IICommunity Building Activities

(Complete this table if the organization conducted any community building activities) (Optional for 2008)

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

Part IIIBad Debt, Medicare, & Collection Practices

(Optional for 2008)

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used: ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	No
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	No

Part IVManagement Companies and Joint Ventures

(Optional for 2008)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

2 Needs Assessment. Describe how the organization assesses the health care needs of the communities it serves

3 Patient Education of Eligibility for Assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

4 Community Information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 Community Building Activities. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Employer identification number
25-0965274

Part I Questions Regarding Compensation			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
	☐	☐		
1b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☒ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	4a	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		No

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Kenneth P DeFurio	(i) (ii)	403,054	140,000	45,264	66,657	66,230	721,205	234,554
Anne B Krebs	(i) (ii)	228,672	46,020	46,778	21,281	29,147	371,898	148,509
Maureen A Gray	(i) (ii)	174,037	34,560	3,747	8,706	14,761	235,811	
Stephanie Roskovski	(i) (ii)	139,643	27,400	155	15,512	10,876	193,586	
Richard L Allen	(i) (ii)	187,498	28,500	34,007	351	26,116	276,472	95,004
Michael D Busch	(i) (ii)	196,561	40,000	1,943	2,426	62,463	303,393	99,996
A Thomas McGill	(i) (ii)	253,393	50,000	44,420	38,287	17,926	404,026	165,007
Charles E Oleson	(i) (ii)	185,855	28,500	1,214	21,480	25,732	262,781	
C Michael Swank	(i) (ii)	166,735	25,710	43,477		24,084	260,006	106,922
John C Reefer MD	(i) (ii)	199,213	39,600	20,680	13,788	26,938	300,219	114,020
Joseph A Stewart	(i) (ii)			311,039		11,201	322,240	178,506
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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

Schedule J (Form 990) 2008

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Supplemental Information on Tax Exempt Bonds

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

OMB No 1545-0047

2008

Open to Public
Inspection

Employer identification number
25-0965274

Part I Bond Issues (Required for 2008)

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	Butler County Hospital Authority	25-1458912	1235926Q8	04-29-2009	50,000,000	Construction of addition to Hosp		X	X	
B	Butler County Hospital Authority	25-1458912	123592CPO	04-29-2009	74,728,451	Construction of addition to Hosp		X	X	

Part II Proceeds (Optional for 2008)

		A		B		C		D		E	
1	Total Proceeds of Issue	50,000,000		74,728,451							
2	Gross Proceeds in Reserve Funds	6,853,300		6,853,300							
3	Proceeds in Refunding or Defeasance Escrows										
4	Other Unspent Proceeds	37,592,154		48,839,115							
5	Issuance Costs from Proceeds	833,495		1,419,979							
6	Working Capital Expenditures from Proceeds										
7	Capital Expenditures from Proceeds	11,574,361		17,616,057							
8	Year of Substantial Completion	2010		2010							
9	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
			X		X						
10	Were the bonds issued as part of an advance refunding issue?		X		X						
11	Has the final allocation of proceeds been made?		X		X						
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III Private Business Use (Optional for 2008)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
			X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
3b Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X						
4 Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage *(Optional for 2008)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T been filed wth respect to the bond issue?		X		X						
2 Is the bond issue a variable rate issue?	X			X						
3a Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X		X						
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X		X						
5 Were any gross proceeds invested beyond an available temporary period?		X		X						
6 Did the bond issue qualify for an exception to rebate?		X		X						

Schedule L
(Form 990 or 990-EZ)

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38b or 40b.

Name of the organization BUTLER HEALTHCARE PROVIDERS	Employer identification number 25-0965274
---	--

Part I

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

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2

Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3

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

Part II

Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III

Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV

Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Anne B Krebs	Officer of Corporation, on Board of Directors of YMCA	205,230	Organization leases space from YMCA		No
Richard F Latuska	Board of Trustees for Corporation Part Owner in Benbrook	277,113	Organization leases space from Benbrook		No

2008

Open to Public Inspection

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Employer identification number

25-0965274

Identifier	Return Reference	Explanation
		Part VI Section A Question 10 The Finance Committee of the Board conducts a detailed review of the 990 filing, which is then provided to the full Board for final review and approval 12(c) The responses to the conflict of interest disclosure form are collected and reviewed annually by General Counsel, who then reviews the same with the Audit and Compliance Committee of the Board of Trustees Conflict of Interest disclosure forms are completed by all trustees, officers, committee members as well as the executive team In the event a relationship results in a potential conflict for an issue being discussed by the Board, the trustee recuses himself/herself from the discussion and vote This recusal is documented in the minutes The Vice President and General Counsel attends all board meetings and ensures that any needed recusals occur 15 (b) The organization engages a compensation consultant and outside legal counsel to review current market for all of its executive positions This consultant then meets with the fully independent Board Compensation Committee to review market for the various positions, including obtaining reasonableness opinions and engaging outside counsel regarding compensation relating to each executive position The recommendations of the Compensation Committee are then presented to full board for final approval The most recent review occurred in November, 2009 19 Historically financials are provided to the public at the annual public board meeting and through mailing Bylaws, Articles of Incorporation and the Conflict of Interest Policy are posted on the website Part VII, Section A includes John C Reefer, MD as a former trustee and a VP of Professional Affairs with compensation His term as trustee ended February, 2005 prior to taking on this VP position This compensation relates to his role as VP of Professional Affairs Part III-Statement of Program Services Accomplishments Continued In 2007 the Board of Trustees committed to a significant expansion and upgrade to the organization's information technology, outpatient services and hospital plant In 2008 groundbreaking was held for a new patient tower, a 200,000 square-foot addition that will connect to the existing hospital facility The new tower includes a surgical floor, a critical care unit, two medical-surgical units, and a state of the art educational facility for training of current and future physicians and healthcare workers The tower will be completed in the summer of 2010 The hospital will have a capacity of approximately 300 beds when construction and renovation activities are complete Program service accomplishments for the year reported include Named Thompson Reuters 100 Top Hospitals Cardiovascular Benchmarks, Healthgrades 5-Star Open Heart Surgery Program, a year-end "grade" of 102% in the Highmark QualityBlue program, and top scores in CMS Core Measures Additionally, in a depressed and challenging economy, the financial performance of the system was among the very best in Western PA Despite significant economic pressures, the expansion project was managed without interruption This included all 3 components of the project-outpatient development, IT initiatives, and the hospital renovation and construction project The organization found itself needing to sell tax exempt debt valued at approximately \$125 million while the nation was experiencing a credit market collapse The ability to sell these bonds and continue the hospital construction project became of prominent concern The organization forged ahead with its commitment to the community it serves and tax exempt bonds were successfully sold to investors in April 2009

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
BUTLER HEALTHCARE PROVIDERS

Employer identification number
25-0965274

Part I Identification of Disregarded Entities					
(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations					
(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Butler Health System 911 East Brady Street Butler, PA16001 25-1441855	Healthcare delivery system	PA	501 (c) (3)	3	N/A
Butler Medical Providers 911 East Brady Street Butler, PA16001 25-1441961	Ambulatory healthcare facility	PA	501 (c) (3)	3	N/A
Butler Health System Foundation 911 East Brady Street Butler, PA16001 26-1543883	Fundraising on behalf of Butler Health System	PA	501 (c) (3)	11-Type I	N/A
Nixsar 911 East Brady Street Butler, PA16001 25-1441960	Own and operate real estate assets on behalf of Butler Health System	PA	501 (c) (3)	11-Type 1	N/A

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproporionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
Butler Ambulatory Surgery Center LLC 102 Technology Dr Butler, PA16001 06-1728190	Ambulatory surgery Center	PA	N/A	Not Applicable				No			No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
PCA of Butler PC 480 East Jefferson St Butler, PA16001 25-1351445	Physician Office Practice	PA	N/A	C Corp			

Part V

Transactions with Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds		
(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2008

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

[illegible]

Additional Data

Software ID:
Software Version:
EIN: 25-0965274
Name: BUTLER HEALTHCARE PROVIDERS

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
D Kelley Agnew , Trustee	1 00	X						0	0	0
T T Channapati MD , Trustee	5 00	X						25,200	0	0
David E Foreman , Trustee	1 00	X						0	0	0
Patricia Green , Trustee	1 00	X						0	0	0
Kathryn Helfer , Trustee	1 00	X						0	0	0
Patti Ann Kanterman , Trustee	1 00	X						0	0	0
Richard A Latuska MD , Trustee	1 00	X						0	0	0
Patricia Liebman , Trustee	1 00	X						0	0	0
Douglas K McClaine , Trustee	1 00	X						0	0	0
Robert E McKee MD , Trustee	1 00	X						0	0	0
Surendra K Sethi MD , Trustee	1 00	X						0	0	0
Robert D Smith PhD , Trustee	1 00	X						0	0	0
Fred Y Bennitt , Chairman	2 00	X		X				0	0	0
Kenneth P DeFurio , President and CEO	50 00	X		X				588,318	0	132,887
Fiore C Londino , Chairman	2 00	X		X				0	0	0
Marcia Seagraves , Corporate Secretary	2 00	X		X				0	0	0
Anne B Krebs , Chief Financial Officer	50 00			X				321,470	0	50,428
Maureen A Gray , VP Patient Services	50 00				X			212,344	0	23,467
Stephanie Roskovski , VP Outpatient Services	50 00				X			167,198	0	26,388
Richard L Allen , VP Strategic Facilities Dev	50 00					X		250,005	0	26,467
Michael D Busch , VP Strategic Planning	50 00					X		238,504	0	64,889
A Thomas McGill , VP of Quality	50 00					X		347,813	0	56,213
Charles E Oleson , Chief Information Officer	50 00					X		215,569	0	47,212
C Michael Swank , VP of Human Resources	50 00					X		235,922	0	24,084
John C Reefer MD , VP Professional Affairs	50 00	X					X	259,493	0	40,726
Joseph A Stewart , President and CEO	0 00			X			X	311,039	0	11,201

Software ID: 08000124

Software Version: 2008

EIN: 25-0965274

Name: BUTLER HEALTHCARE PROVIDERS

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Kenneth P DeFurio	(i) (ii)	403,054	140,000	45,264	66,657	66,230	721,205	234,554
Anne B Krebs	(i) (ii)	228,672	46,020	46,778	21,281	29,147	371,898	148,509
Maureen A Gray	(i) (ii)	174,037	34,560	3,747	8,706	14,761	235,811	
Stephanie Roskovski	(i) (ii)	139,643	27,400	155	15,512	10,876	193,586	
Richard L Allen	(i) (ii)	187,498	28,500	34,007	351	26,116	276,472	95,004
Michael D Busch	(i) (ii)	196,561	40,000	1,943	2,426	62,463	303,393	99,996
A Thomas McGill	(i) (ii)	253,393	50,000	44,420	38,287	17,926	404,026	165,007
Charles E Oleson	(i) (ii)	185,855	28,500	1,214	21,480	25,732	262,781	
C Michael Swank	(i) (ii)	166,735	25,710	43,477		24,084	260,006	106,922
John C Reefer MD	(i) (ii)	199,213	39,600	20,680	13,788	26,938	300,219	114,020
Joseph A Stewart	(i) (ii)			311,039		11,201	322,240	178,506