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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2009

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

A For the 2009 calendar year, or tax year beginning 07/01, 2009, and ending 06/30, 2010

<input type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Application pending	C Name of organization KVC HOSPITALS, INC			D Employer identification number 27-1672159		
	Doing Business As			E Telephone number (913) 322-4900		
	Number and street (or P O box if mail is not delivered to street address) 21350 W 153RD ST			Room/suite		
	City or town, state or country, and ZIP + 4 OLATHE, KS 66061			G Gross receipts \$ 823,400.		
	F Name and address of principal officer B WAYBE SIMS 21350 W 153RD ST OLATHE, KS 66061			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) (Insert no) 4947(a)(1) or 527			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list (see instructions)		

J Website ► WWW.KVC.ORG

K Form of organization Corporation Trust Association Other ► L Year of formation 2010 M State of legal domicile KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
IT IS THE MISSION OF KVC TO ENRICH AND ENHANCE THE LIVES OF CHILDREN
AND THEIR FAMILIES BY PROVIDING MEDICAL AND BEHAVIORAL HEALTHCARE,
SOCIAL SERVICES 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 4

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 0

5 Total number of employees (Part V, line 2a) 5 0

6 Total number of volunteers (estimate if necessary) 6 0

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 7a 0

b Net unrelated business taxable income from Form 990-T, line 34 7b 0

Activities & Governance	Revenue	Prior Year	Current Year
		8 Contributions and grants (Part VIII, line 1h) 0. 153,200.	
	9 Program service revenue (Part VIII, line 2g) 0. 669,819.		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 0. 381.		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0. 0.		
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 0. 823,400.		

Expenses	Revenue	Prior Year	Current Year
		13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 0. 0.	
	14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0.		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 0. 513,200.		
	16 a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0.		
	b Total fundraising expenses, Part IX, column (D), line 25) 0. 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) 0. 386,828.		
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 0. 900,028.		
	19 Revenue less expenses Subtract line 18 from line 12 0. -76,628.		

Net Assets or Fund Balances	Revenue	Prior Year	Current Year	Beginning of Year	End of Year
				20 Total assets (Part X, line 16) 0. 2,106,094.	
	21 Total liabilities (Part X, line 26) 0. 389,821.				
	22 Net assets or fund balances Subtract line 21 from line 20 0. 1,716,273.				

Part II Signature Block

<input checked="" type="checkbox"/> Sign Here <input type="checkbox"/> Type Here	RECEIVED		Date 5/12/11
	MAY 12 2011		
	5/12/11		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		SIGNATURE 5/12/11	
Signature of officer PHYL W. KLAUER, CFO		Date 5/12/11	
Type or print name and title		Date 5/12/11	

Preparer's Use Only	Preparer's signature	Date APR 27 2011	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	BKD, LLP 1201 WALNUT, SUITE 1700 KANSAS CITY, MO 64106-2246	EIN ►	Phone no 816 221-6300

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

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

Form 990 (2009)

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Part III Statement of Program Service Accomplishments**1 Briefly describe the organization's mission**

IT IS THE MISSION OF KVC TO ENRICH AND ENHANCE THE LIVES OF CHILDREN AND THEIR FAMILIES BY PROVIDING MEDICAL AND BEHAVIORAL HEALTHCARE, SOCIAL SERVICES 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? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses
Section 501(c)(3) and 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 \$ 839,668 including grants of \$ _____) (Revenue \$ 669,819.)

KVC PROVIDES A CONTINUUM OF MEDICAL & BEHAVIORAL HEALTHCARE SERVICES TO 8 CHILDREN & ADOLESCENTS THIS YEAR AT ITS JOINT-COMMISSION ACCREDITED IN HAYS, KS. PSYCHIATRIC HOSPITAL AND RESIDENTIAL TREATMENT FACILITIES ARE PROVIDED. ITS NO REJECT-NO EJECT ADMISSIONS POLICY REFLECTS ITS SAFETY NET STATUS FOR EASTERN KANSAS.

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ► 839,668.

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	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 X	
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	3 X	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4 X	
5 Sections 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	5	
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	6 X	
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	7 X	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 X	
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	9 X	
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	10 X	
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	11 X	
• 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		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	12 X	
12A Was the organization included in consolidated, independent audited financial statement for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.	13 X	
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a X	
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	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16 X	
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	17 X	
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	18 X	
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	19 X	
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20 X	

Part IV Checklist of Required Schedules (continued)

		Yes	No
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	X
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	X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to question 25	24a	X
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	
25 a	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	X
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	X
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	X
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	X
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	X
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28b	X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.	28c	X
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 direct or indirect owner? If "Yes," complete Schedule L, Part IV	29	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33	X
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	34	X
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	35	X
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	36	X
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	37	X
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	38	X
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		

Form 990 (2009)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	0
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?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0
2b	b 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)	2b	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
3b	b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
4b	b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts	4b	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5b	b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5c	c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	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?	6a	X
6b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	X
7a	a 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?	7a	
7b	b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
7c	c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
7d	d If "Yes," indicate the number of Forms 8282 filed during the year	7d	
7e	e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
7f	f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
7g	g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
7h	h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	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?	8	
9	9 Sponsoring organizations maintaining donor advised funds.	9a	
9a	a Did the organization make any taxable distributions under section 4966?	9a	
9b	b Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	10 Section 501(c)(7) organizations. Enter	10a	
10a	a Initiation fees and capital contributions included on Part VIII, line 12	10a	
10b	b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	11 Section 501(c)(12) organizations. Enter	11a	
11a	a Gross income from members or shareholders	11a	
11b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
12b	b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body	1a	4
b	Enter the number of voting members that are independent	1b	0
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	X
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	X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	8a	X
a	The governing body?	8b	X
b	Each committee with authority to act on behalf of the governing body?	9a	X
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		

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	X
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	X
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990	12a	X
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12b	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	13	X
13	Does the organization have a written whistleblower policy?	14	X
14	Does the organization have a written document retention and destruction policy?	15a	
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?	15b	
a	The organization's CEO, Executive Director, or top management official	16a	X
b	Other officers or key employees of the organization	16b	
	If "Yes" to line 15a or 15b, 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?		
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?		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► PAUL KLAYDER 21350 W 153RD ST OLATHE, KS 66061
913-322-4900

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. 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
 - List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

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

1b Total ► 0, 1,235,280, 30,238.

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 ► 0

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

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ZIPCO CONTRACTING INC. KANSAS CITY, MO 64117	REMODELING	520,154.

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 ► 1

Part VIII Statement of Revenue

27-1672159

		(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	1a Federated campaigns	1a				
	1b Membership dues	1b				
	1c Fundraising events	1c				
	1d Related organizations	1d				
	1e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	153,200			
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f ►		153,200			
Program Service Revenue	2a NET PATIENT SERVICE REVENUES	Business Code				
		624100	669,819	669,819		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ►		669,819			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ►		381		381	
	4 Income from investment of tax-exempt bond proceeds ►		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross Rents.					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ►		0			
	(i) Securities	(ii) Other				
7a Gross amount from sales of assets other than inventory						
b Less cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss) ►		0				
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c)						
See Part IV, line 18 a						
b Less direct expenses b						
c Net income or (loss) from fundraising events ►		0				
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 ►		0				
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 ►		0				
Miscellaneous Revenue	Business Code					
11a						
b						
c						
d All other revenue						
e Total Add lines 11a-11d ►		0				
12 Total Revenue. See instructions ►		823,400	669,819	0	381	

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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	461,200.	461,200.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	300.	300.		
9 Other employee benefits	9,005.	9,005.		
10 Payroll taxes	42,695.	42,695.		
11 Fees for services (non-employees)				
a Management	60,000.		60,000.	
b Legal	0.			
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	46,468.	46,468.		
12 Advertising and promotion	10,032.	10,032.		
13 Office expenses	123,176.	123,176.		
14 Information technology	0.			
15 Royalties.	0.			
16 Occupancy	27,083.	27,083.		
17 Travel	31,104.	31,104.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	6,596.	6,596.		
20 Interest	349.		349.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	51,623.	51,623.		
23 Insurance	0.			
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 REPAIRS AND MAINTENANCE	27,748.	27,748.		
b MISCELLANEOUS EXPENSE	2,649.	2,638.	11.	
c				
d				
e				
f All other expenses				
25 Total functional expenses Add lines 1 through 24f	900,028.	839,668.	60,360.	0.
26 Joint Costs. Check here ► <input 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
	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	0. 2	355,699.	
	3 Pledges and grants receivable, net	0. 3	116,815.	
	4 Accounts receivable, net	0. 4	646,836.	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	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		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	0. 9	16,865.	
Assets	10 a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,016,502.		
	b Less accumulated depreciation	10b 51,623.	0. 10c	964,879.
	11 Investments - publicly traded securities		11	
	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	0. 15	5,000.	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	0. 16	2,106,094.	
	17 Accounts payable and accrued expenses	0. 17	221,186.	
	18 Grants payable		18	
	19 Deferred revenue	0. 19	29,141.	
	20 Tax-exempt bond liabilities		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	0. 23	139,494.	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
Liabilities	26 Total liabilities. Add lines 17 through 25	0. 26	389,821.	
	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	0. 27	1,716,273.	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		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	0. 33	1,716,273.	
Net Assets or Fund Balances	34 Total liabilities and net assets/fund balances	0. 34	2,106,094.	

Form 990 (2009)

Part XI Financial Statements and Reporting

	Yes	No			
1 Accounting method used to prepare the Form 990	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual	<input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O					
2a Were the organization's financial statements compiled or reviewed by an independent accountant?				2a	
b Were the organization's financial statements audited by an independent accountant?				2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?				2c	X
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	<input type="checkbox"/> Separate basis	<input checked="" type="checkbox"/> Consolidated basis	<input type="checkbox"/> Both consolidated and separate 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?				3a	X
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				3b	X

Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

KVC HOSPITALS, INC.

Employer identification number

27-1672159

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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i) .								
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii) . (Attach Schedule E)								
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii) .								
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v) .								
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) . (Complete Part II)								
9	<input type="checkbox"/>	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	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4) .								
11	<input type="checkbox"/>	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3) . Check the box that describes the type of supporting organization and complete lines 11e through 11h								
	a <input type="checkbox"/>	Type I	b <input type="checkbox"/>	Type II	c <input type="checkbox"/>	Type III - Functionally integrated	d <input type="checkbox"/>	Type III - Other		
e	<input type="checkbox"/>	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 <input type="checkbox"/>									
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?							Yes	No	
	(ii) A family member of a person described in (i) above?							11g(i)		
	(iii) A 35% controlled entity of a person described in (i) or (ii) above?							11g(ii)		
h	Provide the following information about the supported organization(s)								11g(iii)	

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

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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

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

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 Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

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 from 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 ► <input type="checkbox"/>		
b 33 1/3 % support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I)
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 section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV Supplemental Information. 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

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

2009Open to Public
Inspection

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

► 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.

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

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

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?

Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Yes No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
a Total number of conservation easements	Held at the End of the Year
2a	2a
2b	2b
2c	2c
2d	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

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

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

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

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

(ii) Assets included in Form 990, Part X

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

a Revenues included in Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2009

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

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

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

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

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Term endowment ► _____ %

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

Yes No

(i) unrelated organizations

3a(i)

(ii) related organizations

3a(ii)

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

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				
b Buildings				
c Leasehold improvements		752,727.	41,818	710,909.
d Equipment		258,894.	9,805	249,089.
e Other		4,881.		4,881.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				964,879.

Schedule D (Form 990) 2009

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) must equal Form 990, Part X, col (B) line 12)

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

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

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

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

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

Total (Column (b) must equal Form 990, Part X, col (B) line 25)

2. **FIN 48 Footnote** In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10

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
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5

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

1	Total expenses and losses per audited financial statements	1
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
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5

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, line 2, 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

UNCERTAIN TAX POSITIONS DISCLOSURE**SCHEDULE D, PART X, LINE 2**

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE

INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT

IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR

DISCLOSED IN THE FINANCIAL STATEMENTS.

Part XIV Supplemental Information (continued)

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

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

► Attach to Form 990.

► See separate instructions.

Part I Charity Care and Certain Other Community Benefits at Cost

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

1a Does the organization have a charity care policy? If "No," skip to question 6a

b If "Yes," is it a written policy?

2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals

Applied uniformly to all hospitals Applied uniformly to most hospitals

Generally tailored to individual hospitals

3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients

a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care

100% 150% 200% Other _____ %

b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

200% 250% 300% 350% 400% Other 150.0000 %

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"?

5a Does the organization budget amounts for free or discounted care provided under its charity care policy?

b If "Yes," did the organization's charity care expenses exceed the budgeted amount?

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?

6a Does the organization prepare an annual community benefit report?

b If "Yes," does the organization make it available to the public?

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

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)			0.	0.	0.	0.00
b Unreimbursed Medicaid (from Worksheet 3, column a)			0.	0.	0.	0.00
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)			0.	0.	0.	0.00
d Total Charity Care and Means-Tested Government Programs			0.	0.	0.	0.00
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			0.	0.	0.	0.00
f Health professions education (from Worksheet 5)			0.	0.	0.	0.00
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			0.	0.	0.	0.00
i Cash and in-kind contributions to community groups (from Worksheet 8)			0.	0.	0.	0.00
j Total Other Benefits			0.	0.	0.	0.00
k Total Add lines 7d and 7j			0.	0.	0.	0.00

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

Schedule H (Form 990) 2009

JSA

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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? 1 X

2 Enter the amount of the organization's bad debt expense (at cost) 2 0.

3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy 3' 0.

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

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME) 5 0.

6 Enter Medicare allowable costs of care relating to payments on line 5 6 0.

7 Subtract line 6 from line 5. This is the surplus or (shortfall) 7 0.

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? 9a X

b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. 9b X

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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Part VI Supplemental Information

Complete this part to provide the following information

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

PART III, LINE 4:

ACCOUNTS RECEIVABLE ARE STATED AT THE NET REALIZABLE VALUE, WHICH IS

THE AMOUNT MANAGEMENT EXPECTS TO COLLECT FROM OUTSTANDING BALANCES.

THE ORGANIZATION PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS, WHICH

IS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL

COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS. ACCOUNTS

RECEIVABLE ARE ORDINARILY DUE 30 DAYS AFTER THE ISSUANCE OF THE

INVOICE. ACCOUNTS PAST DUE MORE THAN 90 DAYS ARE CONSIDERED

DELINQUENT. DELINQUENT RECEIVABLES ARE WRITTEN OFF BASED ON

INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE

CUSTOMER.

THE BAD DEBT EXPENSE IS FROM THOSE CLIENTS THAT DO NOT QUALIFY FOR

CHARITY CARE OR FOR FINANCIAL ASSISTANCE THAT ARE NOT EXPECTED TO

PAY.

THE COST OF THE VISITS ARE DETERMINED BY TAKING THE AMOUNT OF REVENUE

RECORDED FROM THE BAD DEBT, DIVIDING BY TOTAL REVENUE, MULTIPLYING BY

THE PROFIT FOR THE YEAR, THEN SUBTRACTING THAT FROM THE BAD DEBT

Part VI Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions
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- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

REVENUE RECORDED.

PART III, LINE 8:

N/A

PART III, LINE 9B:

KVC DOES NOT SEND CHARITY CARE OR FINANCIAL ASSISTANCE CLIENTS TO
COLLECTION AGENCIES. KVC WORKS WITH THESE CLIENTS TO SET UP PAYMENT
PLANS THAT THE CLIENT CAN MAINTAIN.

NEEDS ASSESSMENT:

THE HOSPITAL WAS CREATED IN COOPERATION WITH THE STATE OF KANSAS.
THE STATE OF KANSAS ASSESSED THE NEED FOR A PSYCHIATRIC HOSPITAL FOR
THE CENTRAL AND WESTERN PART OF KANSAS.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

KVC'S CHARITY CARE POLICY IS ON THE WEBSITE AND GIVEN OUT UPON
ADMISSION. GENERALLY, IF A CLIENT COMES TO KVC, THEY ARE ALREADY ON
A FEDERAL, STATE OR LOCAL PROGRAM.

Part VI Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves
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- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

COMMUNITY INFORMATION:

THE HOSPITAL SERVES CHILDREN FROM CENTRAL AND WESTERN KANSAS. THIS

IS A LARGE GEOGRAPHICAL AREA WHICH COVERS APPROXIMATELY HALF OF THE

STATE. THE CLIENTS GENERALLY COME FROM LOW INCOME OR LOW MIDDLE

INCOME HOUSEHOLDS

COMMUNITY BUILDING ACTIVITIES:

THIS HOSPITAL WAS ONLY IN SERVICE FOR A MONTH AND A HALF DURING THIS

TAX YEAR AND DID NOT PROVIDE ANY COMMUNITY BUILDING ACTIVITIES. THE

HOSPITAL IS A PSYCHIATRIC HOSPITAL, NOT A GENERAL HOSPITAL. THE

TRAINING PROVIDED IN THE COMMUNITY WILL BE THAT OF EXPANDING THE

UNDERSTANDING OF MENTAL HEALTH ISSUES IN PRE-ADOLESCENTS AND

ADOLESCENTS.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

► Attach to Form 990. ► See separate instructions

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

Part I Questions Regarding Compensation

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

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

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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all 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 type="checkbox"/>	Written employment contract
<input checked="" type="checkbox"/>	Independent compensation consultant	<input checked="" type="checkbox"/>	Compensation survey or study
<input checked="" type="checkbox"/>	Form 990 of other organizations	<input type="checkbox"/>	Approval by the board or compensation committee

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

a Receive a severance payment or change-of-control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

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

a The organization?
b Any related organization?
If "Yes" to line 5a or 5b, describe in Part III

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

a The organization?
b Any related organization?
If "Yes" to line 6a or 6b, describe in Part III

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

Yes

No

1b

2

4a

X

4b

X

4c

X

5a

X

5b

X

6a

X

6b

X

7

X

8

X

9

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

Schedule J (Form 990) 2009

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

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

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

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.

27-1672159

Page 3

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN**SCHEDULE J, PART I, LINE 4B**

1. B. WAYNE SIMS \$ 245,751

2. ANNE ROBERTS \$ 31,995

3. PAUL KLAYDER \$ 31,985

4. SHERRY LOVE \$ 29,874

THE AMOUNTS REPRESENT THE RECOVERY OF AMOUNTS CONTRIBUTED OVER A 5 YEAR PERIOD INTO A SUPPLEMENTAL RETIREMENT PLAN IN WHICH THE EMPLOYEE BECAME VESTED AFTER 5 YEARS.

PAYMENT OF COMPENSATION**SCHEDULE J, PART II**

THE COMPENSATION REPORTED ON SCHEDULE J, PART II WAS PAID BY KVC HEALTH SYSTEMS, INC. A RELATED TAX EXEMPT ORGANIZATION.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

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.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

ATTACHMENT 1

MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINE 6

KVC HEALTH SYSTEMS, INC., A KANSAS NOT-FOR-PROFIT CORPORATION, IS THE SOLE MEMBER OF KVC HOSPITALS, INC. KVC HEALTH SYSTEMS, INC. IS DESIGNATED AS THE SOLE MEMBER AS LONG AS KVC HEALTH SYSTEMS, INC. CONTINUES TO QUALIFY AS A QUALIFIED ORGANIZATION AS DESCRIBED IN SECTION 501(C)(3) AND SECTIONS 509(A)(3) OF THE IRC. KVC HEALTH SYSTEMS, INC. HAS THE RIGHT TO CHANGE THE NUMBER OF DIRECTORS, TO APPOINT AND ELECT AND REMOVE THE MEMBERS OF KVC HOSPITALS, INC.'S BOARD OF DIRECTORS. KVC HEALTH SYSTEMS, INC. HAS THE POWER TO APPROVE SIGNIFICANT DECISIONS OF KVC HOSPITALS, INC. KVC HEALTH SYSTEMS, INC. IS NOT ENTITLED TO RECEIVE A SHARE OF KVC HOSPITALS, INC.'S PROFITS. KVC HEALTH SYSTEMS, INC. IS ENTITLED TO KVC HOSPITALS, INC.'S NET ASSETS UPON DISSOLUTION.

MEMBERS OR STOCKHOLDERS MAY ELECT GOVERNING BOARD

FORM 990, PART VI, SECTION A, LINE 7A

KVC HEALTH SYSTEMS, INC. BEING THE SOLE MEMBER OF KVC HOSPITALS, INC. HAS THE RIGHT TO ELECT ALL MEMBERS OF THE BOARD OF DIRECTORS.

GOVERNING BOARD DECISIONS SUBJECT TO APPROVAL OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINE 7B

THE CORPORATE BYLAWS OF KVC HOSPITALS, INC. IDENTIFY CERTAIN RIGHTS AND POWERS WHICH ARE RESERVED TO KVC HEALTH SYSTEMS, INC. THE SOLE MEMBER. IN EACH INSTANCE, THE RIGHTS AND POWERS RESERVED TO THE SOLE MEMBER MAY

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

ATTACHMENT 1 (CONT'D)

BE SUMMARIZED AS FOLLOWS:

1. BOARD OF DIRECTORS

THE SOLE MEMBER HAS THE POWER TO ELECT THE BOARD OF DIRECTORS, REMOVE DIRECTORS, AND CHANGE THE NUMBER OF DIRECTORS.

2. ARTICLES OF INCORPORATION AND BYLAWS

KVC HOSPITALS, INC. ARTICLES OF INCORPORATION AND BYLAWS MAY BE AMENDED BY THE SOLE MEMBER.

3. ANNUAL BUDGETS

THE SOLE MEMBER HAS THE POWER TO APPROVE OR DISAPPROVE ANNUAL BUDGETS ADOPTED BY THE BOARD OF DIRECTORS AND TO ESTABLISH LEVELS OF APPROVAL AUTHORITY FOR KVC HOSPITALS, INC.

4. DISSOLUTION OR LIQUIDATION

THE SOLE MEMBER HAS THE POWER TO APPROVE IN ADVANCE ANY PROPOSED DISSOLUTION AND/OR LIQUIDATION OF KVC HOSPITALS, INC.

PROCESS TO REVIEW THE FORM 990

FORM 990, PART VI, SECTION B, LINE 11A

AN INDEPENDENT ACCOUNTING FIRM PREPARES AND REVIEWS THE 990. THE 990 IS THEN REVIEWED BY THE ORGANIZATION'S OFFICERS AND ACCOUNTING PERSONNEL.

ANY QUESTIONS AND CONCERNS THE ORGANIZATION'S OFFICERS AND ACCOUNTING PERSONNEL HAVE ARE ADDRESSED AND ANY CORRECTIONS OR CLARIFICATIONS THAT NEED TO BE MADE ARE MADE. THE FINAL FORM 990 WITH ALL REQUIRED SCHEDULES IS THEN PROVIDED TO ALL VOTING MEMBERS OF THE BOARD PRIOR TO FILING THE

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

ATTACHMENT 1 (CONT'D)

990.

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

EACH YEAR BOARD MEMBERS AND OFFICERS FILL OUT A PACKET THAT DETAILS ANY CONFLICTS OF INTEREST. THE CFO REVIEWS THE PACKETS TO DETERMINE IF THERE ARE ANY CONFLICTS OF INTEREST. IF ANY CONFLICT EXIST, THE BOARD MEMBER WITH THE CONFLICT DOES NOT PARTICIPATE IN THE DISCUSSION OR VOTE ON THE ISSUE INVOLVING THE CONFLICT.

EXECUTIVE COMPENSATION DETAIL

FORM 990, PART VII & SCHEDULE J, PART II

THE FOUR EXECUTIVE OFFICERS (CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, AND CHIEF CLINICAL OFFICER) OVERSEE AND PERFORM DUTIES FOR ALL OF THE COMPANIES IN THE CONSOLIDATED GROUP OF KVC HEALTH SYSTEMS. THE FOLLOWING ARE THE PERCENTAGES OF EACH COMPANY'S DIVISIONAL BUDGETS TO THE CONSOLIDATED BUDGET, WHICH REPRESENTS THE RELATIVE PERCENTAGE OF TIME SPENT BY THE EXECUTIVE OFFICERS:

- KVC BEHAVIORAL HEALTHCARE, INC. - KANSAS REINTEGRATION CONTRACT

REGION 2	34%
- KVC BEHAVIORAL HEALTHCARE, INC. - HOSPITAL, CHILD PLACING AND OUTPATIENT SERVICES	31%
- KVC BEHAVIORAL HEALTHCARE WEST VIRGINIA, INC.	5%
- KVC HEALTH SYSTEMS, INC.	5%
- KVC BEHAVIORAL HEALTHCARE KENTUCKY, INC.	1%
- KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.	23%
- KVC HOSPITALS, INC.	1%

Name of the organization

KVC HOSPITALS, INC

Employer identification number

27-1672159

ATTACHMENT 1 (CONT'D)

- KVC REAL ESTATE HOLDINGS, INC.

<1%

- KVC FOUNDATION, INC.

<1%

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

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
KCV HEALTH SYSTEMS INC 21350 W 153RD STREET	26-2516589 OLATHE, KS 66061	MANAGEMENT	501©3	11B	N/A
KVC BEHAVIORAL HEALTHCARE WEST VIRGINIA 200 BRADFORD ST	31-1770280 CHARLESTON, WV 25301	FOSTER CARE	501©3	9	N/A
KVC FOUNDATION INC 21350 W 153RD STREET	26-2516476 OLATHE, KS 66061	FUNDRAISING	501©3	11B	N/A
KVC REAL ESTATE HOLDINGS INC 21350 W 153RD STREET	26-2516519 OLATHE, KS 66061	REAL ESTATE	501©3	11B	N/A
KVC BEHAVIORAL HEALTHCARE KENTUCKY INC 900 BEASLEY STREET	27-0795565 LEXINGTON, KY 40509	IN HOME SVCS	501©3	9	N/A
KVC BEHAVIORAL HEALTHCARE NEBRASKA INC 10909 MILL VALLEY ROAD	27-0408957 OMAHA, NE 68154	FAM PRES	501©3	9	N/A
KVC BEHAVIORAL HEALTHCARE INC 21350 W 153RD STREET	48-0770308 OLATHE, KS 66061	REINTEGRATION	501©3	9	N/A

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

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

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

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

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

- a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to 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)

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.

Schedule R (Form 990) 2009

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box.

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)

Type or print	Name of exempt organization KVC HOSPITALS, INC.	Employer identification number 27-1672159
File by the extended due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions 21350 W 153RD STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions OLATHE, KS 66061	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ► PAUL KLAYDER
Telephone No ► 913 322-4900 FAX No ►
- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box. If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until 05/15, 20 11
- For calendar year _____, or other tax year beginning 07/01, 20 09, and ending 06/30, 20 10
- If the tax year entered in line 5 is for less than 12 months, check reason Initial return Final return
 Change in accounting period
- State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO ACCUMULATE THE INFORMATION
NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$ 0.
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ►

Title ►

Date ►

BKD, LLP
1201 WALNUT, SUITE 1700
KANSAS CITY, MO 64106-2246

Form 8868 (Rev. 1-2011)

Application for Extension of Time To File an
Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ►
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ► *All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns*

Electronic Filing (e-file) Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for *Charities & Nonprofits*

Type or print	Name of Exempt Organization KVC HOSPITALS, INC.	Employer identification number 27-1672159
	Number, street, and room or suite no. If a P O box, see instructions 21350 W 153RD STREET	
File by the due date for filing your return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions OLATHE, KS 66061	

Check type of return to be filed (file a separate application for each return)

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ► PAUL KLAYDER

Telephone No ► 913 322-4900 FAX No ► _____

- If the organization does not have an office or place of business in the United States, check this box ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ► If it is for part of the group, check this box .. ► and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for

► calendar year _____ or
► tax year beginning 07/01, 2009, and ending 06/30, 2010

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a \$ 0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b \$ 0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c \$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev 4-2009)