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Form 990

Return of Organization Exempt From Income Tax

2009

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable	C Name of organization The King's Daughters' Hospital and Health Services		D Employer identification number 35-0895832
<input type="checkbox"/> Address change	E Doing Business As		E Telephone number (812) 265-5211
<input type="checkbox"/> Name change	F Number and street (or P O box if mail is not delivered to street address) One Kings Daughters Drive		G Gross receipts \$ 160,341,021
<input type="checkbox"/> Initial return	H City or town, state or country, and ZIP + 4 Madison, IN 47250		
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return			
<input type="checkbox"/> Application pending			

F Name and address of principal officer STEVE MEACHAM One Kings Daughters Drive Madison, IN 47250	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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I Tax-exempt status 501(c) (3) ► (insert no) 4947(a)(1) or 527

J Website: ► www.kdhhs.org

K Form of organization Corporation Trust Association Other ► L Year of formation 1899 M State of legal domicile IN

Part I Summary

1 Briefly describe the organization's mission or most significant activities THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE, SERVICE, AND EDUCATION	
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets	
3 Number of voting members of the governing body (Part VI, line 1a)	3 11
4 Number of independent voting members of the governing body (Part VI, line 1b)	4 9
5 Total number of employees (Part V, line 2a)	5 1,107
6 Total number of volunteers (estimate if necessary)	6 119
7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 39,598
b Net unrelated business taxable income from Form 990-T, line 34	7b -9,216

8 Contributions and grants (Part VIII, line 1h)	Prior Year 155,901	Current Year 234,056
9 Program service revenue (Part VIII, line 2g)	114,260,072	112,523,063
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,637,052	-910,384
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	433,808	349,597
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	112,212,729	112,196,332

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	170,339	39,041
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)	63,520,203	60,951,495
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)	46,569,135	45,677,505
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	110,259,677	106,668,041
19 Revenue less expenses Subtract line 18 from line 12	1,953,052	5,528,291

20 Total assets (Part X, line 16)	Beginning of Current Year 114,005,195	End of Year 128,221,022
21 Total liabilities (Part X, line 26)	25,688,620	24,103,683
22 Net assets or fund balances Subtract line 21 from line 20	88,316,575	104,117,339

Part II Signature Block	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
Sign Here	***** Signature of officer STEVE MEACHAM VP of Finance Type or print name and title	2010-06-30 Date	

Paid Preparer's Use Only	Preparer's signature ► Carrie A Merrill CPA	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► Blue & Co LLC 2650 Eastpoint Pky Louisville, KY 40223		EIN ►	
			Phone no ► (502) 992-3500	

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE, SERVICE, AND EDUCATION

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

If "Yes," describe these new services on Schedule C.

Yes No

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

If "Yes," describe these changes on Schedule C.

Yes N

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses
Section 501(c)(3) and 501(c)(4) organizations and section 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 \$ 91,445,710 including grants of \$) (Revenue \$ 112,555,853

The King's Daughters' Hospital and Health Services is a not-for-profit, acute care hospital owned by the Bethany Circle of King's Daughters' of Madison, Indiana, Inc , located in Madison, Indiana. The hospital is organized for the purpose of providing healthcare services to the residents of Jefferson county and the surrounding area During calendar year 2009, the Hospital provided healthcare to patients at the following levels 14,545 days of care to Acute Inpatients969 days of care to Newborn Infants177,364 visits associated with Hospital Outpatients137,082 visits associated with Physician Clinics

4b (Code) (Expenses \$ 3,905,315 including grants of \$) (Revenue \$ 0

The Hospital's primary sources of support are from patient revenues. Patient revenues include funds received from Medicare, state agencies, insurance companies, and the patients themselves. In 2009, the King's Daughters' Hospital and Health Services provided \$3,905,315 in care to patients who met the Hospital's Charity Care Policy.

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

4d Other program services. (Describe in Schedule Q)

4e Total program service expenses \$ 95,351,025

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	Yes	
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? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II		
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	Yes	
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. <ul style="list-style-type: none"> • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. • Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X. 	Yes	
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	No	
12A Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
<i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	12A	Yes
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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 United States? If "Yes," complete Schedule F, Part I		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 U.S.? If "Yes," complete Schedule F, Part II		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 U.S.? If "Yes," complete Schedule F, Part III		No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	Yes	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	29		No
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		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 99	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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 1,107	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	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)?	No	
4b	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?	No	
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	No	
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	No	
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	No	
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

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

Section A. Governing Body and Management

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

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	No
b	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?	10b	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes
11a	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes
13	Does the organization have a written whistleblower policy?	13	Yes
14	Does the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	No
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	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?	16b	

Section C. Disclosure

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

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 ►
 Dawn Nunan Director of Accounting
 ONE KINGS DAUGHTERS DRIVE
 MADISON, IN 47250
 (812) 265-0193

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

1b Total	4,947,829	0	350,586
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **►59**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Artekna Design 321 E New York Street Indianapolis, IN 46204	Architecture Services	1,888,037
Madison Catheterization Services One Kings Daughters Drive Madison, IN 47250	Cardiac Catheterization Services	730,340
Mayo Collaborative Services PO Box 9146 Minneapolis, MN 554809146	Laboratory Services	447,094
Southeastern Emergency Physicians PO Box 634850 Cincinnati, OH 452634850	Contracted Physician Services	355,144
Blue & Co LLC 2650 Eastpoint Parkway Ste 300 Louisville, KY 40223	Auditing and Consulting Services	224,833
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►19		

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514			
						Contributions, gifts, grants and other similar amounts		
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d						
	e Government grants (contributions)	1e	202,188					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	31,868					
	g Noncash contributions included in lines 1a-1f \$ _____							
	h Total. Add lines 1a-1f		234,056					
Program Service Revenue	Business Code							
			2a Net Patient Service Re	621,110	112,483,465	112,483,465		
			b Net Patient Service Re	621,110	39,598		39,598	
			c					
			d					
			e					
			f All other program service revenue					
			g Total. Add lines 2a-2f		112,523,063			
Other Revenue								
			3 Investment income (including dividends, interest and other similar amounts)		1,379,517		1,379,517	
			4 Income from investment of tax-exempt bond proceeds					
			5 Royalties					
			6a Gross Rents	(i) Real	(ii) Personal			
			b Less rental expenses	105,053				
			c Rental income or (loss)	75,348				
			d Net rental income or (loss)	29,705		29,705		
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other						
b Less cost or other basis and sales expenses	45,695,634	83,806						
c Gain or (loss)	47,985,310	84,031						
d Net gain or (loss)	-2,289,676	-225						
			-2,289,901		-2,289,901			
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18								
b Less direct expenses	b							
c Net income or (loss) from fundraising events								
9a Gross income from gaming activities See Part IV, line 19	a							
b Less direct expenses	b							
c Net income or (loss) from gaming activities								
10a Gross sales of inventory, less returns and allowances	a							
b Less cost of goods sold	b							
c Net income or (loss) from sales of inventory								
Miscellaneous Revenue		Business Code						
11a Cafeteria Revenue		722,210	225,858		225,858			
b Gift Shop		453,220	89,673		89,673			
c Tuition		624,110	33,375	33,375				
d All other revenue			-29,014	-29,014				
e Total. Add lines 11a-11d			319,892					
12 Total revenue. See Instructions			112,196,332	112,517,531	39,598	-594,853		

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	39,041	39,041		
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	1,890,366	1,512,293	378,073	
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	46,432,247	41,134,904	5,297,343	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,830,846	2,547,761	283,085	
9 Other employee benefits	6,622,114	5,959,903	662,211	
10 Payroll taxes	3,175,922	2,858,330	317,592	
11 Fees for services (non-employees)				
a Management				
b Legal	153,837		153,837	
c Accounting	508,131		508,131	
d Lobbying				
e Professional fundraising See Part IV, line 17				
f Investment management fees	355,129		355,129	
g Other				
12 Advertising and promotion	51,631	46,468	5,163	
13 Office expenses	1,646,243	1,349,919	296,324	
14 Information technology	1,083,900	975,510	108,390	
15 Royalties				
16 Occupancy	1,559,006	1,403,105	155,901	
17 Travel	166,961	150,265	16,696	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	787,934	709,141	78,793	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,084,503	4,576,053	508,450	
23 Insurance	1,422,493	1,280,244	142,249	
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 Debts	13,470,446	13,470,446	0	
b Drugs	6,129,218	6,129,218	0	
c Supplies	4,827,163	4,103,089	724,074	
d Purchased Services	3,566,465	3,209,819	356,646	
e Office Collections	960,714	864,643	96,071	
f All other expenses	3,903,731	3,030,873	872,858	
25 Total functional expenses. Add lines 1 through 24f	106,668,041	95,351,025	11,317,016	0
26 Joint costs. Check here <input checked="" type="checkbox"/> 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	1	
	2 Savings and temporary cash investments	10,893,772	20,728,378
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	14,823,847	11,745,113
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	398,782	362,960
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	6	
	7 Notes and loans receivable, net	562,490	418,152
	8 Inventories for sale or use	1,782,959	1,889,855
	9 Prepaid expenses and deferred charges	1,172,152	1,074,678
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	87,691,705
	b Less accumulated depreciation	10b	50,636,550
		38,912,782	10c
		37,055,155	
	11 Investments—publicly traded securities	42,404,583	52,427,631
	12 Investments—other securities See Part IV, line 11	12	
	13 Investments—program-related See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets See Part IV, line 11	3,053,828	2,519,100
	16 Total assets. Add lines 1 through 15 (must equal line 34)	114,005,195	128,221,022
Liabilities	17 Accounts payable and accrued expenses	8,998,004	17
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	12,955,000	20
	21 Escrow or custodial account liability Complete Part IV of Schedule D	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	22	
	23 Secured mortgages and notes payable to unrelated third parties	1,565,498	23
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities Complete Part X of Schedule D	2,170,118	25
	26 Total liabilities. Add lines 17 through 25	25,688,620	26
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	88,227,241	27
	28 Temporarily restricted net assets	79,334	28
	29 Permanently restricted net assets	10,000	29
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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	88,316,575	33
	34 Total liabilities and net assets/fund balances	114,005,195	34
		128,221,022	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
 Separate basis Consolidated basis Both consolidated and separated basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a		No
3b		

2009

Open to Public
Inspection**SCHEDULE A**
(Form 990 or 990EZ)**Public Charity Status and Public Support**

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

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

Department of the Treasury
Internal Revenue ServiceName of the organization
The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

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

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

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

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

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

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

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

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

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

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

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

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

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

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of 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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						►

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►
b 33 1/3% support test—2008. 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—2009. 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—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

Part III Support Schedule for Organizations Described in 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2008 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18
19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization	
b 33 1/3% support tests—2008. 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

2009

Open to Public
Inspection**SCHEDULE C**
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****For Organizations Exempt From Income Tax Under section 501(c) and section 527**► Complete if the organization is described below.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization The King's Daughters' Hospital and Health Services	Employer identification number 35-0895832
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ► \$ _____
- 3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ _____
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check if the filing organization belongs to an affiliated group
B Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

1a Total lobbying expenditures to influence public opinion (grass roots lobbying)**b** Total lobbying expenditures to influence a legislative body (direct lobbying)**c** Total lobbying expenditures (add lines 1a and 1b)**d** Other exempt purpose expenditures**e** Total exempt purpose expenditures (add lines 1c and 1d)**f** Lobbying nontaxable amount Enter the amount from the following table in both columns

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000	\$1,000,000

g Grassroots nontaxable amount (enter 25% of line 1f)**h** Subtract line 1g from line 1a If zero or less, enter -0-**i** Subtract line 1f from line 1c If zero or less, enter -0-**j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? Yes No**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	
			Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		2,603
j Total lines 1c through 1i			2,603
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	Portion of Indiana Hospital Association dues attributable to lobbying expenses as defined by Federal Law

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Open to Public
Inspection**SCHEDULE D**
(Form 990)**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

Department of the Treasury
Internal Revenue Service**Name of the organization**

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

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 for any other purpose conferring impermissible private benefit? Yes No

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

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

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a 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
2a	
2b	
2c	
2d	

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, handling of violations, and enforcement of the conservation easements it holds? Yes No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 ► \$ _____

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

d Loan or exchange programs

b Scholarly research

e Other

c Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

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

	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	89,334	105,321			
b Contributions	84,150	20,051			
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	45,929	36,038			
f Administrative expenses					
g End of year balance	127,555	89,334			

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► 8 000 % %

c Term endowment ► 92 000 % %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations Yes No

(ii) related organizations Yes No

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

Yes	No
3a(i)	No
3a(ii)	No
3b	

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) Accumulated depreciation	(d) Book value
1a Land		5,420,989			5,420,989
b Buildings		42,500,555	24,919,074		17,581,481
c Leasehold improvements		12,960		2,015	10,945
d Equipment		37,109,543	25,715,461		11,394,082
e Other		2,647,658			2,647,658
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					37,055,155

Part VII Investments—Other Securities. See Form 990, Part X, line 12

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 12)

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

Total (Column (b) should equal Form 990, Part X, col (B), line 13)

Part IX Other Assets. See Form 990, Part X, line 15.

Total (Column (b)) should equal Form 222, Part X, col (B) line 15.

Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 25) **2,703,071**

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	112,196,332
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	106,668,041
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	5,528,291
4	Net unrealized gains (losses) on investments	4	10,313,473
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-41,000
9	Total adjustments (net) Add lines 4 - 8	9	10,272,473
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	15,800,764

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	122,190,983
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	10,313,473
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	75,348
e	Add lines 2a through 2d	2e	10,388,821
3	Subtract line 2e from line 1	3	111,802,162
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	355,129
b	Other (Describe in Part XIV)	4b	39,041
c	Add lines 4a and 4b	4c	394,170
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	112,196,332

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	106,349,219
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	75,348
e	Add lines 2a through 2d	2e	75,348
3	Subtract line 2e from line 1	3	106,273,871
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	355,129
b	Other (Describe in Part XIV)	4b	39,041
c	Add lines 4a and 4b	4c	394,170
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	106,668,041

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	Intent is to hold the investment in perpetuity. Per audited financial statements, "the portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or UPMIFA" is \$10,000 at 12/31/2009. Temporarily restricted net assets are donor-restricted for a specific use including Prenatal/Postnatal Education Program Fund, Tobacco Settlement Fund, Teen Event Fund, Girls on the Run Fund, and May Library Fund
Part XI, Line 8 - Other Adjustments		Members' Withdrawal -41000
Part XII, Line 2d - Other Adjustments		Rental Expenses 75348
Part XII, Line 4b - Other Adjustments		Grants 39041
Part XIII, Line 2d - Other Adjustments		Rental Expenses 75348
Part XIII, Line 4b - Other Adjustments		Grants 39041

2009

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InspectionSCHEDULE H
(Form 990)Department of the Treasury
Internal Revenue Service

Hospitals

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

► Attach to Form 990.

► See separate instructions.

Name of the organization

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

Part I Charity Care and Certain Other Community Benefits at Cost

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes
b If "Yes," is it a written policy?	1b	Yes
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals		
<input type="checkbox"/> Applied uniformly to all hospitals		
<input type="checkbox"/> Applied uniformly to most hospitals		
<input type="checkbox"/> 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		
<input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____	3a	Yes
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		
<input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____	3b	Yes
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"?	4	Yes
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes
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	Yes
6b If "Yes," does the organization make it available to the public?	6b	Yes
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H		

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,507,842		1,507,842	1 410 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			11,964,305	3,848,455	8,115,850	7 610 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			13,472,147	3,848,455	9,623,692	9 020 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			293,845	49,623	244,222	0 230 %
f Health professions education (from Worksheet 5)			194,940	33,375	161,565	0 150 %
g Subsidized health services (from Worksheet 6)			2,693,515	1,682,941	1,010,574	0 950 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			73,997		73,997	0 070 %
j Total Other Benefits			3,256,297	1,765,939	1,490,358	1 400 %
k Total. Add lines 7d and 7j			16,728,444	5,614,394	11,114,050	0

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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 III Bad Debt, Medicare, & Collection Practices
Section A. Bad Debt Expense

1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?

2 Enter the amount of the organization's bad debt expense (at cost)

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

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, and rationale for including other bad debt amounts in community benefit

	Yes	No
1		No
2	5,200,939	
3	0	
4		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)

6 Enter Medicare allowable costs of care relating to payments on line 5

7 Subtract line 6 from line 5. This is the surplus or (shortfall)

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used

 Cost accounting system

 Cost to charge ratio

 Other

Section C. Collection Practices

9a Does the organization have a written debt collection policy?

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

9a	Yes
9b	Yes

Part IV Management Companies and Joint Ventures

(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 Madison Catheterization Services LLC	Provides catheterization services	51 000 %	0 %	0 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address

Other
(Describe)

ER-other

ER-24 hours

Research facility

Critical access hospital

Teaching hospital

Children's hospital

General medical & surgical

Licensed hospital

See Additional Data Table

Additional Data

Software ID:
Software Version:
EIN: 35-0895832
Name: The King's Daughters' Hospital and Health Services

Form 990 Schedule H, Part V - Facility Information

Name and address	Licensed hospital	Children's hospital	General medical & surgical	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
KDHHS One Kings Daughters Drive Madison, IN 47250			X						
KDHHS 513 West Street Madison, IN 47250			X						
KDHHS 515 West Street Madison, IN 47250			X						
KDHHS 517 West Street Madison, IN 47250			X						
KDHHS 521 West Street Madison, IN 47250			X						
KDHHS 523 West Street Madison, IN 47250			X						
KDHHS 525 West Street Madison, IN 47250			X						
KDHHS 600 West Street Madison, IN 47250			X						
KDHHS 601 West Street Madison, IN 47250			X						
KDHHS 603 West Street Madison, IN 47250			X						
KDHHS 602 West Street Madison, IN 47250			X						
KDHHS 621 West Street Madison, IN 47250			X						
KDHHS 100 W Fifth Street Madison, IN 47250			X						
KDHHS 122 W Fifth Street Madison, IN 47250			X						
KDHHS 2670 Michigan Road Madison, IN 47250			X						
KDHHS 445 Clifty Drive Madison, IN 47250									Physician Medical Office
KDHHS 630 North Broadway Madison, IN 47250									Physician Medical Office
KDHHS 601 North Broadway Madison, IN 47250									Rental
KDHHS 700 North Broadway Madison, IN 47250			X						
KDHHS 128 North Main Street Versailles, IN 47042									Physician Medical Office
KDHHS 206 Tyson Street Versailles, IN 47042									Physician Medical Office
KDHHS 10235 US Highway 421 North Milton, KY 40045									Physician Medical Office
KDHHS 205 Marwill Drive Carrollton, KY 41008									Physician Medical Office
KDHHS 745 State Highway 56 Vevay, IN 47043									Physician Medical Office
KDHHS 36 Medical Plaza Hanover, IN 47243									Physician Medical Office
KDHHS 201 Milton Street Madison, IN 47250									
KDHHS 213 West Main Street Vevay, IN 47043									Physician Medical Office
KDHHS 443 East Clifty Drive Madison, IN 47250									Convenient Care Center

**Schedule I
(Form 990)****2009****Grants and Other Assistance to Organizations,
Governments and Individuals in the United States**

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

► Attach to Form 990

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

Name of the organization

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed. ►

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
The King's Daughters' Hospital Foundation IncOne Kings Daughters Drive Madison, IN 47250	202148950	501(c)(3)	35,275				Support organization's mission

2 Enter total number of section 501(c)(3) and government organizations ► 1

3 Enter total number of other organizations ► 0

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Funds are not granted to organizations but are donated. Donations are determined on a discretionary basis.

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

OMB No 1545-0047

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Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

Name of the organization

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

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

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

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

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

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

No

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

No

c Participate in, or receive payment from, an equity-based compensation arrangement?

No

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

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

No

a The organization?

No

b Any related organization?

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

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

No

a The organization?

No

b Any related organization?

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

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

No

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

No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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 14.

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Supplemental Information	Part III	Board members Larry Williams, MD and Eileen McGarvey, MD listed above are employed physicians of the Hospital. Dr Williams and Dr McGarvey do not receive compensation for services provided as board members. The compensation listed above for Dr Williams and Dr McGarvey is compensation received for services provided as employed physicians.

Schedule L
(Form 990 or 990-EZ)**Transactions with Interested Persons**

OMB No 1545-0047

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

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

2009**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service**Name of the organization**

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

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

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

1	(a) Name of disqualified person	(b) 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.

Complete if the organization 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?	
					Yes	No	Yes	No
Dr Robert Leatherman Tuition Assistance	X	75,000	30,000	No	Yes			Yes
Dr Gil Weizer Payback of Amounts paid in error	X	364,782	326,960	No	Yes			Yes
Dr Jonathan Hanson Tuition Assistance	X	65,000	6,000	No	Yes			Yes
Total			► \$ 362,960					

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance
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Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Phyllis Steinhardt	Board Member	373	Ms Steinhardt is a board member of the Hospital and her spouse is the owner of Steinhardt Enterprises, Inc. During 2009, the Hospital paid Steinhardt Enterprises, Inc for services relating to heating/cooling repairs and supplies for KDHHS facilities		No

2009

Open to Public
Inspection**SCHEDULE O**
(Form 990)**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990.

Department of the Treasury
Internal Revenue Service

Employer identification number

35-0895832

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Per the bylaws, the membership of the Organization shall be non-sectarian, non-political and not confined to any Christian religious denomination or sect. Any such person of good repute who holds herself responsible to the King, Christ, our Lord and Savior, may become a member of the organization. All members must be and remain permanent residents of the service area of the Hospital, as determined from time to time by the Hospital Board of Managers, as a continuing requirement for membership. Failure to maintain such residency status automatically terminates a person's membership. Hospital employees, members of the Medical Staff, and their immediate family members shall not be eligible for membership in the organization. The immediate family shall be defined as including the mother, father, husband, wife, sister, brother, daughter, son, and stepchildren.
Form 990, Part VI, Section A, line 7a		The Organization shall have two (2) classes of members, Active and Honorary, and all members shall have the rights, privileges, duties, liabilities, limitations and restrictions as set forth from time to time in the Standing Rules. Any Active Member of the Organization may propose any other person meeting the eligibility requirements outlined in Part VI, 7a above for membership. Only Active members in good standing that have been a member for at least two (2) anniversary years can present a person's name for membership or to serve on the Board of Directors. A majority vote of those present and voting affirmatively at any regular meeting of the Organization at which a quorum is present shall be sufficient to elect such proposed person to membership. Only Active Members shall have the right at every meeting of the members to cast one (1) vote for her membership. This right to vote must be exercised in person, or as the Bylaws may provide from time to time.
Form 990, Part VI, Section A, line 7b		Only Active Members shall have the right at every meeting of the members to cast one (1) vote for his/her membership. This right to vote must be exercised in person, or as the Bylaws may provide from time to time.
Form 990, Part VI, Section B, line 11		The process of reviewing the Form 990 entails a detailed review by the organization's management. The Board of Managers receives a draft copy of the Form 990 including requested schedules prior to filing with the IRS. Changes or revisions are suggested by the board if necessary. The board approves the draft copy of the 990 with the contingency that the changes/revisions will be incorporated into the final version of the tax return.
Form 990, Part VI, Section B, line 12c		Board members are required to disclose annually interests that could give rise to conflict. Officers and key employees are not required to annually disclose interests that could give rise to conflicts. However the HR Conflict of Interest policy does state that any employee who is an officer, owner, partner or employee of an organization with which the hospital may enter into a relationship or transaction (or whose spouse or child is an officer, owner, partner or employee of an organization with which the hospital may enter into a relationship or transaction) must disclose this information to the appropriate Vice President and the President/CEO. Should such information be disclosed, the employee will refrain from any subsequent discussion and decisions related to the outside firm. A conflict of interest statement must be completed by every board member each year. At such time as any matter comes before the Board concerning an existing or contemplated transaction or relationship between the Organization and any party in which a Board member or the spouse or minor children of such Board member has an interest or otherwise may give rise to a conflict of interest between the Board member and the organization, the affected Board member shall make known the potential conflict, whether disclosed by his or her written statement or not, and after answering any questions that might be asked of him or her, shall withdraw from the meeting for so long as the matter shall continue under discussion. Should the matter be brought to a vote, the affected Board member shall not vote on it.
Form 990, Part VI, Section B, line 15a		The Hospital's Board Executive Committee reviews annual CEO survey information from the Indiana Hospital Association that compares the Hospital's CEO's compensation with other hospital CEO's in Indiana. Comparisons are made with hospitals that are in the Hospital's region in Indiana, hospitals similar in size to KDHHS, and hospitals that might reasonably be expected to compete for services of the Hospital's CEO. The Consumer Price Index for All Urban Consumers (CPI-U) for the prior twelve month period is also reviewed and considered. The Executive Committee, after reviewing a status report of the CEO's annual goals, recommends changes in the CEO's compensation to the full Board of Managers. Any action taken on the recommendation is made by the full board. However, physician board members who are hospital employees do not participate in voting for any change to CEO compensation. Minutes are taken at all Board Executive Committee and full board meetings.
Form 990, Part VI, Section C, line 19		The governing documents, conflict of interest, or financial statements are not made available for public inspection. The Form 990 tax return is available for public inspection upon request.
Form 990, Part XI, Line 2c	Audit Oversight	The Hospital's Finance Committee assumes responsibility for the selection of an independent certified public accounting firm to perform the annual audit of the financial statements. The Finance Committee also is responsible for oversight of that audit process. The treasurer of the Hospital's Board of Managers serves as the Chair of the Finance Committee. The Finance Committee regularly meets every other month, and meets once per year with the independent auditors.

**SCHEDULE R
(Form 990)****Related Organizations and Unrelated Partnerships****2009**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
 ► Attach to Form 990. ► See separate instructions.

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

The King's Daughters' Hospital and Health Services

Employer identification number

35-0895832

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
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The King's Daughters' Hospital Foundation Inc

One Kings Daughters Drive

Madison, IN 47250
20-2148950

Fundraising to support the provision of healthcare services

IN

501(c)(3)

Line 7 N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?
Madison Catheterization Services LLC							Yes	No	
One Kings Daughters Drive Madison, IN47250 20-3391301	Catheterization Services	IN	N/A	Related	61,942	220,649	No		Yes

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)**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)

	Yes	No
1a		No
1b	Yes	
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l		No
1m	Yes	
1n	Yes	
1o		No
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(b)
Transaction type(a-r)(c)
Amount involved(1)
(2)

(3)

(4)

(5)

(6)

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?	(e) Share of end-of-year assets	(f) Disproportionate allocations?	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?
Yes	No	Yes	No	Yes	No	Yes	No

Additional Data

Software ID:
Software Version:
EIN: 35-0895832
Name: The King's Daughters' Hospital and Health Services

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee & director	Institutional Trustee	Officer	Key employee	Employee highest compensated	Former			
Leslie Grote Board Chairman	1 00	X						1,250	0	0
Maureen Getz Board Vice Chairman	1 00	X						1,250	0	0
Paula Heiderman Board Secretary	1 00	X						0	0	0
Jean Donnellon Board Ass't Secretary	1 00	X						1,500	0	0
Phyllis Steinhardt Board Treasurer	1 00	X						1,250	0	0
Jennifer Joas Board Ass't Treasurer	1 00	X						0	0	0
Gloria Donovan Board Member	1 00	X						0	0	0
Larry Williams MD Board Member/Physician	40 00	X						322,779	0	19,515
Tony Waltz Board Member	1 00	X						0	0	0
Eileen McGarvey MD Board Member/Physician	40 00	X						406,580	0	22,436
Pam Kimmel Board Member	1 00	X						0	0	0
Roger Allman President/CEO	40 00		X					294,953	0	34,322
Steve Meacham VP Finance	40 00		X					176,447	0	28,428
Mike Burnett VP Physician Practices	40 00		X					147,873	0	22,542
Larry Keith VP Support/Corp Complain	40 00		X					123,798	0	20,565
Lisa Morgan VP Patient Services	40 00		X					122,076	0	18,864
Carl Risk VP Clinical Services	40 00		X					105,645	0	18,293
Thomas Eckert MD Employed Physician	40 00			X				781,570	0	34,322
Gil Weizer MD Employed Physician	40 00			X				669,672	0	33,906
William Skiles MD Employed Physician	40 00			X				643,938	0	28,628
Robert Leatherman MD Employed Physician	40 00			X				612,394	0	34,666
Jonathan Hanson MD Employed Physician	40 00			X				534,854	0	34,099

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Bad Debts	13,470,446	13,470,446	0	
Drugs	6,129,218	6,129,218	0	
Supplies	4,827,163	4,103,089	724,074	
Purchased Services	3,566,465	3,209,819	356,646	
Office Collections	960,714	864,643	96,071	