See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
NORTON HEALTHCARE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
224 E BROADWAY - 5TH FLOOR

Room/suite

City or town, state or country, and ZIP + 4
LOUISVILLE, KY 40202

D Employer identification number
61-1028725

E Telephone number
(502) 629-8249

G Gross receipts $ 306,511,917

F Name and address of principal officer
STEPHEN A WILLIAMS
234 E GARY ST STE 225
LOUISVILLE, KY 40202

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW NORTONHEALTHCARE COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1983

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ASSIST ITS TAX EXEMPT AFFILIATED ENTITIES IN CARRYING OUT THEIR HEALTHCARE AND CHARITABLE PURPOSES

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**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	19
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,386
6	Total number of volunteers (estimate if necessary)	**6**	22
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	616,143	858,007
9	Program service revenue (Part VIII, line 2g)	146,384,537	154,251,572
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	541,108	15,486,421
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-60,880	13,898,067
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	147,480,908	184,494,067
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,195,692	2,419,994
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)	80,374,950	82,510,670
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	85,524,112	85,191,163
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	169,094,754	170,121,827
19	Revenue less expenses Subtract line 18 from line 12	-21,613,846	14,372,240

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	761,341,822	792,733,695
21	Total liabilities (Part X, line 26)	938,893,131	947,079,983
22	Net assets or fund balances Subtract line 21 from line 20	-177,551,309	-154,346,288

Part II Signature Block

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

Sign Here

****** 2011-11-11
Signature of officer — Date

MICHAEL W GOUGH TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ CROWE HORWATH LLP				Firm's EIN ▶
Firm's address ▶ 9600 BROWNSBORO ROAD SUITE 400 LOUISVILLE, KY 40241				Phone no ▶ (502) 326-3996

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

SEE SCHEDULE O

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 $ 129,367,797 including grants of $ 2,419,994) (Revenue $ 167,731,963)

SEE SCHEDULE O

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** ▶ $ 129,367,797

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	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
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		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
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		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	494		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,386		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
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 Yes	
b	If "Yes," enter the name of the foreign country ▶ SZ , SP , HK , MY , SN , UK , AS , BR , CA , NL See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
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	No
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).**				
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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
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	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	22		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	19		
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 Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .			3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			5	No
6	Does the organization have members or stockholders?			6	No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?			7a	No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .			7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			8a Yes	
b	Each committee with authority to act on behalf of the governing body?			8b Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9	No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	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?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

HELENA SCHULZ
224 E BROADWAY - 5TH FLOOR
LOUISVILLE, KY 402022025
(502) 629-8263

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

Check if Schedule O contains a response to any question in this Part VII . . . . . ☑

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								11,335,518	0	2,164,303

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 ▶ 120

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
LOCKTON COMPANIES LLC P O BOX 802702 KANSAS CITY, MO 64180	INSURANCE CONSULT & BROKER	6,485,978
FTI CONSULTING INC P O BOX 418005 BOSTON, MA 02241	PROFESSIONAL SERVICES	3,624,361
MEDASSIST INC 6455 RELIABLE PKWY CHICAGO, IL 60686	PROFESSIONAL SERVICES	3,595,084
EMC CORPORATION 4246 COLLECTIONS CTR DR CHICAGO, IL 60693	IS SOFTWARE MAINTENANCE	3,580,919
MESSER CONSTRUCTION CO 5158 FISHWICK DR CINCINNATI, OH 45216	CONSTRUCTION AND REPAIRS	3,543,109

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 ▶ 98

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d	802,303				
	e Government grants (contributions) 1e	55,704				
	f All other contributions, gifts, grants, and similar amounts not included above 1f					
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		858,007			
Program Service Revenue		Business Code				
	2a MANAGEMENT FEE ALLOCAT	900099	148,045,757	148,045,757		
	b CENTRAL SERVICE ALLOCA	900099	2,781,787	2,781,787		
	c INSURANCE ALLOCATION	900099	2,513,361	2,513,361		
	d CLINICAL RESEARCH TRIA	900099	829,706	829,706		
	e EDUCATION PROGRAMS	900099	80,961	80,961		
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		154,251,572			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		8,179,760			8,179,760
	4 Income from investment of tax-exempt bond proceeds . . ▶		2,117,881			2,117,881
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	242,076				
	b Less rental expenses					
	c Rental income or (loss)	242,076				
	d Net rental income or (loss) . . . . . ▶		242,076			242,076
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	127,206,630				
	b Less cost or other basis and sales expenses	122,017,850				
	c Gain or (loss)	5,188,780				
	d Net gain or (loss) . . . . . ▶		5,188,780			5,188,780
Other Revenue	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 . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a FLOOD LOSS REIMBURSE	900099	12,642,005	12,642,005		
	b MISCELLANEOUS INCOME	900099	308,089	308,089		
	c FITNESS CENTER INCOME	900099	175,600			175,600
	d All other revenue		530,297	530,297		
	e **Total.** Add lines 11a–11d . . . . . ▶		13,655,991			
	12 **Total revenue.** See Instructions . . . ▶		184,494,067	167,731,963	0	15,904,097

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	1,499,580	1,499,580		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	920,414	920,414		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	9,885,065	5,360,604	4,524,461	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	57,148,972	49,414,685	7,734,287	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,265,462	2,159,292	106,170	
9 Other employee benefits	7,131,543	6,834,053	297,490	
10 Payroll taxes	6,079,628	5,320,997	758,631	
a Fees for services (non-employees) Management				
b Legal	1,609,692	1,479,364	130,328	
c Accounting	506,500	202,600	303,900	
d Lobbying	218,750	87,500	131,250	
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	1,141,699		1,141,699	
g Other	35,819,638	23,903,425	11,916,213	
12 Advertising and promotion				
13 Office expenses	1,898,692	1,834,630	64,062	
14 Information technology				
15 Royalties				
16 Occupancy	5,484,534	4,506,185	978,349	
17 Travel	1,198,466	1,001,547	196,919	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	31,830,178		31,830,178	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	16,571,642	750,695	15,820,947	
23 Insurance	102,455	92,210	10,245	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a EQUIPMENT RENTAL & REPA	23,825,007	21,990,905	1,834,102	
b SPONSORSHIPS	935,755	771,438	164,317	
c RECRUITMENT	798,183	718,980	79,203	
d DUES & SUBSCRIPTIONS	692,663	518,693	173,970	
e INTEREST ALLOCATION	-37,770,726		-37,770,726	
f All other expenses	328,035		328,035	
25 **Total functional expenses.** Add lines 1 through 24f	170,121,827	129,367,797	40,754,030	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		-10,516,767	1	-5,078,403
	2	Savings and temporary cash investments		175,414,287	2	180,461,800
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,370,811	4	2,229,626
	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)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		20,144	6	15,528
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,141,963	8	1,160,395
	9	Prepaid expenses and deferred charges		21,221,795	9	22,004,900
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 299,499,738			
	b	Less accumulated depreciation	10b 238,144,102	67,238,422	10c	61,355,636
	11	Investments—publicly traded securities		289,042,728	11	375,993,164
	12	Investments—other securities See Part IV, line 11		142,239,323	12	114,397,943
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		73,169,116	15	40,193,106
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		761,341,822	16	792,733,695
Liabilities	17	Accounts payable and accrued expenses		129,985,303	17	135,858,091
	18	Grants payable		5,499,704	18	3,922,896
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		687,037,966	20	678,082,926
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		12,470,370	21	9,670,318
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		103,899,788	25	119,545,752
	26	**Total liabilities.** Add lines 17 through 25		938,893,131	26	947,079,983
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-177,748,713	27	-154,583,380
	28	Temporarily restricted net assets		197,404	28	237,092
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-177,551,309	33	-154,346,288
	34	Total liabilities and net assets/fund balances		761,341,822	34	792,733,695

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	184,494,067
2	Total expenses (must equal Part IX, column (A), line 25)	2	170,121,827
3	Revenue less expenses Subtract line 2 from line 1	3	14,372,240
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-177,551,309
5	Other changes in net assets or fund balances (explain in Schedule O)	5	8,832,781
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-154,346,288

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
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 separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
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	Yes	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☑ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

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

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

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

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		No
(ii) a family member of a person described in (i) above? **11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		No

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
(A) NORTON HOSP INC	610703799	3	Yes		Yes		Yes		1,155,298,131
(B) COMMUNITY MED ASSOC INC	611276316	9	Yes		Yes		Yes		177,420,528
(C) NORTON PROP INC	611028724	11A-TYPE I	Yes		Yes		Yes		7,992,623
(D) NORTON HLTH FOUNDATION	310914919	7	Yes		Yes		Yes		2,027,414
(E) CHILDREN'S HOSP FND	616027530	7	Yes		Yes		Yes		3,527,622
Total									1,346,266,318

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2009 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
NORTON HEALTHCARE INC	61-1028725

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		218,750
j	Total lines 1c through 1i			218,750
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	PAYMENTS MADE TO THE FOLLOWING ENTITIES FOR GOVERNMENT AFFAIRS REPRESENTATION TO FOCUS ON GOALS AND PRIORITIES TO ADVOCATE, EDUCATE AND PROMOTE THE INTEREST OF NORTON HEALTHCARE, INC AND REGISTERED AS APPROPRIATE WITH THE LEGISLATIVE AND/OR EXECUTIVE BRANCH ETHICS COMMISSION AS AGENTS/LOBBYISTS GOVERNMENT STRATEGIES TOTALING $105,000 AND TO ROTUNDA GROUP, LLC TOTALING $113,750

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

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

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☑ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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

		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		2,115,807		2,115,807
b Buildings		38,765,230	28,923,413	9,841,817
c Leasehold improvements				
d Equipment		227,908,589	208,600,302	19,308,287
e Other		30,710,112	620,387	30,089,725
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				61,355,636

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
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) ALTERNATIVE INVESTMENT MASTER TRUST UNITS	74,813,910	F
(B) REAL ESTATE MASTER TRUST UNITS	29,913,715	F
(C) SECURITIES LENDING COLLATERAL	9,670,318	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	114,397,943	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
(1) INVESTMENTS IN HEALTHCARE & OTHER RELATED ORGANIZATIONS	568,362
(2) DEPOSIT - PFG EQUIPMENT LEASE	68,557
(3) OTHER LT ASSETS	2,395,455
(4) 2006 BOND ISSUE COST	2,519,414
(5) 1997 BOND ISSUE COSTS	312,980
(6) 2000 BOND ISSUE COST	11,631,556
(7) REFUNDABLE ADVANCE	4,478,102
(8) RECEIVABLE FROM AFFILIATES	5,351,436
(9) PENSION	12,867,244
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	40,193,106

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
SELF INSURANCE TRUST	82,156,180
OTHER INSURANCE	2,948,858
MARKET VALUE OF SWAP - UNFAVORABLE	14,748,375
CAPITAL LEASE	1,350,000
OTHER LIABILITIES	18,342,339
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	119,545,752

2. Fin 48 (ASC 740) 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 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	184,494,067
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	170,121,827
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	14,372,240
4	Net unrealized gains (losses) on investments	4	21,408,714
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-12,575,933
9	Total adjustments (net) Add lines 4 - 8	9	8,832,781
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	23,205,021

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 should 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 should 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	NORTON HEALTHCARE, INC PARTICIPATES IN A SECURITIES LENDING PROGRAM, WHEREBY SECURITIES OWNED BY THE CORPORATION ARE LOANED TO OTHER INSTITUTIONS THE CORPORATION REQUIRES THAT COLLATERAL FROM THE BORROWER IN AN AMOUNT EQUAL TO 102% IN THE CASE OF SECURITIES OF UNITED STATES ISSUERS, AND 105% IN THE CASE OF SECURITIES OF NON-UNITED STATES ISSUERS OF THE MARKET VALUE OF THE LOANED SECURITIES BE PLACED WITH A THIRD PARTY TRUSTEE THE MARKET VALUE OF CASH COLLATERAL HELD FOR LOANED MARKETABLE SECURITIES IS REPORTED AS COLLATERAL HELD FOR SECURITIES LENDING AGREEMENT, PART X LINE 12, AND A CORRESPONDING PAYABLE, PART X LINE 21, IS REPORTED FOR REPAYMENT OF SUCH COLLATERAL UPON SETTLEMENT OF THE SECURITIES LENDING ARRANGEMENTS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION COMPLETED AN ANALYSIS OF ITS TAX POSITION AT DECEMBER 2010 AND 2009 AND DETERMINED THAT NO MATERIAL AMOUNTS WERE REQUIRED TO BE RECOGNIZED UNDER ASC 740, INCOME TAXES IN THE COMBINED FINANCIAL STATEMENTS AT DECEMBER 31, 2010 AND 2009
		SCHEDULE D PART IX OTHER ASSETS, FORM 990, PART X, LINE 15 REFUNDABLE ADVANCES OF $4,478,102 REPRESENT ASSETS TRANSFERRRED FROM THE NORTON HEALTHCARE JAMES R PETERSDORF FUND (COMMUNITY TRUST FUND) TO THE CHILDREN'S HOSPITAL FOUNDATION AND NORTON HEALTHCARE FOUNDATION OF 2,284,102 AND 2,194,000 RESPECTIVELY THE PRINCIPAL OF THESE FUNDS IS RESTRICTED AND IF THE RESTRICTED PURPOSE CANNOT BE FULFILLED OR NO LONGER ACCORDS WITH THE STRATEGIC PLAN OF NORTON HEALTHCARE, THE FUNDS ASSETS SHALL REVERT BACK TO THE TRUST SCHEDULE D PART PART XI, LINE 8 COMPONENTS AFFILIATE TRANSFERS - 69,200 SWAP MARKET TO MARKET ADJUSTMENT -9,785,145 CHANGE IN MINIMUM PENSION LIABILITY 9,928,920 ASSET IMPAIRMENT -12,650,508 TOTAL PART XI, LINE 8 - 12,575,933

Additional Data

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
INVESTMENTS IN HEALTHCARE & OTHER RELATED ORGANIZATIONS	568,362
DEPOSIT - PFG EQUIPMENT LEASE	68,557
OTHER LT ASSETS	2,395,455
2006 BOND ISSUE COST	2,519,414
1997 BOND ISSUE COSTS	312,980
2000 BOND ISSUE COST	11,631,556
REFUNDABLE ADVANCE	4,478,102
RECEIVABLE FROM AFFILIATES	5,351,436
PENSION	12,867,244

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
CENTRAL AMERICA AND THE CARRIBEAN			INVESTMENTS		94,597,581
EAST ASIA AND THE PACIFIC			INVESTMENTS		11,310,797
EUROPE			INVESTMENTS		2,123,751
NORTH AMERICA			INVESTMENTS		3,025,343
RUSSIA			INVESTMENTS		880,000
SOUTH AMERICA			INVESTMENTS		340,114
3a Sub-total		0			112,277,586
b Total from continuation sheets to Part I		0			0
c Totals (add lines 3a and 3b)		0			112,277,586

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☐ Yes	☑ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	ReturnReference	Explanation
METHOD USED TO ACCCOUNT FOR EXPENDITURES		SCHEDULE F, PART I, LINE 3 INVESTMENTS ARE RECORDED AT FAIR MARKET VALUE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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

▶ **Attach to Form 990**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 24

3 Enter total number of other organizations . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) UNDERGRADUATE SCHOLARSHIPS FOR STUDENTS PURSUING EDUCATION FOR A CAREER IN THE HEALTHCARE FIELD	78	94,000			
(2) ASSISTANCE TO CURRENT NORTON HEALTHCARE CLINICAL PERSONNEL	667	825,414			

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ALL GRANT APPLICANTS ARE REQUIRED TO SUBMIT A GRANT APPLICATION TO THE MANAGER OF STEWARDSHIP THE GRANT IS REVIEWED AND APPROVED BY NORTON HEALTHCARE MANAGEMENT ALL GRANT REQUESTS GREATER THAN $250,000 REQUIRE THE APPROVAL OF THE NORTON HEALTHCARE BOARD OF DIRECTORS SELECTION CRITERIA INCLUDES APPROPRIATENESS OF THE REQUEST, LEVEL OF NEED AND WHETHER THE REQUEST IS IN ALIGNMENT WITH THE ORGANIZATION'S GOALS AND OBJECTIVES UPON APPROVAL, THE GRANT IS ENTERED INTO THE GRANT DATABASE AND THE FINANCIAL SYSTEM THE ORGANIZATION REQUIRES THAT A PROGRESS REPORT BE SUBMITTED MIDWAY THROUGH THE PROJECT, AND A FINAL REPORT IS REQUIRED AT THE END OF THE PROJECT FOR WHICH FUNDING IS RECEIVED GRANT REPORT DEADLINES AND GUIDELINES THAT EXPLAIN WHAT TO INCLUDE IN REPORTS WILL BE SENT TO THE PROJECT DIRECTOR/GRANTEE UPON GRANT AWARD NOTIFICATION GRANT REPORTS MUST INCLUDE AN ACCOUNTING OF FUNDS EXPENDED AND ENCUMBERED, INCLUDING SUPPORTING DOCUMENTATION GRANT RECIPIENTS WHO FAIL TO SUBMIT REPORTS OR ACCOUNT FOR THE EXPENSE OF GRANT FUNDS WILL NOT BE ALLOWED TO APPLY FOR FUTURE FUNDING UNTIL THE REPORTING REQUIREMENTS ARE MET
OTHER INFORMATION	PART IV	PART I, LINE 2 - GRANTS WILL BE AWARDED FROM THE BOARD-DESIGNED FUND TO ADVANCE INITIATIVES THAT ARE ALIGNED WITH OR A DIRECT PART OF NORTON HEALTHCARE STRATEGIC PLAN AWARDS ARE GRANTED FOR EDUCATION, RESEARCH, WORKFORCE DEVELOPMENT, COMMUNITY HEALTH AND/OR TECHNOLOGY OR EQUIPMENT OF SPECIAL NATURE CASH ASSISTANCE IS AWARDED THROUGH THE COMMUNITY INITIATIVE COMMITTEE AND EXPENSED IN THE YEAR THAT THE CASH ASSISTANCE IS AWARDED A REQUEST PROCESS IS IN PLACE TO ENSURE THAT THE REQUEST IS IN ALIGNMENT WITH THE NORTON HEALTHCARE STRATEGIC PLAN

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
SHAWNEE CHRISTIAN HEALTHCARE CENTER234 AMY AVENUE LOUISVILLE,KY 40212	26-4345390	501(C)(3)	425,000				PROVIDE START-UP FINANCIAL SUPPORT FOR FAITH BASED HEALTHCARE CLINIC SHAWNEE AREA
LOUISVILLE COMPREHENSIVE CARE MS CENTER3991 DUTCHMANS LANE LOUISVILLE,KY 40207	20-1512570	501(C)(3)	100,000				MS CONPREHENSIVE CENTER OF EXCELLENCE TO OPTIMIZE CARE FOR GREATEST NUMBER OF PEOPLE WITH MS
UNIVERSITY PEDIATRIC SURGERY ASSOCIATES234 E GRAY ST STE 766 LOUISVILLE,KY 40202	61-1238961	501(C)(3)	250,000				PEDIATRIC ACADEMIC SUPPORT AND PEDIATRIC SURGICAL SERVICES
U OF L PEDIATRIC SURGERY RESEARCH DEPARTMENT OF SURGERY LOUISVILLE,KY 40202	61-1014882	501(C)(3)	250,000				FOR PEDIATRIC SURGERY RESEARCH SUPPORT TO THE U OF L RESEARCH FOUNDATION
NORTON LEATHERMAN SPINE CENTER210 E GRAY ST STE 900 LOUISVILLE,KY 40202	61-1276316	501(C)(3)	856,301				STUDY THE TREATMENT OF CHRONIC MECHANICAL BACK PAIN WITH EITHER SURGICAL OR NON-SURGICAL CHOICE
NORTON LEATHERMAN SPINE CENTER210 E GRAY ST STE 900 LOUISVILLE,KY 40202	61-1276316	501(C)(3)	-1,077,281				ADJUSTMENT FOR PRIOR YEARS RECORDING OF GRANT
U OF L RESEARCH FOUNDATION550 S JACKSON STREET LOUISVILLE,KY 40202	61-1029626	501(C)(3)	88,804				PEDIATRIC RESEARCH
LEADERSHIP LOUISVILLE CENTER732 W MAIN ST LOUISVILLE,KY 40202	31-0958491	501(C)(3)	20,000				PROMOTE LEADERSHIP WITHIN THE LOUISVILLE COMMUNITY THROUGH ORGANIZATION REPRESENTATION
DOCTORS WITHOUT BORDERS333 SEVENTH AVE 2ND FLOOR NEW YORK,NY 10001	13-3433452	501(C)(3)	43,379				HAITI RELIEF
EDGE OUTREACH INC1500 ARLINTON AVE LOUISVILLE,KY 40206	61-1262016	501(C)(3)	43,379				HAITI RELIEF
AMERICAN HEART ASSOCIATION5455 N HIGH ST COLUMBUS,OH 43214	13-5613797	501(C)(3)	40,000				2010 KENTUCKIANA GO RED
WOMEN 4 WOMEN INC323 W BROADWAY SUITE 502 LOUISVILLE,KY 40202	61-1240049	501(C)(3)	40,000				2010 CHAMPIONS 4 HER WALK, RUN & FESTIVAL TITLE SPONSOR

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
HABITAT FOR HUMANITY 2777 S FLOYD ST LOUISVILLE,KY 40209	58-1735528	501(C)(3)	37,000				HABITAT FOR HUMANITY PROJECT
AMERICAN CANCER SOCIETY701 W MUHAMMED ALI BLVD LOUISVILLE,KY 40203	13-1788491	501(C)(3)	27,000				SPONSOR FOR WALKS/RELAY FOR LIFE WITHIN VARIOUS COUNTIES IN KENTUCKY AND SOUTHERN INDIANA
CENTER FOR WOMEN AND FAMILIES927 S 2ND STREET LOUISVILLE,KY 40201	61-0444846	501(C)(3)	35,000				PRESENTING SPONSOR FOR 2010 CELEBRATION OF SERVICE & SURVIVAL AND THE SANE PROGRAM
THE CENTER FOR COURAGEOUS KIDS1501 BURNLEY RD SCOTTSVILLE,KY 42164	20-1789905	501(C)(3)	30,000				FAMILY RETREAT SPONSORSHIP
THE SALUTE TO CATHOLIC SCHOOL ALUMNI325 W MAIN ST SUITE 1906 LOUISVILLE,KY 40202	35-6078141	501(C)(3)	30,000				2010 BENEFACTOR OF THE FATHER JOSEPH MCGEE AWARD SPONSOR
EPILEPSY FOUNDATION KENTUCKIANA982 EASTERN PARKWAY LOUISVILLE,KY 40217	61-1314540	501(C)(3)	25,000				SPONSOR OF THE 2010 BRAINSTORM CONFERENCE
GILDA'S CLUB LOUISVILLE INCP O BOX 4061 LOUISVILLE,KY 40204	20-1635170	501(C)(3)	25,000				SUPPORT FOR THE BUILDING FAMILY RESLIENCE LECTURE SERIES
AMERICAN HEART ASSOCIATION240 WHITTINGTON PKWY LOUISVILLE,KY 40222	13-5613797	501(C)(3)	19,000				BLOOD PRESSURE SCREENINGS, GALA AND GENERAL PROGRAM SUPPORT
AMERICAN LUNG ASSOCIATION OF KYP O BOX 9067 LOUISVILLE,KY 40209	61-0444714	501(C)(3)	17,000				EVENT SPONSOR AND LUNG WALK
LOUISVILLE METRO PARKS P O BOX 37280 LOUISVILLE,KY 40233	32-0049006	501(C)(3)	20,000				SUPPORT FOR HEALTHY HOMETOWN HIKE AND BIKE SERIES
HEUSER HEARING INSTITUTE115 E KENTUCKY ST LOUISVILLE,KY 40203	61-0492369	501(C)(3)	125,000				ENDOWED RESEARCH CHAIR OTOLOGY ARENA SUPPORT

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

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, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☑ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	TAX INDEMNIFICATION AND GROSS-UP PAYMENTS ARE TREATED AS TAXABLE COMPENSATION TO THE INTERESTED PERSONS LISTED BELOW AT TIME OF PAYMENT PAYMENTS ARE IN ACCORDANCE WITH EXISTING COMPENSATION POLICY GROSS-UP PAYMENTS SHALL BE MADE ONLY WHEN SPECIFIED IN AN EMPLOYEE'S EMPLOYMENT CONTRACT, OR AS APPROVED IN WRITING BY THE PRESIDENT AND CEO OF NORTON HEALTHCARE, EXECUTIVE VICE PRESIDENT OR CFO DURING 2010, GROSS-UP PAYMENTS WERE PROCESSED AS OUTLINED IN THE EMPLOYMENT CONTRACT FOR THE CEO SEE NARRATIVE PROVIDED IN SCHEDULE O, REFERENCING PART VI, LINE 15, WHICH DESCRIBES THE PROCESS FOR DETERMINING COMPENSATION FOR THE CEO, OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION STEPHEN A WILLIAMS THE TOTAL TAX GROSS-UP BENEFITS INCLUDED IN TAXABLE COMPENSATION FOR MR WILLIAMS ARE $129,637 THE TAX GROSS-UPS ARE RELATED TO THE BENEFIT OUTLINED BELOW ANNUITY - THE TAX GROSS-UP ASSOCIATED WITH THE ANNUITY BENEFIT IS $129,637 THIS PURCHASED ANNUITY REPRESENTS ACCUMULATED BENEFITS EARNED IN PRIOR YEARS RELATED TO A NON-QUALIFIED DEFINED BENEFIT PENSION RESTORATION PLAN IN EFFECT SINCE 1990 CONTRIBUTIONS TO THIS PLAN WERE MADE IN 2005, 2006, 2007, 2008, 2009 AND 2010 INCLUDED IN MR WILLIAMS COMPENSATION IN 2010 IS $252,772 WHICH IS THE COST OF THE PURCHASED ANNUITY THE TOTAL COST OF THE PURCHASED ANNUITY AND THE ASSOCIATED TAX GROSS-UP IS $382,409, WHICH WAS INCLUDED IN TAXABLE COMPENSATION DISCRETIONARY SPENDING ACCOUNTS ARE TREATED AS TAXABLE COMPENSATION THE ORGANIZATION PROVIDES A DISCRETIONARY SPENDING ACCOUNT FOR ELIGIBLE NORTON HEALTHCARE EXECUTIVES, EFFECTIVE OCTOBER 1, 2007 NORTON HEALTHCARE PROVIDES BENEFITS TO ITS IDENTIFIED EXECUTIVE STAFF TO PROVIDE A TOTAL COMPENSATION PACKAGE THAT IS COMPETITIVE WITH THE MARKET AND WHICH CONFORMS TO THE PHILOSOPHY AND GUIDELINES SET OUT BY THE BOARD OF TRUSTEES, THROUGH THE EXECUTIVE COMPENSATION PHILOSOPHY AND PROGRAMS THROUGH THE DISCRETIONARY SPENDING ACCOUNT POLICY, EXECUTIVES ARE FREE TO CHOOSE WHATEVER BENEFITS THEY FIND MOST USEFUL OR IMPORTANT TO THEM AND NORTON HEALTHCARE DOES NOT REIMBURSE FOR THE COST OF THOSE BENEFITS, AS THEY ARE PART OF THE DISCRETIONARY SPENDING ACCOUNT THE INTERESTED PERSONS LISTED BELOW RECEIVED THE BENEFIT OF A DISCRETIONARY SPENDING ACCOUNT IN 2010 STEPHEN A WILLIAMS $58,789 RUSSELL F COX 59,434 MICHAEL W GOUGH 52,208 ROBERT B AZAR 17,500 STEVEN HESTER 17,500 RICHARD CARRICO 17,500 TRACY WILLIAMS 17,500 JOSEPH DEVENUTO 7,115 SCOTT WATKINS 10,000 MICHAEL ESPOSITO 10,000 GREGG DAVIS 6,731 JAMES PAROBEK 3,077 JON COOPER 10,000 KAREN BOLIN 10,000 CHARLES BOHN 17,500 KIMBERLY THARP-BARRIE 10,000 MARY JO BEAN 10,000 DANA ALLEN 10,000 MARY CORBETT 15,000 JIM MEYERS 1,923 STEVE READY 1,154 STEVE HEILMAN 1,538 STEVE MENAUGH 10,000 KENNETH WILSON 1,538
	PART I, LINES 4A-B	SEVERANCE PAYMENT WAS RECEIVED DURING 2010 BY KEY EMPLOYEE, JOSEPH DEVENUTO IN THE AMOUNT OF $81,060 00, OTHER COMPENSATION,INCLUDED IN SCHEDULE J COLUMN B(III) MR DEVENUTO WILL CONTINUE TO RECEIVE SEVERANCE PAYMENTS THROUGH SEPTEMBER 3, 2011, THEREFORE INCLUDED IN SCHEDULE J, COLUMN C, $199,948 00 IS INCLUDED AS THE ESTIMATED PAYMENT TO BE PAID IN 2011 PART I, LINE 4B THE FOLLOWING INTERESTED PERSONS PARTICIPATED IN OR RECEIVED PAYMENT FROM SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS AS DESCRIBED IN IRC SECTION 457(F) THE INTERESTED PERSONS BELOW MAY HAVE PARTICIPATED IN ONE OR MORE OF THE FOLLOWING PLANS THE EXECU-FLEX BENEFIT PLAN, THE EXECU-PLUS BENEFIT PLAN, DEFINED BENEFIT AND DEFINED CONTRIBUTION RESTORATION PLANS, AND THE PHYSICIAN DEFERRED PLAN THE "PAY CREDIT" COLUMN REPRESENTS A REASONABLE ESTIMATE OF THE ANNUAL INCREASE IN ACTUARIAL VALUE OF THE PLANS, AND THEREFORE, REPRESENTS THE ORGANIZATION'S CONTRIBUTION TO THE VALUE OF THE BENEFITS THE "PAYMENT RECEIVED" COLUMN REPRESENTS CASH PAYMENTS THAT THE EMPLOYEE RECEIVED DURING 2010 AND CAN BE COMPRISED OF PRIOR YEARS EMPLOYEE AND EMPLOYER CONTRIBUTIONS PARTICIPANTS NAME PAY CREDIT PAYMENT RECEIVED STEPHEN A WILLIAMS $ 252,963 $ 0 RUSSELL F COX 155,141 0 MICHAEL W GOUGH 128,158 0 ROBERT B AZAR 63,243 0 STEVEN HESTER 91,657 80,319 RICHARD CARRICO 59,393 0 TRACY WILLIAMS 49,858 88,616 JOSEPH DEVENUTO 52,475 69,465 SCOTT WATKINS 44,129 26,253 MICHAEL ESPOSITO 43,502 27,220 GREGG DAVIS 16,296 31,818 KIMBERLY THARP-BARRIE 29,101 33,664 MARY JO BEAN 31,486 128,449 JAMES PAROBEK 6,296 47,669 KAREN BOLIN 24,055 21,241 CHARLES BOHN 49,683 0 DANA ALLEN 28,676 0 MARY CORBETT 28,577 0 JIM MEYERS 4,300 10,404 JON COOPER 28,265 16,767 STEVE READY 5,916 34,690 STEVE HEILMAN 11,164 0 STEVE MENAUGH 27,864 44,724 KENNETH WILSON 11,438 0

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
STEPHEN A WILLIAMS	(I)	922,287	517,078	468,927	277,463	20,646	2,206,401	0
	(II)	0	0	0	0	0	0	0
RUSSELL F COX	(I)	690,430	241,507	155,237	172,291	26,874	1,286,339	0
	(II)	0	0	0	0	0	0	0
MICHAEL W GOUGH	(I)	599,288	203,578	115,459	145,308	25,242	1,088,875	0
	(II)	0	0	0	0	0	0	0
ROBERT B AZAR	(I)	260,914	101,412	120,825	77,943	8,792	569,886	0
	(II)	0	0	0	0	0	0	0
STEVEN HESTER	(I)	427,976	123,201	128,201	108,807	28,480	816,665	80,319
	(II)	0	0	0	0	0	0	0
TRACY WILLIAMS	(I)	207,007	81,286	148,848	64,558	21,639	523,338	39,827
	(II)	0	0	0	0	0	0	0
RICHARD CARRICO	(I)	310,829	98,898	40,267	74,093	19,824	543,911	0
	(II)	0	0	0	0	0	0	0
JOSEPH DEVENUTO	(I)	195,386	92,811	173,153	252,423	19,590	733,363	69,465
	(II)	0	0	0	0	0	0	0
SCOTT WATKINS	(I)	266,234	76,655	53,026	61,279	20,265	477,459	26,253
	(II)	0	0	0	0	0	0	0
MICHAEL ESPOSITO	(I)	262,269	72,065	54,346	60,652	18,902	468,234	27,220
	(II)	0	0	0	0	0	0	0
CHARLES BOHN	(I)	296,274	61,957	32,524	61,933	20,430	473,118	0
	(II)	0	0	0	0	0	0	0
MARY JO BEAN	(I)	204,468	47,333	156,064	48,636	7,654	464,155	128,449
	(II)	0	0	0	0	0	0	0
DANA ALLEN	(I)	167,368	46,883	71,198	40,926	8,711	335,086	0
	(II)	0	0	0	0	0	0	0
MARY CORBETT	(I)	223,953	45,080	15,882	40,827	11,993	337,735	0
	(II)	0	0	0	0	0	0	0
JIM MEYERS	(I)	185,431	21,917	12,478	17,751	17,449	255,026	0
	(II)	0	0	0	0	0	0	0
STEVE READY	(I)	196,333	25,845	32,417	18,166	18,121	290,882	0
	(II)	0	0	0	0	0	0	0
JON COOPER	(I)	204,326	69,072	34,067	42,965	19,601	370,031	16,767
	(II)	0	0	0	0	0	0	0
KIMBERLY THARP-BARRIE	(I)	197,107	52,370	56,778	43,801	9,415	359,471	24,117
	(II)	0	0	0	0	0	0	0
STEVE HEILMAN MD	(I)	301,412	36,799	2,433	23,414	19,156	383,214	0
	(II)	0	0	0	0	0	0	0
STEVE MENAUGH	(I)	201,945	43,953	56,541	42,564	21,617	366,620	44,724
	(II)	0	0	0	0	0	0	0
KENNETH WILSON MD	(I)	266,464	49,084	19,240	26,138	15,837	376,763	0
	(II)	0	0	0	0	0	0	0
GREGG DAVIS	(I)	122,198	47,142	59,133	16,296	14,730	259,499	31,818
	(II)	0	0	0	0	0	0	0
JAMES PAROBEK	(I)	64,155	56,342	57,851	6,296	6,035	190,679	47,669
	(II)	0	0	0	0	0	0	0
KAREN BOLIN	(I)	164,487	43,788	59,208	36,305	2,465	306,253	21,241
	(II)	0	0	0	0	0	0	0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	LOUISVILLEJEFFERSON COUNTY METRO GOVERNMENT	32-0049006	54659LAC8	10-12-2006	315,474,736	SEE SCH K PART V		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	265,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	329,981,080			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds	958,005			
6	Proceeds in refunding escrow	73,383,337			
7	Issuance costs from proceeds	2,885,257			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	5,900,000			
10	Capital expenditures from proceeds	183,389,691			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2009			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
b	Are there any research agreements that may result in private business use of bond-financed property?	X							
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	4 130 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 570 %							
6	Total of lines 4 and 5	4 700 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?	X							
b	Name of provider	MORGAN STANLEY							
c	Term of GIC	3 200000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
PART I, COLUMN F	DESCRIPTION OF PURPOSE OF BOND ISSUE	TO REFINANCE, IN AN ADVANCE REFUNDING TRANSACTION, A PORTION OF THE OUTSTANDING KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY HEALTH SYSTEM REVENUE BONDS, SERIES 2000A, AND SERIES 2000C, TO FINANCE OR REIMBURSE THE CORPORATION FOR THE COSTS OF CONSTRUCTING AND EQUIPPING A NEW HOSPITAL FACILITY TO BE OWNED AND OPERATED BY NORTON HOSPITALS, TO FINANCE OR REIMBURSE THE CORPORATION FOR THE COSTS OF RENOVATION AND EXPANSION OF VARIOUS PATIENT CARE AREAS AND THE ACQUISITIONS OF EQUIPMENT AND TO PAY CERTAIN COSTS OF ISSUANCE
PART IV, ARBITRAGE, LINE 4C	TERM OF GIC	THE GIC WAS ENTERED INTO OCTOBER 26, 2006 AS OF OCTOBER 31, 2009 WE HAD OFFICIALLY SPENT ALL OF THE GIC THE OFFICIAL TERMINATION DATE OF THIS GIC WAS JANUARY 1, 2010 WE CONCLUDE THAT THE TERM OF THE GIC IS FROM OCTOBER 26, 2006 TO JANUARY 1, 2010 OR 3 2 YEARS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1) KAYCEE THARP DAUGHTER OF KIMBER NORTON HEALTHCARE SCHOLARS PROGRAM (SEE SCHEDULE O CONTINUED DISCLOSURE)		X	20,144	15,528		No	Yes		Yes	
Total . . . . . ▶ $				15,528						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) AL J SCHNEIDER COMPANY	MARY MOSELEY TRUSTEE IS AN OFFICER OF THE COMPANY	195,444	SERVICES INCLUDING BUT NOT LIMITED TO SERVICE BANQUET, CONFERENCES AND OTHER BUSINESS FUNCTIONS		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493315016061

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		MR STEPHEN A WILLIAMS, PRESIDENT AND CEO OF NORTON HEALTHCARE, INC IS ALSO AN OFFICER FOR NORTON HEALTHCARE, INC , NORTON HOSPITALS, INC , COMMUNITY MEDICAL ASSOCIATES AND NORTON PROPERTIES MARIA L BOUVETTE, PRESIDENT AND CEO OF PORTER BANCORP, INC IS A TRUSTEE FOR NORTON HEALTHCARE, INC , NORTON HOSPITALS, INC , COMMUNITY MEDICAL ASSOCIATES AND NORTON PROPERTIES MR WILLIAMS IS A BOARD MEMBER OF PORTER BANCORP, INC

Additional Data

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) NORTON HOSP INC	610703799	3	Yes		Yes		Yes		1155298131
(B) COMMUNITY MED ASSOC INC	611276316	9	Yes		Yes		Yes		177420528
(C) NORTON PROP INC	611028724	11A-TYPE I	Yes		Yes		Yes		7992623
(D) NORTON HLTH FOUNDATION	310914919	7	Yes		Yes		Yes		2027414
(E) CHILDREN'S HOSP FND	616027530	7	Yes		Yes		Yes		3527622

Additional Data

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DONALD H ROBINSON TRUSTEE (CHAIRMAN)	10 00	X						0	0	0
JOSEPH A PARADISIII TRUSTEE (VICE CHAIRMAN)	4 00	X						1,500	0	0
CHERYL BALKENHOL TRUSTEE	1 00	X						0	0	0
MARIA L BOUVETTE TRUSTEE	1 00	X						0	0	0
ROBERT R GOODIN MD TRUSTEE	4 00	X						1,500	0	0
CRAIG D GRANT TRUSTEE	1 00	X						1,500	0	0
R K GUILLAUME TRUSTEE	3 00	X						1,500	0	0
KEVIN J HABLE TRUSTEE	1 00	X						0	0	0
MARIA GERWING HAMPTON TRUSTEE	2 00	X						1,500	0	0
MARTHA HEYBURN MD TRUSTEE	1 00	X						1,500	0	0
RONALD LEHOCKY MD TRUSTEE	1 00	X						1,500	0	0
GREGORY E MAYES TRUSTEE	5 00	X						1,500	0	0
MARY MOSELEY TRUSTEE	1 00	X						0	0	0
MITCH NICHOLS TRUSTEE	1 00	X						0	0	0
GAIL LYTTLE TRUSTEE	1 00	X						0	0	0
G HUNT ROUNSAVALL TRUSTEE	3 00	X						0	0	0
REV WILLIAM J SCHULTZ TRUSTEE	3 00	X						0	0	0
WENDELL P WRIGHT TRUSTEE EX-OFFICIO	1 00	X						1,500	0	0
STEPHEN A WILLIAMS PRESIDENT/TRUSTEE	30 00	X		X				1,908,292	0	298,109
GARY L STEWART TRUSTEE	1 00	X						1,818	0	0
CAROLYN J GATZ TRUSTEE	1 00	X						1,500	0	0
RICHARD S WOLF TRUSTEE	1 00	X						0	0	0
RUSSELL F COX VICE PRESIDENT	30 00			X				1,087,174	0	199,165
MICHAEL W GOUGH TREASURER	30 00			X				918,325	0	170,550
ROBERT B AZAR SECRETARY	30 00			X				483,151	0	86,735

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEVEN HESTER SENIOR VP, CMO	50 00				X			679,378	0	137,287
TRACY WILLIAMS SENIOR V P, CNO	50 00				X			437,141	0	86,197
RICHARD CARRICO VP & ASSOCIATE CFO	50 00				X			449,994	0	93,917
JOSEPH DEVENUTO VICE PRESIDENT/CIO	50 00				X			461,350	0	272,013
SCOTT WATKINS VP OPER & EXEC DIR OP SERV	50 00				X			395,915	0	81,544
MICHAEL ESPOSITO VP BUSINESS DEV & EXEC DIR	50 00				X			388,680	0	79,554
CHARLES BOHN VP HUMAN RESOURCES	50 00				X			390,755	0	82,363
MARY JO BEAN VP BUSINESS DEV & EXEC DIR	50 00				X			407,865	0	56,290
DANA ALLEN VP CHIEF MARKETING OFFICER	50 00				X			285,449	0	49,637
MARY CORBETT VP HEALTH POLICY & GOVERNMT	50 00				X			284,915	0	52,820
JIM MEYERS VP REVENUE CYCLE	50 00				X			219,826	0	35,200
STEVE READY VP INFORMATION SERVICES	50 00				X			254,595	0	36,287
JON COOPER VP SURGICAL SERVICES	50 00					X		307,465	0	62,566
KIMBERLY THARP-BARRIE VP INSTITUE OF NURSING/WFD	50 00					X		306,255	0	53,216
STEVE HEILMAN MD CHIEF MEDICAL INFOMATION	50 00					X		340,644	0	42,570
STEVE MENAUGH VP PR & COMMUNICATIONS	50 00					X		302,439	0	64,181
KENNETH WILSON MD VP CLINICAL EFFECTIVENESS	50 00					X		334,788	0	41,975
GREGG DAVIS FORMER VP ORTHO,NEUROSPINE	50 00						X	228,473	0	31,026
JAMES PAROBEK FORMER VP ANCILLARY SERVS	50 00						X	178,348	0	12,331
KAREN BOLIN FORMER VP WOMEN'S SERVICES	50 00						X	267,483	0	38,770

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		ALL FORMS 990 WERE REVIEWED IN ADVANCE OF FILING WITH THE NORTON HEALTHCARE, INC (NORTON) FINANCE COMMITTEE ON OCTOBER 6, 2011 AND THE FULL NORTON BOARD OF TRUSTEES ON NOVEMBER 8, 2011 NORTON IS THE PARENT OF COMMUNITY MEDICAL ASSOCIATES, INC , NORTON HEALTHCARE FOUNDATION, INC , NORTON HOSPITALS, INC , NORTON PROPERTIES, INC , AND THE CHILDREN'S HOSPITAL FOUNDATION ALSO, ELECTRONIC COPIES OF ALL FORMS 990 WERE MADE AVAILABLE TO ALL MEMBERS OF THE FINANCE COMMITTEE AND BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY BY ANNUALLY DISTRIBUTING A QUESTIONNAIRE THAT REQUIRES OFFICERS, TRUSTEES, AND KEY EMPLOYEES TO DISCLOSE INTERESTS THAT MAY GIVE RISE TO CONFLICTS IF A CONFLICT ARISES, THE POLICY PROVIDES PROCEDURES FOR ADDRESSING CONFLICTS TO ENSURE DECISIONS ARE MADE IN THE BEST INTEREST OF THE ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION TAKES ALL NECESSARY STEPS TO ENSURE THAT ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES ARE COMPENSATED WITHIN APPROPRIATE LEVELS FOR THE SERVICES PROVIDED TO THE ORGANIZATION THE ORGANIZATION PROVIDES A TOTAL COMPENSATION PACKAGE THAT IS COMPETITIVE WITH THE MARKET AND WHICH CONFORMS TO THE PHILOSOPHY AND GUIDELINES SET OUT BY THE BOARD OF TRUSTEES NORTON HEALTHCARE INC (NHI) ENGAGES AN OUTSIDE INDEPENDENT COMPENSATION CONSULTANT, INTEGRATED HEALTHCARE STRATEGIES (IHS), TO PREPARE COMPENSATION ANALYSIS UTILIZING DATA FROM SIMILAR-SIZED HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS IN ADDITION, THE ORGANIZATION PARTICIPATES IN THIRD PARTY SURVEYS WHICH PROVIDE AGGREGATE, COMPARATIVE COMPENSATION DATA FOR OFFICERS AND KEY EMPLOYEES IN SIMILAR-TYPE POSITIONS IHS CONSULTANTS MET IN 2009 WITH THE COMMITTEE OF BOARD LEADERSHIP (NOW EXECUTIVE COMMITTEE) OF THE BOARD OF TRUSTEES (BOARD) CONCERNING EXECUTIVE COMPENSATION AND BENEFITS PROGRAM FOR NHI EXECUTIVES AND TOTAL COMPENSATION FOR THE CEO THE CONSULTANTS REVIEWED SOURCES OF COMPARABILITY DATA AND MARKET MOVEMENT COMPARISONS NHI'S VARIABLE COMPENSATION PROGRAM WAS REVIEWED ALONG WITH BENCHMARK COMPARISONS BASED ON THE RECOMMENDATIONS OF IHS, EMPLOYMENT CONTRACTS FOR THE CEO, COO AND CFO WERE SUBSEQUENTLY COMPLETED AND APPROVED BY THE BOARD THE EXECUTIVE COMMITTEE ALSO REVIEWED AND APPROVED ALL KEY EMPLOYEE COMPENSATION BASED ON THE THIRD-PARTY REPORT FURNISHED AND DISCUSSED WITH COMMITTEE MEMBERS, AND SUBSEQUENTLY APPROVED BY THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICIES ARE NOT REQUIRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104 THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 21,408,714 ASSET IMPAIRMENT -12,650,508 SWAP MARK TO MARKET ADJUSTMENTS -9,785,145 AFFILIATE TRANSFER -69,200 CHANGE IN MINIMUM PENSION LIABILITY 9,928,920 TOTAL TO FORM 990, PART XI, LINE 5 8,832,781

Identifier	Return Reference	Explanation
		FORM 990, PART XII, LINE 2C THE ORGANIZATION DID NOT CHANGE EITHER ITS OVERSIGHT, PROCESS OR SELECTION PROCESS DURING THE TAX YEAR

Identifier	Return Reference	Explanation
		FORM 990 PART III, LINE 1, ORGANIZATION'S MISSION NORTON HEALTHCARE, INC 'S (NHI) EXEMPT PURPOSE IS TO PROVIDE QUALITY HEALTH CARE TO ALL THOSE WE SERVE, IN A MANNER THAT RESPONDS TO THE NEEDS OF OUR COMMUNITIES AND HONORS OUR FAITH HERITAGE THIS INCLUDES, BUT NOT LIMITED TO, CONDUCTING EDUCATIONAL AND RESEARCH ACTIVITIES RELATING TO THE RENDERING OF CARE TO THE SICK AND INJURED AND TO PROVIDE PATIENT CARE THROUGH ITS AFFILIATED HOSPITALS NORTON HOSPITAL, KOSAIR CHILDREN'S HOSPITAL, NORTON AUDUBON HOSPITAL, NORTON SUBURBAN HOSPITAL AND NORTON BROWNSBORO HOSPITAL EACH HOSPITAL, IN ITS DELIVERY OF SERVICES TO PATIENTS AND IN ITS DEALINGS WITH EMPLOYEES, PHYSICIANS, FAMILY MEMBERS AND THE COMMUNITY AS A WHOLE, SEEKS TO REFLECT THE VALUES AND STANDARDS OF THE ORGANIZATION'S FAITH HISTORY NHI AND ITS AFFILIATED HOSPITALS WILL A) RESPECT EVERY PERSON, B) SET THE STANDARD FOR QUALITY AND CARE, C) CONTINUALLY IMPROVE CARE AND SERVICE, D) DEMONSTRATE STEWARDSHIP OF RESOURCES AND ACCEPT ACCOUNTABILITY FOR RESULTS, E) SUCCEED WITH INTEGRITY, AND F) COLLABORATE INTERNALLY WITH ONE ANOTHER, WITH PHYSICIANS, AND WITH OTHER PROVIDERS TO DELIVER COMPREHENSIVE, INTEGRATED AND HIGH QUALITY HEALTHCARE

Identifier	Return Reference	Explanation
		FORM 990, PART III, PROGRAM SERVICE ACCOMPLISHMENTS NORTON HEALTHCARE, INC (NHI) IS A NOT-FOR-PROFIT CORPORATION BASED IN LOUISVILLE, KENTUCKY IN 2010, NHI, THROUGH ITS AFFILIATE, NORTON HOSPITALS, INC , NORTON HAS A TOTAL OF 1,837 LICENSED BEDS, NORTON HOSPITAL-642 BEDS, KOSAIR CHILDREN'S HOSPITAL (KCH)-263 BEDS, NORTON AUDUBON HOSPITAL-432 BEDS, NORTON SUBURBAN HOSPITAL-373 BEDS, AND NORTON BROWNSBORO HOSPITAL-127 BEDS THESE HOSPITALS OPERATE TWENTY-FOUR (24) HOURS A DAY, SEVEN DAYS (7) DAYS A WEEK NHI, THROUGH ITS AFFILIATE, COMMUNITY MEDICAL ASSOCIATES, INC HAD A TOTAL OF 67 PHYSICIAN PRACTICES AND 12 IMMEDIATE CARE CENTERS OPERATING IN EIGHT COUNTIES IN KENTUCKY AND SOUTHERN INDIANA IN 2010, NORTON'S HOSPITALS SERVED 60,408 INPATIENTS, 373,239 OUTPATIENTS, AND 167,457 EMERGENCY ROOM VISITS IN ADDITION, NORTON'S OPERATING ROOMS CARED FOR 19,466 INPATIENT SURGICAL PATIENTS AND 32,274 OUTPATIENT SURGICAL PATIENTS ADDITIONALLY, 8,082 BABIES WERE DELIVERED AT NORTON BIRTHING CENTERS IN 2010, AS IN YEARS PAST, NORTON'S HOSPITALS PROVIDED FINANCIAL ASSISTANCE FOR INDIGENT PATIENTS AND DISCOUNTED SERVICES FOR THOUSANDS OF PEOPLE IN THE LOCAL COMMUNITY AND THROUGHOUT THE STATE IN ADDITION, DONATIONS WERE GIVEN TOWARD COMMUNITY AND PROFESSIONAL EDUCATION, SUPPORT FOR THE UNIVERSITY OF LOUISVILLE SCHOOL OF MEDICINE AND OTHER COMMUNITY PROGRAMS AND SERVICES SPECIFICALLY, IN 2010 NORTON HEALTHCARE'S TOTAL COMMUNITY BENEFIT WAS $107 4 MILLION, OVER $2 MILLION A WEEK, AND INCLUDES COMMUNITY INITIATIVES AND PROGRAMS SUCH AS INDIGENT OR FINANCIAL ASSISTANCE, EDUCATIONAL SUPPORT, UNPAID COSTS OF MEDICAID SERVICES, CORPORATE SPONSORSHIPS, PASTORAL CARE AND COUNSELING PROGRAMS, KENTUCKY POISON CONTROL CENTER AND CHILD GUIDANCE AND ADVOCACY PROGRAMS NORTON HEALTHCARE'S EMPLOYEES PROVIDED 6,000 COMMUNITY SERVICE HOURS THAT SUPPORTED OVER 250 ORGANIZATIONS INCLUDING 150 ORGANIZATIONS WITH BOARD AND COMMITTEE REPRESENTATION NORTON HEALTHCARE EMPLOYEES ALSO PROVIDED A SIGNIFICANT CONTRIBUTION TO THE HAITI RELIEF EFFORTS AND ALMOST 4,000 HOURS OF PERSONAL COMMUNITY SERVICE TO OVER 100 ORGANIZATIONS THE ORGANIZATION IS ALSO PARTNERING WITH OTHER NON-PROFIT ORGANIZATIONS, LOCAL GOVERNMENT AND CENTERS FOR DISEASE CONTROL AND PREVENTION TO IMPROVE THE HEALTH STATUS OF OUR COMMUNITY THROUGH EVIDENCE-BASED INITIATIVES COMMUNITY EDUCATION AND WORKFORCE DEVELOPMENT * NORTON HEALTHCARE PROVIDES PROGRAMMATIC SUPPORT TO THE UNIVERSITY OF LOUISVILLE SCHOOL OF MEDICINE THROUGH FUNDS AND FACILITIES DURING THE JULY 2009-JUNE 2010 ACADEMIC YEAR, 152 RESIDENTS COMPLETED CLINICAL ROTATIONS IN 15 SPECIALTIES AT NORTON HEALTHCARE FACILITIES RESIDENCY PROGRAMS ARE PART OF $23 1 MILLION IN SUPPORT PROVIDED TO THE SCHOOL * PROVIDED 1,681 DIFFERENT EDUCATIONAL OPPORTUNITIES/CLASSES TO HELP EMPLOYEES ATTAIN THEIR CAREER GOALS IN 2010, 11,934 EMPLOYEES PARTICIPATED IN THESE COURSES (AN ADDITIONAL 270 VENDORS, NURSING STUDENTS, CONTRACT PHYSICIANS AND VOLUNTEERS ALSO COMPLETED EDUCATIONAL ACTIVITIES AT NORTON HEALTHCARE) OFFICE OF CHURCH AND HEALTH MINISTRIES * THE OFFICE OF CHURCH AND HEALTH MINISTRIES PROVIDES FREE EDUCATION, RESOURCES AND SERVICES TO FAITH COMMUNITY NURSES AND OTHERS WORKING IN CONGREGATIONAL HEALTH MINISTRIES IN 2010, THEY SERVED MORE THAN 143 FAITH COMMUNITIES WITH ACTIVE HEALTH AND WELLNESS PROGRAMS DONATIONS TO THE COMMUNITY * NORTON EMPLOYEES AND PHYSICIANS GAVE $944,383 THROUGH THE 2010 COMBINED GIVING CAMPAIGN THROUGH THE ANNUAL COMBINED GIVING CAMPAIGN, EMPLOYEES HELP SUPPORT THE WHAS CRUSADE FOR CHILDREN, METRO UNITED WAY, FUND FOR THE ARTS, CHILDREN'S HOSPITAL FOUNDATION, NORTON HEALTHCARE FOUNDATION AND KOSAIR CHARITIES * NORTON HEALTHCARE EMPLOYEES BUILT A HABITAT FOR HUMANITY HOUSE IN THE LOW-INCOME SMOKETOWN NEIGHBORHOOD IN LOUISVILLE, KY THIS IS THE FOURTH HABITAT HOME BUILT BY NORTON HEALTHCARE EMPLOYEES * NORTON HEALTHCARE EMPLOYEES DONATED MORE THAN THREE AND ONE HALF TONS OF FOOD (7,245 POUNDS) TO DARE TO CARE, EXCEEDING THE GOAL OF 6,000 POUNDS OF FOOD THAT WAS SET AT THE BEGINNING OF THE FOOD DRIVE * NORTON HEALTHCARE PARTNERED WITH THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS IN 2010 TO PROVIDE FREE H1N1 AND SEASONAL FLU IMMUNIZATIONS IN THE 41 JEFFERSON COUNTY PUBLIC IN WHICH 80 PERCENT OR MORE OF THE STUDENTS ARE ON FREE OR REDUCED-PRICE LUNCHES NORTON CONTRIBUTED TO THE SCHOOL IMMUNIZATION CAMPAIGN BY PROVIDING 66 NURSING SHIFTS FOR A TOTAL DONATED LABOR COST OF $9,198 THIS IS THE SECOND YEAR NORTON HEALTHCARE HAS PROVIDED STAFFING, AT NO COST, FOR IMMUNIZATIONS IN JEFFERSON COUNTY PUBLIC SCHOOLS ACCORDING TO THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS, 8,126 VACCINATIONS WERE ADMINISTERED NORTON HEART CARE * NORTON HEART CARE PROVIDES THE REGION'S MOST COMPREHENSIVE SCREENING, EDUCATION AND PREVENTION PROGRAM AND IS COMMITTED TO EDUCATING OUR COMMUNITY ABOUT HEART HEALTH AND RISK FACTOR MANAGEMENT IN 2010 THIS INCLUDED PROVIDING INFORMATION ABOUT SMOKING CESSATION, DIET AND EXERCISE, AS WELL AS PERFORMING MORE THAN 9,700 FREE CHOLESTEROL AND BLOOD PRESSURE SCREENINGS AND BODY FAT AND BODY MASS ANALYSES AT MORE THAN 106 LOCATIONS AND EVENTS THROUGH METRO LOUISVILLE * SCREENINGS AND EDUCATION ALSO WERE PROVIDED THROUGH THE NORTON WOMEN'S HEART CENTER, THE REGION'S ONLY CENTER DEDICATED SOLELY TO EDUCATION, PREVENTION AND TREATMENT OF HEART DISEASE * THE CENTER'S CIRCLE OF HEARTS PROGRAM IS A FREE MONTHLY SUPPORT AND WELLNESS GROUP THAT FOCUSES ON HEART DISEASE AND OTHER RELATED HEALTH ISSUES FOR WOMEN * IN 2010 NORTON HEART CARE CONTINUED ITS PARTNERSHIP WITH THE AMERICAN HEART ASSOCIATION THROUGH THE CAMPAIGN TO LOWER BLOOD PRESSURE IN THE AFRICAN-AMERICAN COMMUNITY BY PROVIDING FREE SCREENINGS AND EDUCATIONAL INFORMATION THROUGH EVENTS AT LOUISVILLE-AREA CHURCHES, BUSINESSES AND CIVIC ORGANIZATIONS, THE THREE-YEAR PARTNERSHIP HAS REACHED ITS GOAL OF SCREENING MORE THAN 1,000 AFRICAN AMERICANS IN JEFFERSON COUNTY NORTON CANCER INSTITUTE * IN 2010, THE NORTON CANCER INSTITUTE PREVENTION OUTREACH TEAM SCREENED 2,810 PEOPLE FOR CANCER ON THE NORTON CANCER INSTITUTE MOBILE PREVENTION CENTER NEARLY ONE-THIRD OF THOSE PARTICIPANTS HAD RARELY, OR NEVER BEFORE, BEEN SCREENED MAJORITY OF THE PEOPLE SERVED BY THE UNIT WERE INDIVIDUALS IN LOW-INCOME AREAS OF THE COMMUNITY SINCE SCREENINGS BEGAN ON THE MOBILE PREVENTION UNIT, 51 INDIVIDUALS WERE DIAGNOSED WITH INVASIVE CANCER AND PRE-INVASIVE CANCER * HELPED 87 INDIVIDUALS STOP SMOKING THROUGHH SMOKING CESSATION CLASSES IN 2010 A MEDICAL COMPONENT WAS ADDED SO THAT PRESCRIPTION SMOKING CESSATION MEDICATIONS ALSO ARE AVAILABLE TO THOSE WHO NEED IT * PROVIDED THE NORTON CANCER INSTITUTE GENETIC COUNSELING SERVICES, THE ONLY DEDICATED SERVICE CENTER OF ITS KIND IN THE REGION, STAFFED BY AN ONCOLOGIST AND TWO GENETIC COUNSELORS SPECIALIZING IN CANCER GENETICS AND HEREDITARY CANCER SYNDROMES IN 2010, THE PROGRAM PROVIDED SERVICES TO 357 NEW PATIENTS OF THOSE, 40 WERE FOUND TO HAVE POSITIVE GENETIC TESTING RESULTS WOMEN'S SERVICES * DELIVERED 8,082 BABIES AT NORTON WOMEN'S PAVILION BIRTHING CENTERS * PROVIDED FREE EDUCATIONAL CLASSES TO NEARLY 1,000 WOMEN IN THE COMMUNITY THROUGH THE MARSHALL WOMEN'S HEALTH & EDUCATION CENTER AT NORTON SUBURBAN HOSPITAL THE CENTER OFFERS FREE PREVENTION CLASSES, EDUCATIONAL MATERIALS AND CLINICAL NAVIGATION SERVICES PEDIATRIC SERVICES * KOSAIR CHILDREN'S HOSPITAL RECEIVED THE PRESTIGIOUS RANKING AS ONE OF THE TOP PEDIATRIC MEDICAL CENTERS FROM ACROSS THE UNITED STATES TO BE RANKED IN U S NEWS MEDIA GROUP'S 2010 EDITION OF AMERICA'S BEST CHILDREN'S HOSPITALS THIS WAS THE SECOND TIME KOSAIR CHILDREN'S HOSPITAL HAS BEEN INCLUDED ON THE LIST IT RANKS 26TH IN THE COUNTRY IN THE TREATMENT OF RESPIRATORY DISORDERS, SCORING PARTICULARLY WELL IN CYSTIC FIBROSIS OUTCOMES AND LOW INCIDENCE OF BLOODSTREAM INFECTIONS * IN MAY 2010, KOSAIR CHILDREN'S HOSPITAL, KENTUCKY'S ONLY FULL-SERVICE, FREE-STANDING HOSPITAL DESIGNED 'JUST FOR KIDS', EXPANDED TO OFFER CARE AT THE STATE'S FIRST PEDIATRIC OUTPATIENT CENTER, KOSAIR CHILDREN'S MEDICAL CENTER-BROWNSBORO THIS NEW OUTPATIENT CENTER IS THE ONLY FACILITY OF ITS TYPE IN KENTUCKY, PROVIDING PEDIATRIC SERVICES FOR RESIDENTS OF GROWING NORTHEASTERN JEFFERSON AND SURROUNDING COUNTIES IT OFFERS OUTPATIENT DIAGNOSTICS, EMERGENCY SERVICES AND OUTPATIENT SURGERY * KOSAIR CHILDREN'S HOSPITAL LED THE EFFORT TO ENACT A NEW CHILD ABUSE LAW THE CHILDREN'S HOSPITAL FOUNDATION OFFICE OF CHILD ADVOCACY OF KOSAIR CHILDREN'S HOSPITAL PLAYED AN IMPORTANT ROLE IN THE 2010 KENTUCKY LEGISLATIVE SESSION THAT CREATED A NEW LAW AIMED AT PREVENTING CHILD ABUSE

Identifier	Return Reference	Explanation
		THROUGH A COLLABORATIVE EFFORT, HOUSE BILL 285, DRAFTED SPECIFICALLY TO REDUCE PEDIATRIC ABUSIVE HEAD TRAUMA THROUGH INCREASED EDUCATION AND AWARENESS EFFORTS, WAS INTRODUCED IN THE HEALTH AND WELFARE COMMITTEE BY REP ADDIA WUCHNER * KOSAIR CHILDREN'S HOSPITAL IS HOME TO THE KENTUCKY REGIONAL POISON CENTER WHERE IN 2010, NEARLY 72,000 CONCERNED INDIVIDUALS FROM ALL 120 COUNTIES IN KENTUCKY CALLED THE CENTER TO LEARN HOW TO CORRECTLY HANDLE EXPOSURES TO POISON AND FOR TREATMENT ADVICE * CHILD PASSENGER SAFETY TECHNICIANS FROM KOSAIR CHILDREN'S HOSPITAL CHECKED MORE THAN 500 CAR SEATS AND BOOSTER SEATS AND PROVIDED APPROXIMATELY 128 CAR SEATS AT FREE CHECKUP CLINICS STATEWIDE * KOSAIR CHILDREN'S HOSPITAL LEADS SAFE KIDS LOUISVILLE AND JEFFERSON COUNTY, A PROGRAM THAT CONDUCTS SAFETY EVENTS AT SCHOOLS AND IN THE COMMUNITY IN 2010, APPROXIMATELY 20,000 THIRD THROUGH FIFTH-GRADERS THROUGHOUT KENTUCKY PARTICIPATED IN BIKE SAFETY 'RODEOS' * APPROXIMATELY 500 AREA ELEMENTARY STUDENTS PARTICIPATED IN SAFE KIDS WALK THIS WAY, ANOTHER PROGRAM LED BY KOSAIR CHILDREN'S HOSPITAL AND DESIGNED TO POINT OUT DANGEROUS AREAS AND TEACH CHILDREN SAFE PEDESTRIAN HABITS * KOSAIR CHILDREN'S HOSPITAL RECEIVED DESIGNATION FROM THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES AS A MEDAL OF HONOR HOSPITAL KOSAIR CHILDREN'S RECEIVED THIS RECOGNITION FOR ACHIEVING AND SUSTAINING NATIONAL GOALS FOR ORGAN DONATION, INCLUDING A DONATION RATE OF 75 PERCENT OR MORE OF ELIGIBLE DONORS THE HOSPITAL'S PEDIATRIC KIDNEY TRANSPLANT PROGRAM RECEIVED A BRONZE MEDAL FOR ITS SUCCESSFUL OUTCOMES OF KIDNEY TRANSPLANTS, INCLUDING ONE-YEAR POST-TRANSPLANT SURVIVAL RATES, DECEASED DONOR TRANSPLANTATION RATES AND LOW RATES FOR WAITLIST MORTALITY * KOSAIR CHILDREN'S HOSPITAL 'JUST FOR KIDS' TRANSPORT TEAM ASSISTED IN THE TRANSPORT OF 1,268 SICK BABIES AND INJURED CHILDREN FROM ACROSS THE REGION TO KOSAIR CHILDREN'S HOSPITAL EACH YEAR BY WAY OF TWO MOBILE INTENSIVE CARE UNITS, AND THEIR SERVICES ON HELICOPTERS AND AIRPLANES * MORE THAN 5,000 KINDERGARTEN STUDENTS AND 1,200 PARENTS AND TEACHERS ATTENDED CHILDREN AND HOSPITALS WEEK AT KOSAIR CHILDREN'S HOSPITAL THE WEEKLONG EVENT IS HELD EVERY MARCH AND IS DESIGNED TO HELP LESSEN THE FEAR AND ANXIETY CHILDREN MAY HAVE ABOUT HOSPITALS * A PATIENT CARE SYSTEMS ANALYST IN THE 'JUST FOR KIDS' CRITICAL CARE CENTER AT KOSAIR CHILDREN'S HOSPITAL WAS RECOGNIZED BY THE NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS AND RELATED INSTITUTIONS (NACHRI) COUNCIL ON MANAGEMENT INFORMATION SYSTEM, FOR THE EXCEPTIONAL USES OF NACHRI ANALYTICS PROGRAM DATA TO IMPROVE THE EFFICIENCY, SAFETY, TIMELINESS AND EFFECTIVENESS OF CARE IN CHILDREN'S HOSPITALS * THE KOSAIR CHILDREN'S HOSPITAL INTERVENTIONAL RADIOLOGY SUITE WAS COMPLETED THIS NEW RESOURCE ALLOWS CLINICIANS THE ABILITY TO DELIVER MINIMALLY INVASIVE TREATMENT THROUGH NEEDLES AND CATHETERS WITH THE AID OF CT, X-RAY OR ULTRASOUND, INSTEAD OF SURGERY ORTHO/NEURO/SPINE SERVICES * NORTON NEUROSCIENCE INSTITUTE CONTINUED ITS $100 MILLION, 10-YEAR INVESTMENT IN THE COMMUNITY IT SERVES THE INSTITUTE IS POISED TO BE THE FUTURE REGIONAL AND NATIONAL LEADER IN TREATMENT, RESEARCH AND ACADEMIC TRAINING FOR ALL ADULT AND PEDIATRIC NEUROSCIENCE DISCIPLINES THE INSTITUTE IS DESIGNED TO TREAT THESE PATIENTS FOR THEIR NEUROLOGICAL DISORDERS WITHOUT HAVING TO LEAVE THE STATE FOR CARE AS WAS SOMETIMES NECESSARY IN THE PAST NEARLY TWO DOZEN SUBSPECIALTY FELLOWSHIP-TRAINED NEUROSURGEONS, NEUROLOGISTS AND OTHER NEUROLOGICAL RELATED SPECIALISTS HAVE JOINED THE GROWING PRACTICE THESE PHYSICIANS PROVIDE EXPERTISE IN STROKE CARE, EPILEPSY, MOVEMENT DISORDERS, PARKINSON'S DISEASE, MULTIPLE SCLEROSIS, BRAIN TUMORS AND CONCUSSIONS ALSO AS A RESULT OF NORTON'S $100 MILLION COMMITMENT, THE FOLLOWING SERVICES BEGAN IN 2010 AND NOW ARE AVAILABLE TO THE COMMUNITY * THE NEUROENDOVASCULAR PROGRAM BECAME AVAILABLE AT ALL NORTON HEALTHCARE ADULT FACILITIES MAKING ADVANCED STROKE, ANEURYSM AND ARTERIOVENOUS MALFORMATION (RANDOM BRAIN HEMORRHAGE OR RUPTURE) TREATMENT POSSIBLE -- NOT PREVIOUSLY AVAILABLE IN THE REGION * A STATE-OF-THE ART EPILEPSY CENTER OPENED AT NORTON BROWNSBORO HOSPITAL, PROVIDING THE REGION'S MOST ADVANCED EPILEPSY MONITORING UNIT, DEDICATED TO PROVIDING ACCURATE DIAGNOSES AND QUALITY CARE FOR INDIVIDUALS LIVING WITH SEIZURES AND EPILEPSY AS PART OF NORTON NEUROSCIENCE INSTITUTE'S MULTIDISCIPLINARY APPROACH TO EPILEPSY CARE, THE NORTON BROWNSBORO HOSPITAL EPILEPSY MONITORING UNIT IS A SPECIALIZED INPATIENT UNIT DESIGNED TO EVALUATE AND DIAGNOSE SEIZURE DISORDERS * A CENTRALIZED MULTIPLE SCLEROSIS (MS) CENTER OPENED AT NORTON SUBURBAN HOSPITAL, PROVIDING MS PATIENTS DEDICATED PROVIDERS THAT OFFER COMPREHENSIVE CARE, ENHANCED PATIENT RESOURCES, AND SUPPORT SERVICES ALL IN ONE CENTRALIZED LOCATION IN ADDITION, MS PATIENTS HAVE ACCESS TO NATIONAL INSTITUTES OF HEALTH CLINICAL TRIALS THROUGH THE CENTER * THE REGION'S FIRST REHABILITATION PROGRAM FOCUSED SOLELY ON TREATING PATIENTS WITH NEUROLOGICAL AND SPINE DISORDERS OPENED WITH THE ONLY "LOKOMAT" SYSTEM IN LOUISVILLE THE SYSTEM ASSISTS PARALYZED PATIENTS OR THOSE WITH MOVEMENT DISORDERS COMMUNITY MEDICAL ASSOCIATES * TREATED IN EXCESS OF 878,000 PATIENTS IN 2010 * THIS NETWORK CONSISTS OF 67 PRACTICES AND 12 IMMEDIATE CARE CENTERS IN EIGHT COUNTIES IN KENTUCKY AND SOUTHERN INDIANA * COMMUNITY MEDICAL ASSOCIATES ONE AREA OF SERVICE IS TO STUDY THE NEEDS OF SPECIALTY SERVICES THAT ARE UNDERSERVED IN THE COMMUNITY AND STRIVE TO PROVIDE A QUALITY AND STABLE WORKFORCE TO SATISFY THOSE NEEDS * 2010 SPECIALTY GROUPS ADDED INCLUDE BREAST HEALTH, NEUROLOGY, BARIATRICS AND ORTHOPEDIC SURGERY * PHYSICIANS AND CHAPLAINS ALSO MAKE HOUSE CALLS FOR PATIENTS WHO HAVE DIFFICULTY LEAVING THEIR HOMES FOR MEDICAL CARE * PHYSICIANS ARE INVOLVED IN MEDICAL SCREENING, COMMUNITY OUTREACH AND COMMUNITY EDUCATION ACTIVITIES TO PROMOTE WELLNESS AND EARLY INTERVENTIONS PHYSICIANS ALSO SERVE IN A VARIETY OF CAPACITIES FOR BOTH MEDICAL AND COMMUNITY RESOURCE ORGANIZATIONS RESEARCH * ADDED NEW NORTON-EMPLOYED RESEARCH GROUPS NORTON CARDIOVASCULAR ASSOCIATES AND NORTON BLUEGRASS CARDIOLOGY * NORTON HEALTHCARE OFFICE OF RESEARCH ADMINISTRATION PARTNERED WITH NORTON UNIVERSITY TO OFFER RESEARCH EDUCATION TO ALL RESEARCHERS IN THE LOUISVILLE METRO AREA AND BEYOND IN 2010, NINE PROGRAMS WERE OFFERED INSTITUTIONAL ATTENDEES INCLUDED NORTON HEALTHCARE, JEWISH HOSPITAL & ST MARY'S HEALTHCARE, UNIVERSITY OF LOUISVILLE HOSPITAL, FLOYD MEMORIAL HOSPITAL, OWENSBORO HOSPITAL MEDICAL SYSTEM (OHMS), CENTRAL BAPTIST, UNIVERSITY OF KENTUCKY, UNIVERSITY OF LOUISVILLE, AND VARIOUS COMMUNITY-BASED PRACTICES CHILDREN'S HOSPITAL FOUNDATION THE CHILDREN'S HOSPITAL FOUNDATION IS THE PHILANTHROPIC ARM OF KOSAIR CHILDREN'S HOSPITAL AND WORKS TO RAISE AWARENESS AND FUNDS IN SUPPORT OF THE HOSPITAL EACH YEAR, MORE THAN 120,000 CHILDREN IN OUR REGION DEPEND ON KOSAIR CHILDREN'S FOR SPECIALIZED MEDICAL CARE THE FOUNDATION HAS EXPANDED PARTNERSHIPS WITHIN THE COMMUNITY AND ENHANCED THE HOSPITAL'S ABILITY TO SERVE ALL CHILDREN REGARDLESS OF THEIR FAMILIES' ABILITY TO PAY THE STRENGTH AND VALUE OF THE COMMUNITY'S SUPPORT FOR THE HOSPITAL ARE VISIBLE THROUGH FUNDING AND SUPPORT OF PROJECTS THAT INCLUDE * THE NEW KOSAIR CHILDREN'S MEDICAL CENTER-BROWNSBORO, FEATURING A MEDITATION GARDEN, PLAYGROUND AND FUN ZONES TO HELP EASE THE MINDS OF PATIENTS AND FAMILIES, PLUS THE GETWELL NETWORK, WHICH PROVIDES INTERACTIVE PROGRAMMING AND EDUCATION THROUGH TELEVISION MONITORS * A NEW SURGICAL EPILEPSY PROGRAM AND SEIZURE MONITORING UNIT THAT BRINGS NEW TREATMENT OPTIONS FOR CHILDREN SUFFERING FROM SEIZURES * THE CHILDREN'S HOSPITAL FOUNDATION OFFICE OF CHILD ADVOCACY OF KOSAIR CHILDREN'S HOSPITAL, WHICH HELPS PROVIDE SAFETY AND OUTREACH INFORMATION AIMED AT KEEPING KIDS OUT OF THE HOSPITAL * PEDIATRIC BEREAVEMENT AND PASTORAL CARE PROGRAMS, WHICH PROVIDE EMOTIONAL AND SPIRITUAL SUPPORT TO FAMILIES OF CHILDREN IN THE HOSPITAL * CHILD LIFE, EXPRESSIVE THERAPY AND MUSIC THERAPY PROGRAMS * ENDOWED RESEARCH CHAIRS IN PEDIATRIC HEMATOLOGY/ONCOLOGY, SLEEP MEDICINE AND ENDOCRINOLOGY * A NEW SYSTEM TO MORE EFFECTIVELY DIAGNOSE AND TREAT GASTROESOPHAGEAL REFLUX IN CHILDREN-A CONDITION THAT IF LEFT UNTREATED, CAN DAMAGE THE ESOPHAGUS OR CAUSE RECURRENT PNEUMONIA, VOMITING AND WEIGHT LOSS * STAFF EDUCATIONAL OPPORTUNITIES AND ADVANCED CERTIFICATIONS THAT CAN LEAD TO IMPROVED PATIENT TREATMENT * NEW ELECTROCARDIOGRAM MONITORING EQUIPMENT THAT ALLOWS ANESTHESIOLOGISTS TO BETTER DETECT ARRHYTHMIA'S DURING SURGERY AS WELL AS MONITOR CHILDREN'S AWARENESS * RENOVATION OF THE PLAY ROOM AND FAMILY RESOURCE CENTER FOR THE CANCER CARE AND RENAL CENTER TO GIVE PATIENTS AND THEIR FAMILIES A MORE HOME-LIKE ATMOSPHERE WHEN THEY ARE HOSPITALIZED FOR LONG PERIODS OF TIME

Identifier	Return Reference	Explanation
		* CONTINUATION OF SAFETY CITY, A PROGRAM FOR AREA SECOND-GRADE STUDENTS THAT TEACHES BICYCLE, PEDESTRIAN, SCHOOL BUS, STRANGER-DANGER AND TRAFFIC SAFETY NORTON HEALTHCARE FOUNDATION THE NORTON HEALTHCARE FOUNDATION IS THE PHILANTHROPIC ARM OF THE NOT-FOR-PROFIT NORTON HEALTHCARE ADULT-SERVICE HOSPITALS-NORTON HOSPITAL, NORTON AUDUBON HOSPITAL, NORTON BROWNSBORO HOSPITAL AND NORTON SUBURBAN HOSPITAL THE FOUNDATION RAISES FUNDS EACH YEAR TO UNDERWRITE AND EXPAND PROGRAMS, EQUIPMENT AND FACILITIES, RESEARCH AND EDUCATION, AND ENABLING THE HOSPITALS TO STAY UP-TO-DATE WITH MEDICAL ADVANCES AND TECHNOLOGY, AND MAINTAINING THE COMMUNITY'S ACCESS TO HEALTH CARE COMMUNITY SUPPORT THROUGH THE NORTON HEALTHCARE FOUNDATION ALLOWS CAREGIVERS TO CONTINUE MAKING A DIFFERENCE FOR PATIENTS IN GREATER LOUISVILLE IN 2010 THAT SUPPORT HELPED THE FOUNDATION PROVIDE FUNDING TO * SUPPORT NORTON CANCER INSTITUTE INITIATIVES THAT PROVIDE EARLY DETECTION SCREENINGS, EDUCATION AND CLINICAL RESEARCH * PROVIDE FUNDING TO AID IN THE CONSTRUCTION OF THE NEW NORTON CANCER INSTITUTE-DOWNTOWN BUILDING, WHICH IS EQUIPPED TO PROVIDE THE LATEST IN RADIATION AND TUMOR TREATMENT FOR PEDIATRIC AND ADULT PATIENTS FUNDING INCLUDES ART GLASS WINDOWS AND AREAS THAT ASSIST IN EASING PATIENTS AND FAMILIES' ANXIETY WHILE ALSO HEALING THE MIND AND SPIRIT * SUPPORT PASTORAL CARE SERVICES FOR PATIENTS, THEIR FAMILIES AND STAFF MEMBERS AT ALL NORTON HEALTHCARE ADULT-SERVICE FACILITIES * PURCHASE ADDITIONAL EQUIPMENT AND PROVIDE ENHANCEMENTS FOR NORTON WOMEN'S PAVILION AT NORTON SUBURBAN HOSPITAL AND NORTON HOSPITAL, HELPING FAMILIES WELCOMING A NEW BABY TO THE FAMILY * PURCHASE ADDITIONAL EQUIPMENT FOR THE NORTON AUDUBON HOSPITAL CRITICAL CARE AREA, IMPROVING CARE GIVEN TO PATIENTS RECOVERING FROM THE MOST SERIOUS SURGERIES AND ILLNESSES * CONTINUE OFFERING COMMUNITY HEALTH INFORMATION CLASSES AND SUPPORT THROUGH THE MARSHALL WOMEN'S HEALTH & EDUCATION CENTER AT NORTON SUBURBAN HOSPITAL * PROVID A NURSE COORDINATOR TO PROVIDE ASSISTANCE TO ADULT CYSTIC FIBROSIS PATIENTS * PROVIDE EDUCATIONAL OPPORTUNITIES FOR THE COMMUNITY AND CAREGIVERS, SUCH AS THE GAIL KLEIN GARLOVE LECTURESHIP AND NIXON LECTURESHIP, WHICH FOCUS ON TOPICS RELATED TO CANCER CARE, PREVENTION AND RESEARCH * ALLOW NURSES TO OBTAIN ONCOLOGY-CERTIFIED NURSE DESIGNATION, ENABLING THEM TO PROVIDE THE MOST COMPREHENSIVE CARE TO CANCER PATIENTS * ALLOW NURSES TO OBTAIN CERTIFIED NEUROSPINE NURSE DESIGNATION, ENABLING THEM TO PROVIDE THE HIGHEST LEVELS OF NEUROSPINE CARE FOR THOSE WITH DISEASES AND INJURIES TO THE BRAIN AND SPINE * ENHANCE UNITS AND REPLACE AGING EQUIPMENT AT NORTON HOSPITAL

Identifier	Return Reference	Explanation
		FORM 990, PART V, LINE 1A AND PART VII, SECTION B, LINE 1 AND 2 NORTON HEALTHCARE, INC EIN 61-1028725 IS THE COMMON PAYING AGENT FOR NORTON HOSPITALS, INC , NORTON PROPERTIES, INC , COMMUNITY MEDICAL ASSOCIATES, INC , NORTON HEALTHCARE FOUNDATION, INC , AND THE CHILDREN'S HOSPITAL FOUNDATION THEREFORE, ALL VENDORS, INCLUDING INDEPENDENT CONTRACTORS, ARE PAID AND REPORTED BY NORTON HEALTHCARE, INC ON BEHALF OF THESE NAMED ENTITIES FOR PURPOSES OF PART V, LINE 1, THE NUMBER OF 1099S REPORTED AND FILED FOR 2010 BY NORTON HEALTHCARE, INC WAS APPROXIMATELY 494 NORTON HEALTHCARE, INC HAS APPROXIMATELY 98 INDEPENDENT CONTRACTORS EXCEEDING $100,000 FOR 2010 NORTON HEALTHCARE, INC , THE COMMON PAYING AGENT, REPORTED 870 ON FORM 1096 FOR 2010 FORM 990 PART V LINE 1B NORTON HEALTHCARE INC , AS THE COMMON PAYING AGENT, FILED A FORM W-2G ON BEHALF OF THE CHILDREN'S HOSPITAL FOUNDATION FORM 990, PART V LINE 1C NORTON HEALTHCARE, INC , EIN 61-1028725 IS THE COMMON PAYING AGENT FOR NORTON HEALTHCARE INC, AND ALL AFFILITIES NORTON HEALTHCARE, INC REQUIRES THAT ALL VENDORS PROVIDE AN ACCRUATE TAXPAYER IDENTIFICAION NUMBER ON A FORM W-9, AS REQURIED BY LAW, PRIOR TO ISSURANCE OF ANY PAYMENT FORM 990, PART V, LINE 2A AND PART I, LINE 5 NORTON HEALTHCARE, INC EIN 61-1028725 IS THE COMMON PAYING AGENT FOR NORTON HOSPTIALS, INC , NORTON PROPERTIES, INC , COMMUNITY MEDICAL ASSOCIATES, INC , NORTON HEALTHCARE FOUNDATION, INC , AND THE CHILDREN'S HOSPITAL FOUNDATION THEREFORE, ALL APPLICABLE IRS TAX COMPLIANCE FILINGS ARE REPORTED BY NORTON HEALTHCARE, INC ON BEHALF OF THESE NAMED ENTITIES NORTON HEALTHCARE, INC HAS APPROXIMATELY 1,386 EMPLOYEES NORTON HEALTHCARE, INC , THE COMMON PAYING AGENT, REPORTED 12,156 EMPLOYEES ON FORM W-3 FOR 2010 FORM 990, PART VII, SECTION A, LINE 1A, COLUMN B THE INTERESTED PERSONS LISTED BELOW ARE OFFICERS FOR NORTON HEALTHCARE, INC AND AFFILIATES, WHICH INCLUDES NORTON HEALTHCARE, INC (NHI), NORTON HOSPITALS, INC (HOSPITALS), COMMUNITY MEDICAL ASSOCIATES, INC (CMA), NORTON PROPERTIES, INC (PROPERTIES), NORTON HEALTHCARE FOUNDATION, INC (NHF) AND THE CHILDREN'S HOSPITAL FOUNDATION (CHF) ESTIMATED BELOW ARE THE AVERAGE HOURS PER WEEK DEVOTED TO EACH ORGANIZATION DURING 2010 NHI HOSPITALS CMA PROPERTIES NHF CHF TOTAL STEPHEN A WILLIAMS 30 10 6 2 1 1 50 RUSSELL F COX 30 10 6 2 1 1 50 MICHAEL W GOUGH 30 10 6 2 1 1 50 ROBERT B AZAR 30 10 6 2 1 1 50 FORM 990, PART VII, SECTION A, LINE 1A, COLUMN D NORTON HEALTHCARE, INC (NHI) AND AFFILIATES (NORTON HOSPITALS, INC , COMMUNITY MEDICAL ASSOCIATES, INC AND NORTON PROPERTIES, INC AND NORTON HEALTHCARE FOUNDATION, INC) ENCOURAGES AND FACILITATES BOARD MEMBER ATTENDANCE AT EDUCATIONAL PROGRAMS AND CONFERENCES ON SUBJECTS RELEVANT TO NHI NHI'S TRAVEL POLICY FOR BOARD OF TRUSTEES PROVIDES THAT FOR EACH TRUSTEE THAT ATTENDS AT LEAST ONE OUT OF TOWN EDUCATIONAL CONFERENCE, A LUMP SUM STIPEND WILL BE PAID TO COVER UNREIMBURSED TRAVEL EXPENSE AND OTHER MISCELLANEOUS EXPENSES ASSOCIATED WITH CONFERENCE PREPARATION, ATTENDANCE OR FOLLOW UP IN COMPLIANCE WITH IRS REGULATIONS, NHI PROVIDES A FORM 1099 TO ANY TRUSTEE THAT RECEIVES A STIPEND THESE AMOUNTS HAVE BEEN REPORTED IN PART VII OF THE FORM 990 AS REPORTABLE COMPENSATION TO THE TRUSTEE RECEIVING STIPENDS IN 2010 FORM 990 PART IX LINE 20, INTEREST EXPENSE AND LINE 24E, INTEREST EXPENSE ALLOCATION NORTON HEALTHCARE, INC 'S (NHI) METHODOLOGY FOR INTEREST EXPENSE ALLOCATION IS TO DETERMINE A BUDGET INTEREST EXPENSE AMOUNT BASED ON ANTICIPATED INTEREST EXPENSE TO BE RECORDED ON NHI'S OUTSTANDING DEBT THE BUDGETED BOND INTEREST EXPENSE IS ALLOCATED TO ITS AFFILIATES MONTHLY THROUGHOUT THE FISCAL YEAR FOR PURPOSES OF THE FORM 990 THE AMOUNT OF INTEREST EXPENSE ALLOCATED TO NHI'S AFFILIATES IS REPORTED ON PART IX, LINE 24E ANY INCREASE OR DECREASE TO THE ACTUAL BOND INTEREST EXPENSE DURING THE FISCAL YEAR IS NOT ALLOCATED TO ITS AFFILIATES BUT IS REFLECTED IN NHI'S FINANCIAL STATEMENTS AND THE FORM 990, PART IX, LINE 20 ACCORDINGLY IN 2010, THE AMOUNTS BUDGETED FOR THE INTEREST EXPENSE ALLOCATIONS WERE IN EXCESS OF THE ACTUAL AMOUNTS RECORDED FACTORS CONTRIBUTING TO THE FAVORABLE INTEREST EXPENSE WERE THE PURCHASE OF NHI'S 2003 BOND ISSUE IN EARLY 2009 (AND ULTIMATELY EXTINGUISHED LATER IN 2009), EARNINGS ON THE CASH FLOW ON THE SWAP AGREEMENTS EXCEEDED EXPECTATIONS AND GREATER THAN ANTICIPATED CAPITALIZED INTEREST, WHICH LOWERED THE AMOUNT RECORDED AS INTEREST EXPENSE FORM 990, PART XII, LINE 3A AND 3B AS REQUIRED BY THE U S OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFITS ORGANIZATIONS, IN 2010 NORTON HEALTHCARE, INC AND AFFILIATES (NORTON HOSPITALS, INC , COMMUNITY MEDICAL ASSOCIATES, INC , NORTON PROPERTIES, INC , AND THE CHILDREN'S HOSPITAL FOUNDATION) RECEIVED AN AUDIT IN ACCORDANCE WITH THE SINGLE AUDIT ACT

Identifier	Return Reference	Explanation
		SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS REGARDING NORTON HEALTHCARE SCHOLARS PROGRAM NORTON HEALTHCARE SCHOLARS PROGRAM IS A STUDENT LOAN PROGRAM THAT PROVIDES EDUCATIONAL FUNDING TO STUDENTS INTERESTED IN PURSUING DESIGNATED HEALTHCARE CAREERS IT IS A PARTNERSHIP WITH KENTUCKY AND SOUTHERN INDIANA COLLEGES AND UNIVERSITIES THIS PROGRAM WAS STARTED BY NORTON HEALTHCARE AS A RESULT OF THE HEALTHCARE WORKER SHORTAGE AND WAS BEGUN AS A WORKFORCE DEVELOPMENT INITIATIVE TO ENSURE THE COMMUNITY HAS ENOUGH HEALTHCARE WORKERS UPON GRADUATION, NORTON HEALTHCARE SCHOLARS BEGIN CAREERS WITH NORTON HEALTHCARE AND ARE ELIGIBLE TO HAVE THEIR LOAN FORGIVEN CURRENTLY NORTON HEALTHCARE HAS 335 SCHOLARS IN SCHOOL THIS PROGRAM HAS 1,640 GRADUATES AND 1,252 OF THESE GRADUATES HAVE CONTINUED THEIR CAREERS WITH NORTON HEALTHCARE APPLICANTS ARE REVIEWED EACH YEAR FOR THIS PROGRAM FOR 2010, 205 APPLICANTS WERE GRANTED ENROLLMENT INTO THE NORTON HEALTHCARE SCHOLARS PROGRAM SCHOLARS WHO FAIL TO GRADUATE OR FULFILL THEIR COMMITMENT WITH NORTON HEALTHCARE ARE REQUIRED TO REPAY THE LOAN AT THE TIME OF WITHDRAWAL FROM THE PROGRAM

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTON HEALTHCARE INC

Employer identification number
61-1028725

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) NORTON HOSPITALS INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-0703799	PROVIDE HOSPITAL SERVICES	KY	501(C)3	3	N/A	Yes	
(2) COMMUNITY MEDICAL ASSOCIATES INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1276316	OPERATES A NETWORK OF PHYSICIAN PRACTICES	KY	501(C)3	9	N/A	Yes	
(3) NORTON PROPERTIES INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1028724	MAINTAINS OFFICE AND PARKING FACILITIES	KY	501(C)3	11A-TYPEI	N/A	Yes	
(4) THE CHILDREN'S HOSPITAL FOUNDATION 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-6027530	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(C)3	7	N/A	Yes	
(5) NORTON HEALTHCARE FOUNDATION INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 31-0914919	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(C)3	7	N/A	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) NORTON ENTERPRISES INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY40202 61-1054301	PROVIDE NURSING AND PATHOLOGY SERVICES	KY	N/A	C	33,570,138	27,338,805	100 000 %

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

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c		No
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q	Yes	
r Other transfer of cash or property from other organization(s)	1r	Yes	

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	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
		FORM 990, SCHEDULE R, PART V, LINE 2 NORTON HEALTHCARE, INC (NHI) OWNS 100% OF THE OUTSTANDING STOCK OF NORTON ENTERPRISES, INC (NEI), A FOR-PROFIT CORPORATION NHI PROCESSES ALL PAYROLL, ACCOUNTS PAYABLE TRANSACTIONS, AND PURCHASE ORDERS ON BEHALF OF NEI THESE OPERATING EXPENSES ARE TRANSFERRED TO NEI THROUGH AN INTERCOMPANY TRANSFER AND ARE REPORTED WITH TRANSACTION TYPE Q ALL OPERATING RECEIPTS OF NEI ARE TRANSFERRED TO NHI THROUGH AN INTERCOMPANY TRANSFER AND ARE REPORTED WITH TRANSACTION TYPE R NORTON HEALTHCARE, INC (NHI) PROCESSES ALL PAYROLL, ACCOUNTS PAYABLE TRANSACTIONS, AND PURCHASE ORDERS ON BEHALF OF ITS AFFILIATES (NORTON HOSPITALS, INC , COMMUNITY MEDICAL ASSOCIATES, NORTON PROPERTIES, INC , NORTON HEALTHCARE FOUNDATION, INC AND THE CHILDREN'S HOSPITAL FOUNDATION) THESE OPERATING EXPENSES ARE TRANSFERRED TO THE AFFILIATES THROUGH AN INTERCOMPANY TRANSFER AND ARE REPORTED WITH TRANSACTION TYPE Q ALL OPERATING RECEIPTS OF THE AFFILIATES ARE TRANSFERRED TO NHI THROUGH AN INTERCOMPANY TRANSFER AND ARE REPORTED WITH TRANSACTION TYPE R

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1028725
Name: NORTON HEALTHCARE INC

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	NORTON ENTERPRISES INC	Q	20,518,874	FMV
(2)	NORTON ENTERPRISES INC	R	21,131,324	FMV
(3)	NORTON HOSPITALS INC	Q	1,155,298,131	FMV
(4)	NORTON HOSPITALS INC	R	1,219,597,203	FMV
(5)	COMMUNITY MEDICAL ASSOCIATES	Q	177,420,528	FMV
(6)	COMMUNITY MEDICAL ASSOCIATES	R	146,373,903	FMV
(7)	NORTON PROPERTIES INC	Q	7,992,623	FMV
(8)	NORTON PROPERTIES INC	R	5,422,719	FMV
(9)	THE CHILDREN'S HOSPITAL FOUNDATION INC	Q	3,527,622	FMV
(10)	THE CHILDREN'S HOSPITAL FOUNDATION INC	R	3,766,562	FMV
(11)	NORTON HEALTHCARE FOUNDATION INC	Q	2,027,414	FMV
(12)	NORTON HEALTHCARE FOUNDATION INC	R	2,002,450	FMV

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315016061

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2010

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
NORTON HEALTHCARE INC	FORM 990 PAGE 10	61-1028725

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7 Listed property Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	21	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	16,571,642
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1						**29**		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	