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Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>  The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047  <b>2010</b>  <b>Open to Public Inspection</b>
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<b>A For the 2010 calendar year, or tax year beginning 04-01-2010 and ending 03-31-2011</b>		
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization HOLLAND COMMUNITY HOSPITAL	<b>D Employer identification number</b>  38-2800065
	Doing Business As HOLLAND HOSPITAL	<b>E Telephone number</b>  (616) 392-5141
	Number and street (or P O box if mail is not delivered to street address) 602 MICHIGAN AVENUE	Room/suite
	<b>G</b> Gross receipts \$ 187,183,397	
	City or town, state or country, and ZIP + 4 HOLLAND, MI 49423	
	<b>F</b> Name and address of principal officer DALE SOWDERS 602 MICHIGAN AVENUE HOLLAND, MI 49423	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (Insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ WWW.HOLLANDHOSPITAL.ORG		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1985
		<b>M</b> State of legal domicile MI

Part I		Summary	
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities TO CONTINUOUSLY IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE IN THE SPIRIT OF HOPE, RESPECT, COMPASSION AND DIGNITY		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	15
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	11
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	<b>5</b>	2,125
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	510	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	1,872,592	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	235,987	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	546,534	878,365
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	162,715,545	175,390,965
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	902,669	-1,249,481
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	5,935,919	8,221,281
		170,100,667	183,241,130
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	538,055	770,803
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	86,869,555	91,784,339
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	72,140,438	80,341,780
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	159,548,048	172,896,922
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	10,552,619	10,344,208
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	<b>20</b> Total assets (Part X, line 16) . . . . .	315,558,594	355,240,131
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	73,001,654	85,527,092
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	242,556,940	269,713,039

<b>Part II Signature Block</b>					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of officer			2012-03-07 Date	
	DALE SOWDERS PRESIDENT & CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name OLIVER JURKOVIC	Preparer's signature OLIVER JURKOVIC	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ PLANTE & MORAN PLLC				Firm's EIN ▶
	Firm's address ▶ 750 TRADE CENTRE WAY STE 300 PORTAGE, MI 49002				Phone no ▶ (269) 567-4500
May the IRS discuss this return with the preparer shown above? (see instructions) . . . . .					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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

TO CONTINUOUSLY IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE IN THE SPIRIT OF HOPE, RESPECT, COMPASSION AND DIGNITY

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.

(Code)	(Expenses \$)	142,977,465	including grants of \$	677,033	(Revenue \$)	175,390,965
4a	HOLLAND COMMUNITY HOSPITAL'S MISSION IS TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES THIS UNWAVERING COMMITMENT TO PROVIDING THE HIGHEST QUALITY MEDICAL CARE HAS REMAINED STEADFAST SINCE THE HOSPITAL BEGAN THIS 95-YEAR LEGACY OF PROVIDING EXCELLENT, COMPASSIONATE AND INCREASINGLY ADVANCED HEALTH CARE REGARDLESS OF PATIENTS' ABILITY TO PAY CONTINUES UNABATED FIRST-RATE QUALITY TODAY, HOLLAND HOSPITAL IS NATIONALLY RECOGNIZED FOR QUALITY AND EXCELLENCE AND IS THE PROUD RECIPIENT OF NUMEROUS STATE AND NATIONAL QUALITY AWARDS IN 2007, HOLLAND HOSPITAL RECEIVED THE PRESTIGIOUS MAGNET HOSPITAL DESIGNATION, A FIRST-IN-CLASS DISTINCTION AWARDED BY THE AMERICAN NURSES CREDENTIALING CENTER TO HOSPITALS THAT DEMONSTRATE THE HIGHEST DEGREE OF PATIENT-CARE EXCELLENCE FOR LAKESHORE-AREA RESIDENTS, OUR MAGNET INSIGNIA IS ASSURANCE THAT THE CARE PATIENTS RECEIVE AT HOLLAND HOSPITAL IS THE VERY BEST - AMONG THE TOP 3 PERCENT OF CLINICAL PROGRAMS IN THE NATION TOP 100 HOSPITALS' FIVE YEARS AND COUNTINGTHIS YEAR WAS THE SIXTH CONSECUTIVE YEAR THAT HOLLAND HOSPITAL WAS RANKED AMONG THE NATION'S "100 TOP HOSPITALS" BY THOMSON REUTERS THIS DISTINCTION IS BASED ON AN INDEPENDENT, DATA-DRIVEN REVIEW OF MORE THAN 3,000 HOSPITALS HOSPITALS DON'T APPLY TO BE ON THIS LIST, RATHER, THE STUDY RATES THEM BASED ON A BALANCED, UNBIASED COMPARISON ONLY THOSE THAT DEMONSTRATE SUPERIOR PERFORMANCE ARE CONSIDERED, AND ONLY THE BEST 100 MAKE THE LIST OUR HOSPITAL IS ONE OF LESS THAN 40 HOSPITALS TO MAKE THE LIST SIX TIMES, VALIDATING THE HIGH QUALITY CARE HOLLAND HOSPITAL OFFERS - AND WORKS DAILY TO ACHIEVE TOP 4 PERCENT FOR 'BEST PRACTICES'"PROCESS OF CARE MEASURES" (OR "CORE MEASURES") ARE PROVEN BEST-PRACTICE STANDARDS FOR TREATING PATIENTS WITH CERTAIN MEDICAL CONDITIONS HOW WELL EACH HOSPITAL APPLIES THESE LIFE-SAVING MEASURES IS TRACKED BY THE U S DEPARTMENT OF HEALTH & HUMAN SERVICES AND CAN BE VIEWED AT WWW.HOSPITALCOMPARE.HHS.GOV RECENT DATA PLACE HOLLAND HOSPITAL AT THE 96TH PERCENTILE - MEANING WE'RE IN THE TOP 4 PERCENT OF HOSPITALS NATIONWIDE IN MEETING PROCESS OF CARE MEASURES WE ARE ALSO AMONG THE FIRST HOSPITALS TO LEAD THE WAY IN PATIENT SAFETY THROUGH THE MICHIGAN HEALTH & HOSPITAL ASSOCIATION KEYSTONE CENTER FOR PATIENT SAFETY & QUALITY LEADERS IN INNOVATIVE PRACTICESTHE HOSPITAL CONTINUES TO MEET THE GROWING HEALTH CARE NEEDS OF THE COMMUNITY BY PROVIDING EXPERIENCED SPECIALISTS, LEADING-EDGE TECHNOLOGY AND EXCEPTIONAL PATIENT CARE ALTHOUGH THE HEALTH CARE LANDSCAPE CONTINUES TO CHANGE, HOLLAND HOSPITAL REMAINS AHEAD OF THE CURVE WITH FISCAL DISCIPLINE, EFFICIENT USE OF RESOURCES, AND WISE INVESTMENT IN NEW TECHNOLOGIES MANY LAKESHORE RESIDENTS ARE BENEFITTING FROM OUR RECENT FACILITY IMPROVEMENTS AS WELL AS SUCH CUTTING-EDGE TECHNOLOGIES AS DAVINCI ROBOT-ASSISTED SURGERY, DIGITAL MAMMOGRAPHY AND INTERVENTIONAL RADIOLOGY DURING FISCAL YEAR 2011, HOLLAND HOSPITAL'S 320-MEMBER MEDICAL STAFF, 1,900 EMPLOYEES AND 500 VOLUNTEERS SERVED THE COMMUNITY BY PROVIDING PATIENT DAYS 29,700DISCHARGES 7,700BIRTHS 1,800SURGERIES 14,300OUTPATIENT VISITS 344,600EMERGENCY ROOM VISITS 41,700URGENT CARE VISITS 33,000HOME HEALTH VISITS 43,000LAB TESTS 632,000RADIOLOGY PROCEDURES 104,000BEDS 209INNOVATIVE OUTREACH PROGRAMSIMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE MEANS TAKING OUR SERVICES INTO THE COMMUNITY TO OFFER RESIDENTS CONVENIENT ACCESS TO HEALTH PROGRAMS AND EDUCATION MORE PROGRAMS AND SERVICES ARE REACHING BEYOND HOSPITAL WALLS INTO THE COMMUNITY, WHETHER AT SCHOOLS, NEIGHBORHOODS OR BUSINESSES RESIDENTS AND EMPLOYEES ALIKE CAN TAKE ADVANTAGE OF NUMEROUS PREVENTION AND WELLNESS OFFERINGS HEALTH EDUCATION AND SERVICESRECOGNIZING THAT MEN AND WOMEN HAVE UNIQUE HEALTH NEEDS, HOLLAND HOSPITAL HAS RESPONDED TO THE COMMUNITY'S REQUEST FOR PROGRAMS THAT ADDRESS GENDER-RELATED HEALTH CONCERNS OUR WOMEN'S MIDLIFE SERVICES IS DEVOTED ENTIRELY TO ADDRESSING THE PHYSICAL AND EMOTIONAL ISSUES OF MATURE WOMEN CREATED BY WOMEN FOR WOMEN AND DIRECTED BY A CERTIFIED MENOPAUSE PRACTITIONER, WOMEN'S MIDLIFE SERVICES OFFERS THE LATEST INFORMATION ON MENOPAUSE AND RELATED ISSUES INTERPRETATION SERVICESOUR ON-SITE INTERPRETERS, SPECIALLY TRAINED IN MEDICAL CONDITIONS IN ACCORDANCE WITH THE NATIONAL COUNCIL ON INTERPRETING IN HEALTH CARE, ARE AVAILABLE 24 HOURS A DAY TO FACILITATE COMMUNICATION BETWEEN PATIENTS AND PROVIDERS IN THE PAST YEAR, STAFF HANDLED MORE THAN 23,500 INTERPRETATION REQUESTS A NEW VIDEO CONFERENCING SYSTEM AT THE OFF-SITE URGENT CARE CENTER CONNECTS PATIENTS FACE-TO-FACE WITH INTERPRETERS IN MINUTES ELIMINATING DELAYS DUE TO TRAVEL TIME DIABETES EDUCATION DIABETES IS A MAJOR HEALTH EPIDEMIC THAT WE CONTINUE TO ADDRESS THROUGH OUR DIABETES SELF-MANAGEMENT EDUCATION PROGRAM WE ASSIST THOSE WITH DIABETES BY OFFERING INDIVIDUAL CONSULTATIONS AS WELL AS GROUP CLASSES PARTICIPANTS LEARN ABOUT DIET AND NUTRITION, HOW TO TEST THEIR BLOOD SUGAR, AND MANAGING THE DISEASE WITH MEDICATION COMMUNITY OUTREACH PROGRAMS THE CENTER FOR GOOD HEALTH OFFERS A WEALTH OF EDUCATIONAL CLASSES AND PRESENTATIONS FOR CHILDREN, ADULTS AND SENIORS IN FY 2010, THE CENTER OFFERED 600 CLASSES AND EVENTS WITH APPROXIMATELY 11,000 PARTICIPANTS RECENTLY, IN RESPONSE TO TODAY'S EMPHASIS ON IMPROVING WORKER HEALTH TO BOOST EFFECTIVENESS AND REDUCE HEALTH CARE COSTS, THE CENTER JOINED FORCES WITH MANY AREA BUSINESSES TO TAKE ITS WORKSITE WELLNESS PROGRAM DIRECTLY TO EMPLOYEES SERVING THE UNDERSERVED WITH THE FACE OF HOLLAND PROJECTIN OTTAWA COUNTY, THE CHALLENGING ECONOMIC TIMES HAVE LEFT SOME 30,000 ADULTS AND CHILDREN WITH NO OR INSUFFICIENT HEALTH INSURANCE TO COVER THEIR FAMILY'S MEDICAL EXPENSES IN RESPONSE, THE HOLLAND HOSPITAL FOUNDATION INTENSIFIED ITS EFFORTS TO "SERVE THE UNDERSERVED" BY FOCUSING FINANCIAL SUPPORT ON TWO VITAL PROGRAMS THE HOLLAND COMMUNITY HEALTH CENTER AND THE SCHOOL NURSING PROGRAM THE FOUNDATION IS THE SOLE SOURCE OF FUNDING FOR THE SCHOOL NURSING PROGRAM, INVESTING \$50,000 PER SCHOOL YEARLY, AND CONTRIBUTED \$750,000 TO THE OPERATION OF THE COMMUNITY HEALTH CENTER HOLLAND COMMUNITY HEALTH CENTERDEMAND IS RISING DRAMATICALLY (BY ABOUT 800 PATIENTS PER YEAR) FOR SERVICES OF THE HOLLAND COMMUNITY HEALTH CENTER, WHICH PROVIDES HEALTH CARE FOR PEOPLE WHO ARE UNDER AND UNINSURED IN 2010, THE COMMUNITY HEALTH CENTER SERVED NEARLY 4,731 PATIENTS, NEARLY HALF OF THEM CHILDREN WITH 10,724 VISITS MOST OF THESE VISITS FOCUSED ON WOMEN'S AND CHILDREN'S HEALTH CARE NEEDS, DIABETES MANAGEMENT AND ELDER CARE EACH YEAR THE COMMUNITY HEALTH CENTER ACQUIRES OVER \$365,000 WORTH OF FREE MEDICATIONS FOR PATIENTS WHO CANNOT AFFORD THEM THE SCHOOL NURSING PROGRAMSCHOOL NURSING PROVIDES SERVICES TO HOLLAND, WEST OTTAWA AND HAMILTON PUBLIC SCHOOLS SCHOOL YEAR 2010-2011 THEY SERVICED 8,000 STUDENTS, 34,825 HEALTH OFFICE VISITS, ADMINISTERED 12,665 MEDICATIONS AND REFERRED 440 STUDENTS FOR MEDICAL, DENTAL, VISION, OR SOCIAL CONCERNS THEY PROVIDED OVER 200 EDUCATIONAL SESSIONS UNCOMPENSATED MEDICAL COSTS OUR COMMITMENT TO CARING FOR MEMBERS OF OUR COMMUNITY WHO ARE UNINSURED OR UNDERINSURED CONTINUES TO BE ONE OF THE BIGGEST FINANCIAL CHALLENGES FOR THE HOSPITAL IN FY 2011, HOLLAND HOSPITAL PROVIDED UNREIMBURSED CARE TO OUR PATIENTS AT A COST OF \$32.4 MILLION, A 16 PERCENT INCREASE OVER THE PREVIOUS YEAR BAD DEBT ALONE STAYED CONSISTENT DURING 2011, ROSE OVER 30 PERCENT IN 2010 AND 50% IN 2009 - A REFLECTION OF THE CONTINUED ECONOMIC ENVIRONMENT AND GROWTH IN UNEMPLOYMENT HOLLAND HOSPITAL TAKES ITS FIDUCIARY RESPONSIBILITY SERIOUSLY, AND WORKS VERY HARD TO BALANCE THE CURRENT HEALTH CARE NEEDS OF THE COMMUNITY WITH OUR RESPONSIBILITY TO REMAIN FINANCIALLY VIABLE FOR GENERATIONS TO COME COMMUNITY OUTREACH IS AN IMPORTANT PART OF OUR MISSION AND IT TAKES GREAT EFFORT TO FREE UP RESOURCES TO BE ABLE TO INVEST IN THESE PROGRAMS AND COVER INCREASING COSTS FROM UNCOMPENSATED CARE 2011 COMMUNITY BENEFIT SUMMARY - \$36.4 MILLION TOTAL COMMUNITY BENEFIT UNPAID COST OF MEDICAID \$9,000,000UNPAID COST OF MEDICARE \$6,500,000CHARITY CARE \$6,700,000 BAD DEBT \$10,200,000OTHER COMMUNITY BENEFITS (NOTE A) \$4,000,000NOTE A - OTHER COMMUNITY BENEFITS INCLUDE * COMMUNITY EDUCATION & OUTREACH PROGRAMS* CASH, IN-KIND DONATIONS & CONTRIBUTIONS* HOLLAND COMMUNITY HEALTH CENTER* HEALTH PROFESSIONAL EDUCATION & RESEARCH					

















[illegible][illegible]

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 142,977,465</b>
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Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		No
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? <i>If "Yes," complete Schedule C, Part III.</i>		
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? <i>If "Yes," complete Schedule D, Part I.</i> 	Yes	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 		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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 		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? <i>If "Yes," complete Schedule D, Part IX.</i> 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		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 ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	Yes	
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	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? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> 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 <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	166		
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	2,125		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country: _____ See 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	Yes		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes		
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	Yes		
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			No
9 Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
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	15		
b	Enter the number of voting members included in line 1a, above, who are independent	11		
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	Yes	
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	Yes	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a		No
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	Yes	
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	Yes	

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed MI
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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. TERRY STEELE 602 MICHIGAN AVE HOLLAND, MI 49423 (616) 392-5141

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			
(1) DALE M SOWDERS PRESIDENT & CEO	40.00	X		X		X		518,957	0	128,941
(2) LESLIE BROWN TRUSTEE	1.00	X						0	0	0
(3) BARBARA DEPREE MD PHYSICIAN, WOMEN'S MIDLIFE SERVICES	30.00	X						160,159	0	20,512
(4) CHUCK DEPREE TRUSTEE	1.00	X						0	0	0
(5) BECCA DERNBERGER TRUSTEE	1.00	X						0	0	0
(6) WILLIAM FRAUENHEIM MD MEDICAL DIRECTOR, CARDIOLOGY	1.00	X						0	0	0
(7) ROGER GAMACHE TRUSTEE	1.00	X						0	0	0
(8) DON KOMEJAN TRUSTEE	1.00	X						0	0	0
(9) KRIS MANOS TRUSTEE	1.00	X						0	0	0
(10) GREG MAYBURY TRUSTEE	1.00	X						0	0	0
(11) DAWN GARCIA WARD TRUSTEE	1.00	X						0	0	0
(12) JANE CLARK TRUSTEE	1.00	X						0	0	0
(13) JAMES STROOP TRUSTEE	1.00	X						0	0	0
(14) MARK STID CHIEF OF STAFF	5.00	X		X				9,363	0	0
(15) DAN RINK TRUSTEE	1.00	X						0	0	0
(16) TERRY L STEELE VP, FINANCE & CFO	40.00			X				311,306	0	61,907



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			
(17) CHARLES D KOHLRUSS VP, HR & OPERATIONS SUPPORT	40 00			X				247,622	0	51,712
(18) PATTI VANDORT VP, NURSING & CNO	40 00			X				251,387	0	47,302
(19) MARK L PAWLAK VP, ANCILLARY SERVICES & QUALITY	40 00			X				219,247	0	47,346
(20) WILLIAM L VANDERVLiet MD VP, MEDICAL AFFAIRS	20 00			X				124,124	0	32,842
(21) ROBERT J BATES MD PHYSICIAN, UROLOGY	40 00					X		549,973	0	41,404
(22) MICHAEL A TRAVER MD PHYSICIAN, UROLOGY	40 00					X		392,403	0	39,344
(23) BRADLEY L WILLOUGHBY MD PHYSICIAN, UROLOGY	40 00					X		360,900	0	39,190
(24) JOHN K LUDLOW MD PHYSICIAN, UROLOGY	40 00					X		404,264	0	20,908
(25) DERICK JOHNSON PHYSICIAN	40 00					X		187,639	0	3,989
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								3,737,344	0	535,397

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 52

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		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
LAKEWOOD CONSTRUCTION 11253 JAMES STREET HOLLAND, MI 49424	CONSTRUCTION	4,055,475
ARAMARK CORPORATION 12483 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	CONTRACTED SERVICES	3,362,638
ELZINGA AND VOLKERS INC 86 E 6TH ST HOLLAND, MI 49423	CONSTRUCTION	3,041,892
LAKESHORE CAMPUS LLC 161 OTTAWA AVENUE NW STE 104161 O GRAND RAPIDS, MI 49503	LANDLORD - RENT	899,380
LAKESIDE ENT 577 MICHIGAN AVE HOLLAND, MI 49423	BILLING SERVICES	805,456
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 31		

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	182,014				
	d	Related organizations . . . . .	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	696,351				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f . . . . .		878,365				
	Program Service Revenue	2a	NET PATIENT REVENUE		621110	175,390,965	175,390,965	
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f . . . . .		175,390,965				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .		2,178,658			2,178,658
		4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties . . . . .						
	6a	(i) Real		(ii) Personal	271,673			271,673
		271,673						
		Less rental expenses						
		271,673						
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) . . . . .		271,673				
	7a	(i) Securities		(ii) Other	-3,428,139			-3,428,139
		459,386						
		3,887,525						
		-3,428,139						
	b	Less cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss) . . . . .		-3,428,139				
	8a	Gross income from fundraising events (not including \$ 182,014 of contributions reported on line 1c) See Part IV, line 18 . . . . .		75,037	47,640			47,640
		a						
		b		27,397				
c	Net income or (loss) from fundraising events . .							
9a	Gross income from gaming activities See Part IV, line 19 . . a		20,295	-7,050			-7,050	
	b		27,345					
	c							
10a	Gross sales of inventory, less returns and allowances . .							
	a							
	b							
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue			Business Code					
11a	MISCELLANEOUS REVENUE		900099	4,734,719			4,734,719	
	b PHO/LAB ACTIVITY		621500	1,872,592	1,872,592			
	c CAFETERIA AND HOME MEA		722210	904,430			904,430	
	d All other revenue . . . . .			397,277			397,277	
	e Total. Add lines 11a-11d . . . . .			7,909,018				
12	Total revenue. See Instructions . . . . .		183,241,130	175,390,965	1,872,592	5,099,208		

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	770,803	770,803		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	2,304,413	186,675	2,117,738	
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	70,091,394	60,391,678	9,699,716	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,351,842		1,351,842	
9	Other employee benefits . . . . .	18,036,690	17,622,251	414,439	
10	Payroll taxes . . . . .				
a	Fees for services (non-employees) Management . . . . .				
b	Legal . . . . .	1,124,650	4,624	1,120,026	
c	Accounting . . . . .	131,700	20,550	111,150	
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	704,372		704,372	
g	Other . . . . .	1,244,697	1,244,697		
12	Advertising and promotion . . . . .	585,362	30,891	554,471	
13	Office expenses . . . . .	1,034,301	613,589	420,712	
14	Information technology . . . . .	2,403,038		2,403,038	
15	Royalties . . . . .				
16	Occupancy . . . . .	2,658,138	2,653,867	4,271	
17	Travel . . . . .	310,432	292,448	17,984	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	336,487	197,842	138,645	
20	Interest . . . . .	2,175,220	2,175,220		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	9,715,604	8,928,726	786,878	
23	Insurance . . . . .	1,190,975	65,988	1,124,987	
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	SUPPLIES	27,067,068	26,896,663	170,405	
b	CONTRACT LABOR	12,974,342	8,606,629	4,367,713	
c	PROVISION FOR BAD DEBTS	10,177,735	10,177,735		
d	OTHER	4,065,083	16,352	4,048,731	
e	UTILITIES	2,442,576	2,080,237	362,339	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	172,896,922	142,977,465	29,919,457	0
26	Joint costs. Check here <input checked="" type="checkbox"/> 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)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				14,558,816	1	16,963,554
	2	Savings and temporary cash investments . . . . .				9,111,669	2	7,398,459
	3	Pledges and grants receivable, net . . . . .					3	
	4	Accounts receivable, net . . . . .				19,551,882	4	27,719,373
	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 . . . . .					6	
	7	Notes and loans receivable, net . . . . .					7	
	8	Inventories for sale or use . . . . .				3,210,356	8	3,404,455
	9	Prepaid expenses and deferred charges . . . . .				2,590,516	9	1,925,640
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	205,466,677	108,188,679	10c	117,034,740	
	b	Less: accumulated depreciation . . . . .	10b	88,431,937				
	11	Investments—publicly traded securities . . . . .				125,388,579	11	158,892,019
	12	Investments—other securities. See Part IV, line 11 . . . . .				31,098,572	12	19,938,178
	13	Investments—program-related. See Part IV, line 11 . . . . .					13	
	14	Intangible assets . . . . .					14	
	15	Other assets. See Part IV, line 11 . . . . .				1,859,525	15	1,963,713
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .				315,558,594	16	355,240,131	
Liabilities	17	Accounts payable and accrued expenses . . . . .				10,558,229	17	14,250,975
	18	Grants payable . . . . .					18	
	19	Deferred revenue . . . . .					19	
	20	Tax-exempt bond liabilities . . . . .				59,163,091	20	66,245,245
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .					21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .					22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				8,200	23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .					24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .				3,272,134	25	5,030,872
	26	Total liabilities. Add lines 17 through 25 . . . . .				73,001,654	26	85,527,092
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets . . . . .				241,860,472	27	269,017,048
	28	Temporarily restricted net assets . . . . .				296,468	28	295,991
	29	Permanently restricted net assets . . . . .				400,000	29	400,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds . . . . .					30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .					31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .					32	
	33	Total net assets or fund balances . . . . .				242,556,940	33	269,713,039
	34	Total liabilities and net assets/fund balances . . . . .				315,558,594	34	355,240,131

Part XI

Reconciliation 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	183,241,130
2	Total expenses (must equal Part IX, column (A), line 25)	2	172,896,922
3	Revenue less expenses Subtract line 2 from line 1	3	10,344,208
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	242,556,940
5	Other changes in net assets or fund balances (explain in Schedule O)	5	16,811,891
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	269,713,039

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?		No
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		

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  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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?

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in 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 section 501(c)(3) organization, check this box and <b>stop here</b> 						

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 <b>stop here</b> . 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 <b>stop here</b> . 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

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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	48
2	Aggregate contributions to (during year)	640,615
3	Aggregate grants from (during year)	641,092
4	Aggregate value at end of year	297,858
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? <div>Yes No</div>	
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? <div>Yes No</div>	

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, 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 ▶ \$

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

Cat No 52283D

Schedule D (Form 990) 2010

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

3a(i)

☐ Yes

☐ No

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		7,516,110		7,516,110
b Buildings . . . . .		96,654,335	33,848,438	62,805,897
c Leasehold improvements . . . . .		12,822,444	625,984	12,196,460
d Equipment . . . . .		88,473,788	53,957,515	34,516,273
e Other . . . . .				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				117,034,740



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)	1183,241,130
2	Total expenses (Form 990, Part IX, column (A), line 25)	2172,896,922
3	Excess or (deficit) for the year Subtract line 2 from line 1	310,344,208
4	Net unrealized gains (losses) on investments	414,490,505
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	82,321,386
9	Total adjustments (net) Add lines 4 - 8	916,811,891
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1027,156,099

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements . . . . .	1214,765,647
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments . . . . .2a14,490,505	
b	Donated services and use of facilities . . . . .2b	
c	Recoveries of prior year grants . . . . .2c	
d	Other (Describe in Part XIV) . . . . .2d14,310,245	
e	Add lines 2a through 2d . . . . .	2e28,800,750
3	Subtract line 2e from line 1 . . . . .	3185,964,897
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 . . . . .4a704,372	
b	Other (Describe in Part XIV) . . . . .4b-3,428,139	
c	Add lines 4a and 4b . . . . .	4c-2,723,767
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5183,241,130

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements . . . . .	1189,542,125
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) . . . . .2d17,349,575	
e	Add lines 2a through 2d . . . . .	2e17,349,575
3	Subtract line 2e from line 1 . . . . .	3172,192,550
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 . . . . .4a704,372	
b	Other (Describe in Part XIV) . . . . .4b	
c	Add lines 4a and 4b . . . . .	4c704,372
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5172,896,922

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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL HAS ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS. THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL.
PART XI, LINE 8 - OTHER ADJUSTMENTS		UNREALIZED LOSS IN JOINT VENTURE 2,712,613 TRANSFER TO AFFILIATE -391,227
PART XII, LINE 2D - OTHER ADJUSTMENTS		REVENUE FROM ENTITIES NOT REPORTED ON THIS RETURN 12,472,632 UNREALIZED LOSS IN JOINT VENTURE -875,000 ELIMINATIONS FOR EARNINGS IN OTHER ENTITIES 2,712,613
PART XII, LINE 4B - OTHER ADJUSTMENTS		ASSET DISPOSAL RECLASSIFIED FROM EXPENSE - 3,428,139
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES FROM ENTITIES NOT REPORTED ON THIS RETURN 14,796,436 ASSET DISPOSAL RECLASSIFIED FROM EXPENSE 3,428,139 UNREALIZED LOSS IN JOINT VENTURE -875,000

SCHEDULE G  
(Form 990 or 990-EZ)

Supplemental Information Regarding  
Fundraising or Gaming Activities

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐

Mail solicitations

e

☐

Solicitation of non-government grants

b

☐

Internet and e-mail solicitations

f

☐

Solicitation of government grants

c

☐

Phone solicitations

g

☐

Special fundraising events

d

☐

In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐

Yes

☐

No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . .						

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		CULINARY CABARET (event type)	GALA (event type)	(total number)	(Add col (a) through col (c))
1	Gross receipts . . . .	152,841	104,210		257,051
2	Less Charitable contributions . . . .	95,317	86,697		182,014
3	Gross income (line 1 minus line 2) . . . .	57,524	17,513		75,037
Direct Expenses	4 Cash prizes . . . .				
	5 Non-cash prizes . . . .				
	6 Rent/facility costs . . . .		750		750
	7 Food and beverages . . . .				
	8 Entertainment . . . .				
	9 Other direct expenses . . . .	9,884	16,763		26,647
	10 Direct expense summary Add lines 4 through 9 in column (d) . . . . .				27,397
	11 Net income summary Combine lines 3 and 10 in column (d). . . . .				47,640

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
1	Gross revenue . . . . .			20,295	20,295
Direct Expenses	2 Cash prizes . . . . .				
	3 Non-cash prizes . . . . .			20,625	20,625
	4 Rent/facility costs . . . . .			6,720	6,720
	5 Other direct expenses . . . .				
6	Volunteer labor . . . . .	<div><div><input type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div></div> <div>%</div>	<div><div><input type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div></div> <div>%</div>	<div><div><input checked="" type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div></div> <div>95 000 %</div> <div>95 000 %</div>	
7	Direct expense summary Add lines 2 through 5 in column (d) . . . . .				27,345
8	Net gaming income summary Combine lines 1 and 7 in column (d) . . . . .				-7,050

9 Enter the state(s) in which the organization operates gaming activities See Additional Data TableMI

a Is the organization licensed to operate gaming activities in each of these states? ☒ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If "Yes," Explain

11

Does the organization operate gaming activities with nonmembers?

☒ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☒ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	0 %
b	An outside facility	13b	100 000 %

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ COLLEEN PERDOK

Address ▶ 602 MICHIGAN AVE  
HOLLAND, MI 49423

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☒ No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party \$ \_\_\_\_\_

c

If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶ COLLEEN PERDOK

Gaming manager compensation ▶ \$ 0

Description of services provided ▶ FOUNDATION COORDINATOR

☐ Director/officer ☒ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☒ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$ \_\_\_\_\_

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
	SCHEDULE G, PART III, LINE 16	INCLUDED IN COLLEEN PERDOK'S RESPONSIBILITIES IS THE ROLE OF GAMING MANAGER HOWEVER THE AMOUNT OF COMPENSATION ALLOCATED TO THIS ROLE IS MINIMAL



SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public  
Inspection

**Name of the organization**  
HOLLAND COMMUNITY HOSPITAL

**Employer identification number**  
38-2800065

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			3,017,831		3,017,831	1 750 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			21,920,061	18,501,429	3,418,632	1 980 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			24,937,892	18,501,429	6,436,463	3 730 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			178,642	38,696	139,946	0 080 %
f Health professions education (from Worksheet 5)			288,886		288,886	0 170 %
g Subsidized health services (from Worksheet 6)			411,877	341,836	70,041	0 040 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			2,405,887		2,405,887	1 390 %
j Total Other Benefits			3,285,292	380,532	2,904,760	1 680 %
k Total. Add lines 7d and 7j			28,223,184	18,881,961	9,341,223	5 410 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development	3	4,560		4,560	0 %
3	Community support	1	746,807	224,772	522,035	0 300 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development	1	478,229		478,229	0 280 %
9	Other					
10	Total	5	1,229,596	224,772	1,004,824	0 580 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	4,587,309
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	727,432
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	24,761,006
6	Enter Medicare allowable costs of care relating to payments on line 5	6	28,997,643
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-4,236,637
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV

Management Companies and Joint Ventures

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

## Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

**Schedule H (Form 990) 2010**

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 10

Name and address	Type of Facility (Describe)
------------------------	-----------------------------

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART II THE HEALTH OF OUR COMMUNITY IS SIMPLY A REFLECTION OF THE HEALTH OF EACH INDIVIDUAL WITHIN OUR COMMUNITY TO ACHIEVE THE HIGHEST LEVEL OF PERSONAL HEALTH, INDIVIDUALS MUST HAVE ACCESS TO THE APPROPRIATE TOOLS, BEST HEALTH INFORMATION AND LOCAL MEDICAL EXPERTISE OUR OUTREACH TO THE COMMUNITY PROVIDES ACCESS TO THESE VITAL COMPONENTS FROM HEALTH SCREENINGS AND COMMUNITY PRESENTATIONS TO CHARITABLE CARE FOR THE UNINSURED/UNDERINSURED, OUR GOAL IS TO HELP EACH INDIVIDUAL REACH HIS/HER MAXIMUM PERSONAL HEALTH POTENTIAL AND, IN THE PROCESS, CREATE AN OVERALL HEALTHIER COMMUNITY

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL WRITE-OFF RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE HOSPITAL'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE TO DETERMINE BAD DEBTS AT COST, THE COST TO CHARGE RATIOS FROM THE 3/31/10 MEDICARE COST REPORT FOR IP, OP AND PSYCH WERE APPLIED TO EACH OF THE RESPECTABLE BAD DEBT TOTALS FROM WORKSHEET E FROM THE COST REPORT AND AN AVERAGE COST TO CHARGE RATIO DERIVED THIS RATIO THEN WAS APPLIED TO THE TOTAL BAD DEBT (NOT INCLUDING CHARITY CARE) EXPENSE FROM THE TRIAL BALANCE TO COME UP WITH AN ESTIMATION OF BAD DEBTS AT COST THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY THE HOSPITAL ALSO MAINTAINS RECORDS OF THE COST OF SERVICES PROVIDED TO MEDICARE AND MEDICAID RECIPIENTS NOT COVERED BY GOVERNMENTAL REIMBURSEMENT AS WELL AS THE COST OF OTHER PROGRAMS DESIGNED TO PROMOTE COMMUNITY HEALTH NOT COVERED BY INSURANCE TRADITIONAL CHARITY CARE COVERS SERVICES PROVIDED TO PEOPLE WHO CANNOT AFFORD TO PAY CHARITY CARE IS DETERMINED BASED ON ESTABLISHED POLICIES, USING PATIENT INCOME AND ASSETS TO DETERMINE PAYMENT ABILITYTHERE IS A POTENTIAL THAT SOME ACCOUNTS WRITTEN OFF AS BAD DEBTS COULD HAVE BEEN ELIGIBLE UNDER THE ORGANIZATIONS CHARITY CARE POLICY, HOWEVER DUE TO INADEQUATE APPLICATIONS FILED OR NEVER RETURNED GET WRITTEN OFF TO BAD DEBTS INSTEAD THE ESTIMATED AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY WAS APPROXIMATELY \$46,000 THIS WAS DERIVED BY REVIEWING NOTES ON FILES FOR POTENTIAL CHARITY CARE CASES FOR THE LAST QUARTER OF THE YEAR AND APPLYING THAT AVERAGE TO THE TOTAL POPULATION AND THEN APPLYING THE COSTING METHODOLOGY DISCUSSED ABOVE</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS 990 INSTRUCTIONS THE SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT DUE TO ITS REPRESENTATION OF COST OF A PORTION OF SERVICES PROVIDED TO THE COMMUNITY WITHOUT PAYMENT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B ANY BALANCE DEEMED PATIENT RESPONSIBILITY (AFTER INSURANCE PAYMENT/DETERMINATION AND AFTER ANY APPLICABLE DISCOUNT OR CHARITY) IF NOT PAID WILL RECEIVE A MINIMUM OF 2 STATEMENTS AT DAY 60 AN EARLY OUT AGENCY WORKS THE ACCOUNT FOR HOLLAND HOSPITAL A MINIMUM OF 90 DAYS THE ACCOUNT WILL BE HELD ON HOLLAND HOSPITAL'S "BOOKS" UNTIL IT HAS AGED TO A MINIMUM OF 180 DAYS FROM DISCHARGE AT THIS TIME THE ACCOUNT IS ELIGIBLE AND WILL BE REVIEWED TO BE SENT TO A COLLECTION AGENCY



Identifier	ReturnReference	Explanation
		HOLLAND HOSPITAL IS COMMITTED TO SERVING THE HEALTH CARE NEEDS OF EVERY PERSON IN OUR COMMUNITY WE DO SO WILLINGLY IT IS OUR RESPONSIBILITY TO HELP INDIVIDUALS PREVENT ILLNESS, RECOVERY FROM INJURY, AND IMPROVE THEIR OVERALL HEALTH STATUS WE TAKE THAT RESPONSIBILITY VERY SERIOUSLY THE COMMUNITY BENEFITS WE PROVIDE THROUGH DIRECT MEDICAL CARE, OUTREACH AND EDUCATION ARE AN INVESTMENT IN OUR COMMUNITY'S WELL BEING IT'S AN INVESTMENT TOWARD A BETTER FUTURE FOR THOSE WE SERVE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN COLLABORATION WITH THE OTTAWA COUNTY HEALTH DEPARTMENT AND THE UNITED WAY, A COMMUNITY ASSISSMENT IS PERFORMED THE UNITED WAY PUBLISHES THEIR ASSESSMENT EVERY 5 YEARS (LAST ONE IN 2008) AND THE OTTAWA COUNTY HEALTH DEPARTMENT PUBLISHES THEIR YOUTH ASSESSMENT EVERY 2 YEARS (LAST ONE IN 2008) AND EVERY 3 YEARS FOR ADULTS (LAST ONE IN 2007)

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 OUR FINANCIAL ASSISTANCE PROGRAM IS LOCATED ON OUR WEBSITE ALSO, OUR COLLECTORS, CUSTOMER SERVICE EMPLOYEES, OR ANY OTHER HOLLAND HOSPITAL EMPLOYEE WITH WHOM THE PATIENT MIGHT HAVE CONTACT, OUR MEDICAID ELIGIBILITY VENDOR, AND THE EARLY OUT AGENCIES INFORM PATIENTS OF THE POLICY ALL OF THE ABOVE MENTIONED SOURCES CAN AND DO MAIL FINANCIAL ASSISTANCE APPLICATIONS TO THE PATIENTS FOR CONVENIENCE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 HOLLAND HOSPITAL'S PRIMARY SERVICE AREA (PSA) CONSISTS OF EIGHT ZIP CODES THAT FALL WITHIN ALLEGAN AND OTTAWA COUNTIES OF MICHIGAN WE ALSO SERVE RESIDENTS IN OUR EXTENDED SERVICE AREA (ESA) WHICH TOGETHER WITH THE PSA COMPRISES A TOTAL POPULATION OF NEARLY 250,000 OUR PSA POPULATION COMPRISES ALL AGE GROUPS, SKEWING OLDER IN THE CITY OF HOLLAND AND YOUNGER IN THE GROWING AREAS OUTSIDE THE CITY THE AREA ALSO ENCOMPASSES A WIDE RANGE OF RACIAL AND ETHNIC BACKGROUNDS THE CITY OF HOLLAND DIFFERS SUBSTANTIALLY FROM THE SURROUNDING COUNTIES IN RACIAL/ETHNIC COMPOSITION OVER 22% OF HOLLAND CITY RESIDENTS ARE HISPANIC/LATINO , CONTRASTED WITH ABOUT 6-8% IN OTTAWA AND ALLEGAN COUNTIES HOLLAND ALSO SHOWS A GREATER PERCENTAGE OF ASIAN RESIDENTS (3 6%) THAN OTHER AREAS OF THE STATE AND PROPORTIONALLY MORE BLACK/AFRICAN AMERICANS (2 5%) LIVE IN HOLLAND THAN IN ADJACENT COUNTIES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 HOLLAND HOSPITAL, ALONG WITH OTHER MICHIGAN HOSPITALS, PROVIDES DIRECT PATIENT CARE TO THOSE WHO CANNOT AFFORD IT THOUGH THE AMOUNT OF CHARITABLE CARE AND BAD DEBT HAS RISEN STEEPLY IN THE PAST FEW YEARS DUE PRIMARILY TO A STRUGGLING ECONOMY, HOLLAND HOSPITAL HAS REMAINED TRUE TO ITS MISSION TO CONTINUALLY IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE IN THE SPIRIT OF HOPE, COMPASSION, RESPECT AND DIGNITY AROUND-THE-CLOCK MEDICAL CARE IS AVAILABLE TO ALL IN NEED ADDITIONAL URGENT CARE SERVICES HAVE BEEN ADDED AND COMMUNITY HEALTH OUTREACH EFFORTS HAVE BEEN INCREASED ALL OF THIS HAS BEEN DONE TO ENHANCE THE WELL BEING OF THE COMMUNITY, WITH LITTLE OR NO COST TO THOSE WE SERVE

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	MI

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  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
38-2800065

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
(1) COMMUNITY HEALTH CENTER602 MICHIGAN AVENUE HOLLAND, MI 49423	20-0602574	501(C)(3)	746,804	0	N/A	N/A	OPERATIONAL CASH FLOW TO BREAK-EVEN
(2) LAKESHORE ADVANTAGE CORP201 W WASHINGTON ZEELAND, MI 49464	06-1708014	501(C)(3)	10,000	0	N/A	N/A	FINANCIAL CONTRIBUTIONS 2011
(3) UNIVERSITY OF MICHIGAN3003 SOUTH STADIUM ANN ARBOR, MI 48109	38-6006309	115	9,500	0	N/A	N/A	FINANCIAL CONTRIBUTIONS 2011

2

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

▶ 3

3

Enter total number of other organizations . . . . .

▶ 0

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE HOSPITAL RECIEVES THEIR MONTHLY INTERNAL FINANCIALS AND A COPY OF THE AUDITED STATEMENTS ANNUALLY



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
HOLLAND COMMUNITY HOSPITAL

Employer identification number  
  
38-2800065

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div>		
<div>1b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.</div>		
<div>2</div> <div>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?</div>		
<div>3</div> <div>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.</div> <div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div>4</div> <div>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:</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment from the organization or a related organization?</div>		No
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>		No
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		No
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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:</div>		
<div>a</div> <div>The organization?</div>		No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		No
<div>6</div> <div>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:</div>		
<div>a</div> <div>The organization?</div>		No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		No
<div>7</div> <div>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.</div>		No
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div>		No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>		

**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				
(1) DALE M SOWDERS	(i)	396,864	108,516	13,577	72,932	56,009	647,898	0
	(ii)	0	0	0	0	0	0	0
(2) BARBARA DEPREE MD	(i)	160,009	150	0	0	20,512	180,671	0
	(ii)	0	0	0	0	0	0	0
(3) TERRY L STEELE	(i)	227,344	49,665	34,297	22,727	39,180	373,213	0
	(ii)	0	0	0	0	0	0	0
(4) CHARLES D KOHLRUSS	(i)	180,752	39,486	27,384	12,597	39,115	299,334	0
	(ii)	0	0	0	0	0	0	0
(5) PATTI VANDORT	(i)	175,032	38,236	38,119	13,540	33,762	298,689	0
	(ii)	0	0	0	0	0	0	0
(6) MARK L PAWLAK	(i)	173,867	37,979	7,401	12,306	35,040	266,593	0
	(ii)	0	0	0	0	0	0	0
(7) WILLIAM L VANDERVLiet MD	(i)	124,124	0	0	6,546	26,296	156,966	0
	(ii)	0	0	0	0	0	0	0
(8) ROBERT J BATES MD	(i)	549,973	0	0	0	41,404	591,377	0
	(ii)	0	0	0	0	0	0	0
(9) MICHAEL A TRAVER MD	(i)	392,403	0	0	0	39,344	431,747	0
	(ii)	0	0	0	0	0	0	0
(10) BRADLEY L WILLOUGHBY MD	(i)	360,900	0	0	0	39,190	400,090	0
	(ii)	0	0	0	0	0	0	0
(11) JOHN K LUDLOW MD	(i)	404,264	0	0	7,855	13,053	425,172	0
	(ii)	0	0	0	0	0	0	0
(12) DERICK JOHNSON	(i)	187,639	0	0	2,722	1,267	191,628	0
	(ii)	0	0	0	0	0	0	0
( 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
------------	------------------	-------------

Schedule K (Form 990)	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	
	Department of the Treasury Internal Revenue Service											Open to Public Inspection
Name of the organization HOLLAND COMMUNITY HOSPITAL										Employer identification number 38-2800065		

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	MICHIGAN STATE HOSPITAL FINANCE AUTHORTIY	38-2889417	59465E7A5	08-01-2004	21,744,478	CONSTRUCTION OF NEW BUILDING		X		X		X
B	MICHIGAN STATE HOSPITAL FINANCE AUTHORTIY	38-2889417	59465E7A5	08-01-2004	22,000,000	CONSTRUCTION OF NEW BUILDING		X		X		X
C	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	80-0596186		08-11-2010	23,500,000	CONSTRUCTION OF NEW BUILDING		X		X		X

Part II

Proceeds

				A		B		C		D	
1	Amount of bonds retired										
2	Amount of bonds legally defeased										
3	Total proceeds of issue			22,000,000		22,000,000		23,500,000			
4	Gross proceeds in reserve funds			1,722,767							
5	Capitalized interest from proceeds										
6	Proceeds in refunding escrow										
7	Issuance costs from proceeds			250,000		225,000					
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds			22,000,000		22,000,000		9,376,581			
11	Other spent proceeds			14,123,419				14,123,419			
12	Other unspent proceeds										
13	Year of substantial completion			2008		2008		2011			
				Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X	X			
15	Were the bonds issued as part of an advance refunding issue?				X		X		X		
16	Has the final allocation of proceeds been made?			X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			X		X		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		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X		X		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		X		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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?								
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 <div></div>	0 %		0 %		0 %			
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 <div></div>	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		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		X			X		
2	Is the bond issue a variable rate issue?		X	X			X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		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		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		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

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 HOLLAND COMMUNITY HOSPITAL	Employer identification number 38-2800065
--	--

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		BARBARA DEPREE, A BOARD MEMBER AND EMPLOYEE, IS CHUCK DEPREE'S SISTER-IN-LAW CHUCK DEPREE IS ALSO A BOARD MEMBER

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		A COPY OF THE 990 IS PROVIDED TO CFO PRIOR TO CEO SIGNING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF DIRECTORS, ADMINISTRATION, DIRECTORS AND MANAGERS FILL OUT A CONFLICT OF INTEREST DISCLOSURE FORM ANNUALLY THESE FORMS ARE COLLECTED BY THE COMPLIANCE OFFICE, INVESTIGATED AND THEN MAINTAINED BY HUMAN RESOURCES THE BYLAWS SPECIFICALLY STATE THAT A BOARD MEMBER WHO HAS A CONFLICT OF INTEREST AS TO A MATTER BEFORE THE BOARD SHOULD NOT VOTE OR USE PERSONAL INFLUENCE WITH OTHER BOARD MEMBERS THE MINUTES OF THE BOARD MEETING SHALL DISCLOSE THE MEMBER'S ABSITINENCE FROM VOTING ON THE MATTER



Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION USES CONSULTANTS TO REVIEW THE EXECUTIVE COMPENSATION PROGRAM ANNUALLY AND RECOMMEND UPDATES/INCREASES AS DICTATED BY THE MARKET. COMPENSATION IS SET FOR EACH POSITION WITH ESTABLISHED TARGETS USING NATIONAL AND REGIONAL DATA FOR SIMILAR HOSPITALS. THIS POLICY IS BOARD APPROVED AND HAS AN ONGOING REVIEW PROCESS WHICH IS COMPARATIVE AND DATA-DRIVEN. THE MOST RECENT YEAR THIS PROCESS WAS UNDERTAKEN WAS FISCAL YEAR 2011.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	DOCUMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 14,490,505 UNREALIZED GAIN/LOSS IN JOINT VENTURE TRANSFER TO AFFILIATE

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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**  
HOLLAND COMMUNITY HOSPITAL

**Employer identification number**  
38-2800065

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
See Additional Data Table					

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) HOLLAND COMMUNITY HEALTH CENTER  602 MICHIGAN AVENUE  HOLLAND, MI 49423 20-0602574	HEALTHCARE	MI	501(C)(3)	LINE 3	SPECTRUM HEALTH MEDICAL GROUPS		No
(2) HOLLAND COMMUNITY HOSPITAL AUTHORITY SELF-INSURANCE TRUST FUND  602 MICHIGAN AVENUE  HOLLAND, MI 49423 38-6389385	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11A, I	HOLLAND COMMUNITY HOSPITAL	Yes	
(3) HOLLAND COMMUNITY HOSPITAL AUXILIARY  602 MICHIGAN AVENUE  HOLLAND, MI 49423 38-2139025	SUPPORTING ORGANIZATION	MI	501(C)(3)	LINE 11A, I	HOLLAND COMMUNITY HOSPITAL	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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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) HOLLAND COMMUNITY PHYSICIAN HOSPITAL ORGANIZATION 602 MICHIGAN AVENUE HOLLAND, MI49423 38-3268394	PHYSICIAN SUPPORT	MI		C	109,929	289,936	50 000 %
(2) LAKESHORE HEALTH PARTNERS 602 MICHIGAN AVENUE HOLLAND, MI49423 26-3518481	ENDOSCOPY SERVICES	MI	HOLLAND COMMUNITY HOSPITAL	C	-1,693,044	1,497,150	100 000 %
(3) HH SERVICES - SOUTH WASHINGTON 602 MICHIGAN AVENUE HOLLAND, MI49423 27-0795175	MEDICAL CLINIC	MI	HOLLAND COMMUNITY HOSPITAL	C	-445,091	308,976	100 000 %
(4) LAKESHORE HEALTH PARTNERS FAMILY MEDICINE 602 MICHIGAN AVENUE HOLLAND, MI49423 27-1304003	MEDICAL CLINIC	MI	HOLLAND COMMUNITY HOSPITAL	C	205,558		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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

Yes

No

Yes

No

No

Yes

Yes

No

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) LAKESHORE HEALTH PARTNERS	L	1,217,000	CONTRACTS AND TIME TRACKING
(2) HOLLAND COMMUNITY HEALTH CENTER	I	64,015	RENTAL AGREEMENT
(3)			
(4)			
(5)			
(6)			

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

[illegible]



**Part VII**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:  
Software Version:  
EIN: 38-2800065  
Name: HOLLAND COMMUNITY HOSPITAL

Form 990, Schedule R, Part I - Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Total income (\$)	(e) End-of-year assets (\$)	(f) Direct Controlling Entity
HH SERVICES LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 20-8441842	ENT PHYSICIAN OFFICE	MI	2,027,615		HOLLAND COMMUNITY HOSPITAL
HH SERVICES -STAGEMAN LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-0396174	ENT PHYSICIAN OFFICE	MI	455,974		HOLLAND COMMUNITY HOSPITAL
HH SERVICES - BATES ET AL LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-0396104	UROOLOGY PHYSICIAN OFFICE	MI	-749,776	2,129,341	HOLLAND COMMUNITY HOSPITAL
HH SERVICES - HOLLAND PROFESSIONAL SERVICES LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-2764668	WOMENS MIDLIFE PHYSICIAN OFFICE	MI	-59,158	-9,305	HOLLAND COMMUNITY HOSPITAL
HH SERVICES ORT LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-4606759	ORTHOPEDIC PHYSICIAN OFFICE	MI	-1,462,036	238,131	HOLLAND COMMUNITY HOSPITAL
HOLLAND HOSPITAL PHYSISICAN CLINIC 602 MICHIGAN AVENUE HOLLAND, MI 49423 26-3479537	NOT ACTIVE	MI			HOLLAND COMMUNITY HOSPITAL
LAKESHORE HEALTH PARTNERS - FM LLC 602 MICHIGAN AVENUE HOLLAND, MI 49423 27-2647439	FAMILY MEDICINE PHYSICIAN OFFICE	MI	-1,174,624	99,975	HOLLAND COMMUNITY HOSPITAL
HOLLAND SC LLC DBA SURGERY CENTER OF WEST MICHIGAN 602 MICHIGAN AVENUE HOLLAND, MI 49423 20-3200415	OUTPATIENT SURGERY CENTER	MI			HOLLAND COMMUNITY HOSPITAL

# **Holland Hospital and Affiliates**

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**Consolidated Financial Report  
with Additional Information  
March 31, 2011**

# Holland Hospital and Affiliates

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## Independent Auditor's Report

To the Board of Directors  
Holland Hospital and Affiliates

We have audited the accompanying consolidated balance sheet of Holland Hospital and Affiliates (the "Hospital") as of March 31, 2011 and 2010 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Holland Hospital and Affiliates at March 31, 2011 and 2010 and the consolidated results of their operations, changes in net assets, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

June 8, 2011

# Holland Hospital and Affiliates

## Consolidated Balance Sheet

	March 31, 2011	March 31, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 17,387,294	\$ 15,322,576
Short-term investments (Note 5)	144,052	143,620
Accounts receivable (Note 2)	21,175,268	16,108,701
Estimated third-party payor settlements (Note 3)	1,179,148	3,316,118
Other current assets	5,572,219	5,867,516
Total current assets	45,457,981	40,758,531
<b>Property and Equipment - Net (Note 7)</b>	117,332,338	108,552,599
<b>Other Assets (Note 5)</b>	187,911,137	167,314,725
Total assets	<b>\$ 350,701,456</b>	<b>\$ 316,625,855</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt (Note 8)	\$ 2,215,556	\$ 1,413,200
Accounts payable	7,281,150	6,733,208
Estimated third-party payor settlements (Note 3)	1,771,944	677,593
Accrued liabilities and other	7,428,859	7,957,414
Total current liabilities	18,697,509	16,781,415
<b>Long-term Debt - Net of current portion (Note 8)</b>	64,029,689	57,758,091
<b>Other Liabilities</b>		
Accrued professional liability (Note 10)	2,876,128	2,211,741
Other long-term liabilities	382,800	382,800
Total liabilities	85,986,126	77,134,047
<b>Net Assets</b>		
Unrestricted	264,019,339	238,795,340
Temporarily restricted	295,991	296,468
Permanently restricted	400,000	400,000
Total net assets	264,715,330	239,491,808
Total liabilities and net assets	<b>\$ 350,701,456</b>	<b>\$ 316,625,855</b>

# Holland Hospital and Affiliates

## Consolidated Statement of Operations

	Year Ended	
	March 31, 2011	March 31, 2010
<b>Unrestricted Revenue, Gains, and Other Support</b>		
Net patient service revenue	\$ 186,959,446	\$ 168,834,371
Other	8,090,795	7,816,366
Net assets released from restrictions	641,202	504,202
Total unrestricted revenue, gains, and other support	195,691,443	177,154,939
<b>Expenses</b>		
Salaries and benefits	101,856,879	92,983,024
Medical supplies and drugs	28,218,484	23,894,863
Purchased services	17,175,279	17,254,364
Utilities	2,547,930	2,290,115
Other	16,084,529	9,478,538
Depreciation and amortization	10,790,031	10,807,305
Provision for bad debts	10,693,772	10,596,990
Interest expense	2,175,221	2,135,576
Total expenses (Note 13)	189,542,125	169,440,775
<b>Operating Income</b>	6,149,318	7,714,164
<b>Nonoperating Income (Expenses)</b>		
Investment income (Note 5)	4,422,950	1,572,348
Earnings of equity investments	299,841	459,124
Foundation investment income (Note 5)	1,041,931	285,553
Foundation net program costs	(1,577,823)	(806,926)
Minority interest in the gain of consolidated subsidiary	-	51,635
Change in unrealized investment gains (Note 5)	14,490,505	38,328,857
Other expense	397,277	(1,805,555)
Total nonoperating income	19,074,681	38,085,036
<b>Excess of Revenue Over Expenses</b>	25,223,999	45,799,200
<b>Distribution to Minority Member</b>	-	(102,910)
<b>Increase in Unrestricted Net Assets</b>	<b>\$ 25,223,999</b>	<b>\$ 45,696,290</b>

# Holland Hospital and Affiliates

## Consolidated Statement of Changes in Net Assets

	Year Ended	
	March 31, 2011	March 31, 2010
<b>Unrestricted Net Assets</b>		
Excess of revenue over expenses	\$ 25,223,999	\$ 45,799,200
Distribution to minority member	-	(102,910)
<b>Increase in Unrestricted Net Assets</b>	25,223,999	45,696,290
<b>Temporarily Restricted Net Assets</b>		
Restricted contributions	640,725	519,647
Net assets released from restriction	(641,202)	(504,202)
<b>(Decrease) Increase in Temporarily Restricted Net Assets</b>	(477)	15,445
<b>Increase in Net Assets</b>	25,223,522	45,711,735
<b>Net Assets - Beginning of year</b>	239,491,808	193,780,073
<b>Net Assets - End of year</b>	<b>\$ 264,715,330</b>	<b>\$ 239,491,808</b>



# Holland Hospital and Affiliates

## Consolidated Statement of Cash Flows

	Year Ended	
	March 31, 2011	March 31, 2010
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 25,223,522	\$ 45,711,735
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	10,790,031	10,807,305
Net change in unrealized net gains on investments	(14,490,505)	(38,328,857)
Realized (gains) losses on investments	(2,781,029)	770,053
Loss on disposal of equipment	3,428,139	1,249,479
Restricted contributions	(640,725)	(519,647)
Provision for bad debts	10,693,772	10,596,990
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	(15,471,752)	(8,411,631)
Other current assets	651,827	1,279,968
Estimated third-party payor settlements	3,231,321	2,730,850
Other assets	(219,140)	(716,204)
Accounts payable	547,942	(294,218)
Accrued liabilities and other	(543,555)	687,089
Minority interest	-	85,577
Other liabilities	664,387	(152,232)
Net cash provided by operating activities	21,084,235	25,496,257
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(24,135,553)	(12,131,225)
Proceeds from sale of property and equipment	459,386	-
Purchase of short-term investments and assets limited as to use	(15,967,813)	(70,611,079)
Proceeds from sale and maturities of short-term investments and assets limited as to use	29,847,976	58,815,031
Acquisition of goodwill	(14,048,192)	-
Acquisition of intangible assets	(2,890,000)	-
Net cash used in investing activities	(26,734,196)	(23,927,273)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of debt obligations	23,340,306	-
Principal payment on long-term debt	(16,503,200)	(510,800)
Restricted contributions	640,725	519,647
Amortization of original issue discount	236,848	22,010
Net cash provided by financing activities	7,714,679	30,857
<b>Net Increase in Cash and Cash Equivalents</b>	2,064,718	1,599,841
<b>Cash and Cash Equivalents - Beginning of year</b>	15,322,576	13,722,735
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 17,387,294</b>	<b>\$ 15,322,576</b>
<b>Supplemental Cash Flow Information - Cash paid for interest</b>	<b>\$ 2,250,031</b>	<b>\$ 2,128,951</b>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 1 - Nature of Business and Significant Accounting Policies

**Basis of Presentation** - The consolidated financial statements include the accounts of Holland Community Hospital, doing business as Holland Hospital, and its wholly owned or controlled subsidiaries, HH Services, LLC (HHS), HH Services - Holland Professional Services, LLC (HHSHPs), HH Services - Bates et. al, LLC (Bates), HH Services - Stageman, LLC (Stageman), HH Services - ORT, LLC (ORT), South Washington Family Medicine (SWFM), Lakeshore Health Partners (LHP), Lakeshore Health Partners - Family Medicine (LHPFM), Lakeshore Health Partners - FM, LLC (LHPFML), and HH Services - South Washington, LLC (HHSSW) (collectively referred to as the "Hospital"). The Hospital provides medical and surgical services in the Holland, Michigan area. Upon consolidation, all intercompany accounts and transactions have been eliminated in consolidation. During 2011, Stageman operations were dissolved, HHS was combined into LHP, SWFM was combined into LHPFM, and LHPFM was recredentialled and became LHPFML.

In 1988, Holland Hospital converted from an authority to a private, nonprofit hospital. The authority still exists and, although the authority does not have any assets or liabilities, the authority does retain the right to receive the net proceeds from any sale of Holland Hospital under the 1987 Amendment to Act No. 47, Public Acts of 1945.

**Foundation** - During the year ended March 31, 2000, the Hospital designated funds to be utilized to benefit the community through nursing programs with area churches and schools, prenatal and postnatal programs, and physician programs. The net activity is shown in other changes in unrestricted net assets. These funds are referred to by the Hospital and in this report as the "Foundation."

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

**Cash and Cash Equivalents** - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use.

Cash balances held in the bank exceed the federal depository insurance limit. The Hospital's cash is only insured up to the federal depository insurance limit. Management believes that any credit risk related to these cash balances is minimal.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Accounts Receivable** - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Hospital's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors.

**Assets Limited as to Use** - Assets limited as to use include investments in marketable securities, money market accounts, and U.S. government obligations, all measured at fair value in the consolidated balance sheet. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the change in unrestricted net assets, unless the income or loss is restricted by donor or law. All of these assets are set aside for either board, bond indenture agreements, or donor designations.

The Hospital invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

**Property and Equipment** - Property and equipment amounts are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed principally on the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

**Investments in Affiliate Entities** - The consolidated financial statements include the Hospital's interest in Lakeshore Area Radiation Oncology Center (a cancer treatment center) and Holland Community Physician Hospital Organization. These investments are accounted for using the equity method.

**Bond Financing Costs** - Bond financing costs are amortized on a straight-line basis, which approximates the interest method, over the term of the related debt issue.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Temporarily and Permanently Restricted Net Assets** - Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

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

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs.

**Contributions** - The Hospital reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of changes in net assets as net assets released from restrictions.

The Hospital reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Hospital reports the expiration of donor restrictions when the assets are placed in service.

**Charity Care** - The Hospital maintains records to identify and monitor the level of care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The Hospital also maintains records of the cost of services provided to Medicare and Medicaid recipients not covered by governmental reimbursement as well as the cost of other programs designed to promote community health not covered by insurance.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Excess of Revenue Over (Under) Expenses** - The consolidated statement of operations includes excess of revenue over (under) expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over (under) expenses, consistent with industry practice, include transfers to (from) affiliates and distributions to the minority interest member.

**Tax Status** - The Internal Revenue Service has ruled that the Hospital and LHPFML are tax-exempt organizations as defined under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for federal income taxes has been made in the consolidated financial statements for the Hospital or LHPFML. HHS, HHSSW, HSHSPS, ORT, Bates, and Stageman are all single-member limited liability corporations, in which the activity flows through to the Hospital for federal income tax purposes. SWFM, LHPFM, and LHP are taxable entities for federal income tax purposes and a provision for federal income taxes has been made in the consolidated financial statements, if applicable.

The Hospital has adopted accounting standards related to uncertain tax positions and, accordingly, reviewed all tax positions. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

**Accounting for Conditional Asset Retirement Obligation** - The Financial Accounting Standards Board issued guidance which clarified when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered this guidance, specifically as it related to its legal obligation to report asset retirement activities, such as asbestos removed, on its existing properties. The Hospital is in the process of renovating and replacing a significant portion of the physical plant facilities, resulting in a relatively small portion of the facility with any remaining hazardous material. Management has determined an estimated settlement date for the asset retirement obligations based on the knowledge obtained during the significant renovation project currently under way. The Hospital has recognized an estimate of the liability of approximately \$300,000 related to these asset retirement activities as of March 31, 2011, which is included in accrued liabilities on the consolidated balance sheet.

**Reclassification** - Certain 2010 amounts have been reclassified to conform to the 2011 presentation, the most significant being presenting the noncurrent portion of assets limited as to use as a component of other assets on the consolidated balance sheet.

**Subsequent Events** - The consolidated financial statements and related disclosures include evaluation of events up through and including June 8, 2011, which is the date the consolidated financial statements were issued.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 2 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2011	2010
Patient accounts receivable	\$ 55,290,437	\$ 48,280,357
Less allowance for uncollectible accounts	(6,771,268)	(7,200,000)
Less allowance for contractual adjustments	(28,293,573)	(25,789,175)
Net patient accounts receivable	20,225,596	15,291,182
Other	949,672	817,519
Total accounts receivable	<u>\$ 21,175,268</u>	<u>\$ 16,108,701</u>

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	Percent	
	2011	2010
Medicare	27	26
Medicaid	13	14
Blue Cross Blue Shield of Michigan	14	10
Commercial insurance and HMOs	27	27
Self-pay	19	23
Total	<u>100</u>	<u>100</u>

### Note 3 - Estimated Third-party Payor Settlements

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

- **Medicare** - Inpatient, acute-care, and psychiatric services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 3 - Estimated Third-party Payor Settlements (Continued)

- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost-reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on a fee-for-service and percentage-of-charge basis.
- **Health Maintenance Organizations** - Services rendered to HMO beneficiaries are paid at predetermined rates or at a percentage of Hospital charges.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, Blue Cross Blue Shield of Michigan, and HMO programs that are subject to audit by fiscal intermediaries.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. The Hospital is unable to determine the extent of exposure for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Hospital at a future date.

### Note 4 - Community Benefit

In support of its mission, the Hospital provides various health-related services to the indigent and other residents in its service area. These services include the following:

**Community Partnership Programs** - Community partnership programs include programs provided to people with inadequate healthcare resources or for other groups within the community that need special services and support. Examples include programs related to the poor, elderly, substance abuse, child abuse, and others with specific particular healthcare needs. They also include broader populations who benefit from community health initiatives such as health promotion, education, and health screening.

**Donations/Contributions** - Donations/contributions include cash and in-kind donations that are made on behalf of the poor and needy to community agencies and to special funds for charitable activities as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and disadvantaged.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 4 - Community Benefit (Continued)

**Traditional Charity Care** - Traditional charity care covers services provided to people who cannot afford to pay. Charity care is determined based on established policies, using patient income and assets to determine payment ability. Charity care for the years ended March 31, 2011 and 2010 totaled \$6,700,000 and \$6,600,000, respectively.

**Unpaid Costs for Government Program Patients** - The Hospital is a licensed Medicare and Medicaid provider with approximately 49 percent of its patient base qualifying for one of these two programs. At present, the reimbursement rates for both programs do not fully cover the cost of provider care to these patients. This represents the estimated shortfall created when a facility receives payments below the costs of treating Medicare and Medicaid beneficiaries.

### Note 5 - Other Assets

The detail of other assets is summarized in the following schedule:

	2011	2010
Assets limited as to use:		
Internally designated for capital acquisition	\$ 122,268,249	\$ 122,065,320
Internally designated for the Foundation	24,371,108	21,298,794
Held by trustee under bond indenture	4,461,597	6,199,279
Held in trust for payment of professional liability claims	15,045,472	13,191,662
Total assets limited as to use	166,146,426	162,755,055
Goodwill	14,048,192	-
Other intangible assets	2,890,000	-
Investment in other entities	2,999,986	2,700,145
Other noncurrent assets	1,826,533	1,859,525
Total other assets	<u>\$ 187,911,137</u>	<u>\$ 167,314,725</u>

Investment in other entities represents the Hospital's interest in Lakeshore Area Radiation Oncology and Holland Community Physician Hospital Organization.

In December 2010, the Hospital acquired the membership interest of Holland SC, LLC. As part of the transaction, the Hospital recorded \$14,048,192 of goodwill and \$2,890,000 of license intangibles. These assets are considered to have an indefinite useful life and will be evaluated for impairment on an annual basis.

Other noncurrent assets are comprised of bond issue costs and other long-term receivables.



# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 5 - Other Assets (Continued)

Investment income and gains (losses) for assets limited as to use and short-term investments are comprised of the following for the years ended March 31, 2011 and 2010:

	2011	2010
Interest and dividend income	\$ 2,683,852	\$ 2,627,954
Realized gains (losses) on sales of investments	2,781,029	(770,053)
Change in net unrealized gains on investments	14,490,505	38,328,857
Total	<u>\$ 19,955,386</u>	<u>\$ 40,186,758</u>

### Note 6 - Fair Value

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Hospital's assets measured at fair value on a recurring basis at March 31, 2011 and 2010 and the valuation techniques used by the Hospital to determine those fair values. During 2011, the Hospital adopted, on a prospective basis, new accounting standards which require disclosure of fair value by major class of investments.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Hospital has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Hospital's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 6 - Fair Value (Continued)

#### Assets Measured at Fair Value on a Recurring Basis at March 31, 2011

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2011
<b>Assets</b>				
Short-term investments - Money market funds	\$ 144,052	\$ -	\$ -	\$ 144,052
Assets limited as to use (Note 5)				
Money market funds	41,132	-	-	41,132
U S Treasury shares	7,485,464	-	-	7,485,464
Domestic common stocks	16,658,511	-	-	16,658,511
Mutual funds - Equity securities	24,998,904	-	-	24,998,904
Mutual funds - International	26,365,359	-	-	26,365,359
Mutual funds - Fixed-income	20,096,180	-	-	20,096,180
Common collective funds	-	36,867,188	-	36,867,188
REIT	-	1,500,364	-	1,500,364
Alternative investments - Real estate	-	-	12,582,499	12,582,499
Alternative investments - Hedge funds	-	-	19,550,825	19,550,825
Total assets limited as to use	95,645,550	38,367,552	32,133,324	166,146,426
Total assets	\$ 95,789,602	\$ 38,367,552	\$ 32,133,324	\$ 166,290,478

#### Assets Measured at Fair Value on a Recurring Basis at March 31, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2010
<b>Assets</b>				
Short-term investments - Money market funds	\$ 143,620	\$ -	\$ -	\$ 143,620
Assets limited as to use (Note 5)				
Money market funds	3,026,229	-	-	3,026,229
U S Treasury shares	6,199,278	-	-	6,199,278
Domestic common stocks	13,624,382	-	-	13,624,382
International common stocks	572,413	-	-	572,413
Mutual funds - Equity securities	36,000,470	-	-	36,000,470
Mutual funds - International	18,899,031	-	-	18,899,031
Mutual funds - Fixed-income	23,690,444	-	-	23,690,444
Common collective funds	-	32,161,026	-	32,161,026
REIT	-	183,355	-	183,355
Alternative investments - Real estate	-	-	10,103,464	10,103,464
Alternative investments - Hedge funds	-	-	18,294,963	18,294,963
Total assets limited as to use	102,012,247	32,344,381	28,398,427	162,755,055
Total assets	\$ 102,155,867	\$ 32,344,381	\$ 28,398,427	\$ 162,898,675

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 6 - Fair Value (Continued)

The fair value of common collective funds was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments based upon the value of bonds and the readily determinable fair value of the underlying investments in the funds.

The fair value of hedge funds and real estate alternative investments was determined primarily based on Level 3 inputs. The Hospital estimates the fair value of these investments based upon audited and interim unaudited financial statements for the respective funds.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables may include changes in fair value that were attributable to both observable and unobservable inputs.

The fund of funds hedge funds class includes investments that generate returns through investments in a number of different hedge funds. The funds make allocations to various event-driven, relative value, equity long/short, and tactical hedge funds that are identified through a disciplined investment process. Underlying funds include both single-strategy and multi-strategy funds with the number of funds also set at the discretion of the manager. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The real estate funds class includes limited partnership structures that are illiquid in nature. Private real estate encompasses a broad array of globally diversified strategies and securities. Investments may be in any country, although funds will typically specialize in specific regions and countries. The fair values of the investments in this class have been estimated using the net asset value of the Hospital's ownership interest in partners' capital.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2010 and 2011 are as follows:

	Alternative Investments
Balance at April 1, 2010	\$ 28,398,427
Total income and unrealized gains included in change in net assets	3,734,897
Balance at March 31, 2011	<u>\$ 32,133,324</u>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 6 - Fair Value (Continued)

	Alternative Investments
Balance at April 1, 2009	\$ 22,688,362
Total income and unrealized gains included in change in net assets	<u>5,710,065</u>
Balance at March 31, 2010	<u>\$ 28,398,427</u>

### Note 7 - Property and Equipment

The cost of property, plant, and equipment and depreciable lives are summarized as follows:

	2011	2010	Depreciable Life - Years
Land	\$ 7,516,111	\$ 6,522,180	-
Land improvements	502,422	311,463	5-20
Buildings	96,654,336	90,880,042	20-40
Building improvements	2,367,432	2,302,736	10-40
Equipment	88,845,517	88,024,508	4-20
Construction in progress	<u>10,015,768</u>	<u>5,906,983</u>	-
Total cost	205,901,586	193,947,912	
Accumulated depreciation	<u>(88,569,248)</u>	<u>(85,395,313)</u>	
Net property and equipment	<u>\$ 117,332,338</u>	<u>\$ 108,552,599</u>	

Depreciation expense was \$10,733,172 and \$10,752,932 for the years ended March 31, 2011 and 2010, respectively.

The construction in progress represents construction costs incurred related to various renovations throughout the Hospital. Future commitments to complete the renovations as of March 31, 2011 are approximately \$7,235,000.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 8 - Long-term Debt

A summary of long-term debt at March 31, 2011 and 2010 is as follows:

	2011	2010
Series 2010, Michigan Finance Authority Revenue and Refunding Bond dated August 1, 2010, due in 18 annual principal payments of \$1,305,56. Interest is payable semiannually at February 1 and August 1 at a fixed rate of 3.70 percent. The bonds payable are collateralized by certain assets of the Hospital	\$ 23,340,306	\$ -
Series 2004A, Michigan State Hospital Finance Authority Bonds payable dated July 27, 2004, due in amounts ranging from \$450,000 in 2012 to \$1,970,000, due on January 1, 2034. Interest is payable semiannually at January 1 and July 1 at rates ranging from 4.15 percent to 5.375 percent. The bonds payable are collateralized by certain assets of the Hospital	21,560,000	22,000,000
Series 2004B, Michigan State Hospital Finance Authority Bonds payable dated August 11, 2004, due in amounts ranging from \$669,307 to \$2,025,500, due on January 1, 2034, including a variable interest rate (0.24 percent at March 31, 2011) plus a letter of credit fee of 0.36 percent on outstanding balances. The variable interest rate is based on the BMA index rate. The letter of credit expires on January 1, 2013. The bonds payable are collateralized by certain assets of the Hospital	21,560,000	22,000,000
Series 1996, Michigan State Hospital Finance Authority Bonds payable dated November 1, 1996. The bonds payable were collateralized by certain assets of the Hospital and were paid in full in 2011	-	15,615,000
Other	-	8,200
Total	66,460,306	59,623,200
Less original issue discount	215,061	451,909
Less current portion	2,215,556	1,413,200
Long-term portion	\$ 64,029,689	\$ 57,758,091

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 8 - Long-term Debt (Continued)

The Series 2004B bonds are remarketed periodically. Should the remarketing agent be unable to remarket the bonds based on its best efforts, these bonds would be "put" back on the bond trustee, who would draw down on the letter of credit to pay down the bonds. The reimbursement agreement between the letter of credit bank and the Hospital calls for the Hospital to reimburse the letter of credit bank for any remarketing draws consistent with the original debt amortization.

Minimum principal payments on long-term debt to maturity as of March 31, 2011 are as follows:

2012	\$ 2,215,556
2013	2,250,556
2014	2,280,556
2015	2,315,556
2016	2,360,556
Thereafter	<u>55,037,526</u>
Total	<u>\$ 66,460,306</u>

### Note 9 - Leases

The Hospital leases various equipment and buildings under operating leases with terms ranging from 3 to 15 years. Rent expense was approximately \$3,002,000 and \$2,790,000 in 2011 and 2010, respectively. At March 31, 2011, future minimum rental payments are due as follows:

2012	\$ 2,737,738
2013	1,820,318
2014	1,353,323
2015	1,174,496
2016	665,654
Thereafter	<u>1,276,187</u>
Total	<u>\$ 9,027,716</u>

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### **Note 10 - Professional and Other Liability Insurance**

The Hospital has established a program of self-insurance for professional liability risks and maintains an irrevocable trust for payment of such claims. The Hospital also purchases excess liability coverage from independent carriers under claims-made policies at varying limits, as available. Should the claims-made policies not be renewed or replaced with equivalent insurance, claims based on occurrences during their term but reported subsequently will be uninsured. Incidents occurring prior to January 1, 1978 are covered by a commercial insurance policy. The assets of the self-insurance trust are included with assets limited as to use in the accompanying consolidated balance sheet. Income generated by the trust assets and administrative costs are recognized in the accompanying consolidated statement of operations.

The Hospital is involved in certain legal actions and is aware of certain other possible claims arising from services provided to patients. Management believes, after considering legal counsel's evaluations of all actions and claims, that insurance coverage and accruals for estimated losses are adequate to cover expected settlements.

### **Note 11 - Retirement Benefits**

The Hospital has a 401(k) plan covering substantially all employees with 960 hours of service during a calendar year. Expenses incurred for the 401(k) match plan totaled \$1,491,274 and \$1,120,360 in 2011 and 2010, respectively.

### **Note 12 - Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and Cash Equivalents** - Due to its short-term nature, the carrying amount reported in the consolidated balance sheet for cash and cash equivalents approximates its fair value.

**Accounts Receivable** - The carrying amount reported in the consolidated balance sheet for accounts receivable approximates its fair value, due to being a current asset.

**Investments and Assets Limited as to Use** - Fair values, which are the amounts reported in the consolidated balance sheet, are based on quoted market prices, if available, or estimates using quoted market prices for similar securities.

**Accounts Payable and Accrued Expenses** - The carrying amount reported in the consolidated balance sheet for accounts payable and accrued expenses approximates its fair value, due to being a current liability.

**Estimated Third-party Payor Settlements - Net** - Due to its short-term nature, the carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements approximates its fair value.

# Holland Hospital and Affiliates

## Notes to Consolidated Financial Statements March 31, 2011 and 2010

### Note 12 - Fair Value of Financial Instruments (Continued)

**Long-term Debt** - The fair value of the Hospital's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Hospital for debt of the same remaining maturities (see Note 8).

Based on the borrowing rates currently available to the Hospital for loans with similar terms and similar maturities, the fair value of long-term debt at March 31, 2011 and 2010 is shown in the following table:

	Carrying Amount	Fair Value
2011 long-term debt	\$ 66,460,306	\$ 65,619,252
2010 long-term debt	59,623,200	59,772,156

### Note 13 - Functional Expenses

The Hospital is a general acute-care facility that provides inpatient and outpatient healthcare services to patients within the surrounding community. Expenses related to providing these services for the years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Healthcare services	\$ 160,947,879	\$ 130,732,253
General and administrative	28,594,246	38,708,522
Total	<u>\$ 189,542,125</u>	<u>\$ 169,440,775</u>



## **Additional Information**

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Independent Auditor's Report on Additional Information

To the Board of Directors  
Holland Hospital and Affiliates

We have audited the consolidated financial statements of Holland Hospital and Affiliates as of March 31, 2011 and 2010. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating balance sheet, statement of operations, and statement of changes in net assets (deficit) are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities and are not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Plante & Moran, PLLC*

June 8, 2011

# Holland Hospital and Affiliates

## Consolidating Balance Sheet March 31, 2011

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Holland Professional Services, LLC	HH Services, LLC	HH Services - Bates et. al, LLC	HH Services - Stageman, LLC	Lakeshore Health Partners - FM, LLC
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 14,917,254	\$ 265,333	\$ (858)	\$ -	\$ 1,920,711	\$ -	\$ 521
Short-term investments	144,052	-	-	-	-	-	-
Accounts receivable	35,364,221	856,987	(8,447)	-	201,137	-	99,454
Estimated third-party payor settlements	1,179,148	-	-	-	-	-	-
Other current assets	5,467,275	77,232	-	-	-	-	-
Total current assets	57,071,950	1,199,552	(9,305)	-	2,121,848	-	99,975
<b>Property and Equipment - Net</b>	117,027,247	297,598	-	-	7,493	-	-
<b>Other Assets</b>	187,911,137	-	-	-	-	-	-
Total assets	<u><u>\$ 362,010,334</u></u>	<u><u>\$ 1,497,150</u></u>	<u><u>\$ (9,305)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,129,341</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,975</u></u>

# Holland Hospital and Affiliates

## Consolidating Balance Sheet (Continued) March 31, 2011

	HH Services - ORT, LLC	South Washington Family Medicine	Lakeshore Health Partners - Family Medicine	HH Services - South Washington	Eliminating Entries	Total
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 125,921	\$ -	\$ -	\$ 158,412	\$ -	\$ 17,387,294
Short-term investments	-	-	-	-	-	144,052
Accounts receivable	112,210	-	-	122,852	(15,573,146)	21,175,268
Estimated third-party payor settlements	-	-	-	-	-	1,179,148
Other current assets	-	-	-	27,712	-	5,572,219
Total current assets	238,131	-	-	308,976	(15,573,146)	45,457,981
<b>Property and Equipment - Net</b>	-	-	-	-	-	117,332,338
<b>Other Assets</b>	-	-	-	-	-	187,911,137
Total assets	<u>\$ 238,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,976</u>	<u>\$ (15,573,146)</u>	<u>\$ 350,701,456</u>

# Holland Hospital and Affiliates

## Consolidating Balance Sheet (Continued) March 31, 2011

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Holland Professional Services, LLC	HH Services, LLC	HH Services - Bates et. al, LLC	HH Services - Stageman, LLC	Lakeshore Health Partners - FM, LLC
<b>Liabilities and Net Assets (Deficit)</b>							
<b>Current Liabilities</b>							
Current portion of long-term debt	\$ 2,215,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	7,191,262	5,486,953	258,151	-	5,298,211	-	1,274,599
Estimated third-party payor settlements	1,771,944	-	-	-	-	-	-
Accrued liabilities and other	7,012,143	366,498	-	-	-	-	-
Total current liabilities	18,190,905	5,853,451	258,151	-	5,298,211	-	1,274,599
<b>Long-term Debt - Net of current portion</b>	64,029,689	-	-	-	-	-	-
<b>Other Liabilities</b>							
Accumulated losses in excess of investments in other entities	11,815,482	-	-	-	-	-	-
Accrued professional liability	2,876,128	-	-	-	-	-	-
Other long-term liabilities	382,800	-	-	-	-	-	-
Total liabilities	97,295,004	5,853,451	258,151	-	5,298,211	-	1,274,599
<b>Net Assets (Deficit)</b>							
Unrestricted	264,019,339	(4,356,301)	(267,456)	-	(3,168,870)	-	(1,174,624)
Temporarily restricted	295,991	-	-	-	-	-	-
Permanently restricted	400,000	-	-	-	-	-	-
Total net assets (deficit)	264,715,330	(4,356,301)	(267,456)	-	(3,168,870)	-	(1,174,624)
Total liabilities and net assets (deficit)	<u>\$ 362,010,334</u>	<u>\$ 1,497,150</u>	<u>\$ (9,305)</u>	<u>\$ -</u>	<u>\$ 2,129,341</u>	<u>\$ -</u>	<u>\$ 99,975</u>

# Holland Hospital and Affiliates

## Consolidating Balance Sheet (Continued) March 31, 2011

	HH Services - ORT, LLC	South Washington Family Medicine	Lakeshore Health Partners - Family Medicine	HH Services - South Washington	Eliminating Entries	Total
<b>Liabilities and Net Assets (Deficit)</b>						
<b>Current Liabilities</b>						
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,215,556
Accounts payable	2,396,965	-	-	948,155	(15,573,146)	7,281,150
Estimated third-party payor settlements	-	-	-	-	-	1,771,944
Accrued liabilities and other	47,994	-	-	2,224	-	7,428,859
Total current liabilities	2,444,959	-	-	950,379	(15,573,146)	18,697,509
<b>Long-term Debt - Net of current portion</b>	-	-	-	-	-	64,029,689
<b>Other Liabilities</b>						
Accumulated losses in excess of investments in other entities	-	-	-	-	(11,815,482)	-
Accrued professional liability	-	-	-	-	-	2,876,128
Other long-term liabilities	-	-	-	-	-	382,800
Total liabilities	2,444,959	-	-	950,379	(27,388,628)	85,986,126
<b>Net Assets (Deficit)</b>						
Unrestricted	(2,206,828)	-	-	(641,403)	11,815,482	264,019,339
Temporarily restricted	-	-	-	-	-	295,991
Permanently restricted	-	-	-	-	-	400,000
Total net assets (deficit)	(2,206,828)	-	-	(641,403)	11,815,482	264,715,330
Total liabilities and net assets (deficit)	<u>\$ 238,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,976</u>	<u>\$ (15,573,146)</u>	<u>\$ 350,701,456</u>

# Holland Hospital and Affiliates

## Consolidating Statement of Operations Year Ended March 31, 2011

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Holland Professional Services, LLC	HH Services, LLC	HH Services - Bates et al, LLC	HH Services - Stageman, LLC	Lakeshore Health Partners - FM, LLC
<b>Unrestricted Revenue, Gains, and Other Support</b>							
Net patient service revenue	\$ 170,618,647	\$ 9,218,599	\$ 198,297	\$ 928,074	\$ 2,690,045	\$ 56,995	\$ 276,337
Other	8,032,078	904,077	29,566	-	-	-	-
Net assets released from restrictions	641,202	-	-	-	-	-	-
Total unrestricted revenue, gains, and other support	179,291,927	10,122,676	227,863	928,074	2,690,045	56,995	276,337
<b>Expenses</b>							
Salaries and benefits	85,752,130	8,003,605	250,749	558,627	2,821,585	61,162	805,812
Medical supplies and drugs	26,822,639	902,948	3,686	-	189,451	-	51,064
Purchased services	15,202,227	1,273,113	(6,054)	866,133	75,760	42,138	11,460
Utilities	2,397,770	73,560	-	-	24,905	-	7,428
Other	14,150,808	968,075	27,287	1,313	304,706	-	66,576
Depreciation and amortization	10,565,181	75,824	6,922	-	23,414	-	109,221
Provision for bad debts	10,160,105	518,595	4,431	-	-	-	8,173
Interest expense	2,175,221	-	-	-	-	-	-
Total expenses	167,226,081	11,815,720	287,021	1,426,073	3,439,821	103,300	1,059,734
<b>Operating Income (Loss)</b>	12,065,846	(1,693,044)	(59,158)	(497,999)	(749,776)	(46,305)	(783,397)
<b>Nonoperating Income (Expenses)</b>							
Investment income	4,422,950	-	-	-	-	-	-
Earnings of equity investments	(2,412,772)	-	-	-	-	-	-
Foundation investment income	1,041,931	-	-	-	-	-	-
Foundation net program costs	(1,577,823)	-	-	-	-	-	-
Change in unrealized investment gains	14,490,505	-	-	-	-	-	-
Other income	397,277	-	-	-	-	-	-
Total other income	16,362,068	-	-	-	-	-	-
<b>Excess of Revenue Over (Under) Expenses</b>	28,427,914	(1,693,044)	(59,158)	(497,999)	(749,776)	(46,305)	(783,397)
<b>Transfer (to) from Affiliate</b>	(3,203,915)	-	-	2,525,614	-	502,279	(391,227)
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>\$ 25,223,999</u>	<u>\$ (1,693,044)</u>	<u>\$ (59,158)</u>	<u>\$ 2,027,615</u>	<u>\$ (749,776)</u>	<u>\$ 455,974</u>	<u>\$ (1,174,624)</u>

# Holland Hospital and Affiliates

## Consolidating Statement of Operations (Continued) Year Ended March 31, 2011

	HH Services - ORT, LLC	South Washington Family Medicine	Lakeshore Health Partners - Family Medicine	HH Services - South Washington	Eliminating Entries	Totals
<b>Unrestricted Revenue, Gains, and Other Support</b>						
Net patient service revenue	\$ 616,623	\$ 5,947	\$ 40,941	\$ 2,308,941	\$ -	\$ 186,959,446
Other	-	-	-	74	(875,000)	8,090,795
Net assets released from restrictions	-	-	-	-	-	641,202
Total unrestricted revenue, gains, and other support	616,623	5,947	40,941	2,309,015	(875,000)	195,691,443
<b>Expenses</b>						
Salaries and benefits	1,526,333	-	180,112	1,896,764	-	101,856,879
Medical supplies and drugs	2,222	-	7,650	238,824	-	28,218,484
Purchased services	446,830	-	7,673	130,999	(875,000)	17,175,279
Utilities	13,225	-	1,474	29,568	-	2,547,930
Other	80,816	-	27,233	457,715	-	16,084,529
Depreciation and amortization	9,233	-	-	236	-	10,790,031
Provision for bad debts	-	-	2,468	-	-	10,693,772
Interest expense	-	-	-	-	-	2,175,221
Total expenses	2,078,659	-	226,610	2,754,106	(875,000)	189,542,125
<b>Operating Income (Loss)</b>	(1,462,036)	5,947	(185,669)	(445,091)	-	6,149,318
<b>Nonoperating Income (Expenses)</b>						
Investment income	-	-	-	-	-	4,422,950
Earnings of equity investments	-	-	-	-	2,712,613	299,841
Foundation investment income	-	-	-	-	-	1,041,931
Foundation net program costs	-	-	-	-	-	(1,577,823)
Change in unrealized investment gains	-	-	-	-	-	14,490,505
Other income	-	-	-	-	-	397,277
Total other income	-	-	-	-	2,712,613	19,074,681
<b>Excess of Revenue Over (Under) Expenses</b>	(1,462,036)	5,947	(185,669)	(445,091)	2,712,613	25,223,999
<b>Transfer (to) from Affiliate</b>	-	176,022	391,227	-	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>\$ (1,462,036)</u>	<u>\$ 181,969</u>	<u>\$ 205,558</u>	<u>\$ (445,091)</u>	<u>\$ 2,712,613</u>	<u>\$ 25,223,999</u>



# Holland Hospital and Affiliates

## Consolidating Statement of Changes in Net Assets (Deficit) Year Ended March 31, 2011

	Holland Community Hospital	Lakeshore Health Partners	HH Services - Holland Professional Services, LLC	HH Services, LLC	HH Services - Bates et. al, LLC	HH Services - Stageman, LLC	Lakeshore Health Partners - FM, LLC
<b>Unrestricted Net Assets</b>							
Excess of revenue over (under) expenses	\$ 28,427,914	\$ (1,693,044)	\$ (59,158)	\$ (497,999)	\$ (749,776)	\$ (46,305)	\$ (783,397)
Transfer (to) from affiliate	(3,203,915)	-	-	2,525,614	-	502,279	(391,227)
<b>Increase (Decrease) in Unrestricted Net Assets</b>	25,223,999	(1,693,044)	(59,158)	2,027,615	(749,776)	455,974	(1,174,624)
<b>Temporarily Restricted Net Assets</b>							
Restricted contributions	640,725	-	-	-	-	-	-
Net assets released from restriction	(641,202)	-	-	-	-	-	-
<b>Decrease in Temporarily Restricted Net Assets</b>	(477)	-	-	-	-	-	-
<b>Increase (Decrease) in Net Assets</b>	25,223,522	(1,693,044)	(59,158)	2,027,615	(749,776)	455,974	(1,174,624)
<b>Net Assets (Deficit) - Beginning of year</b>	239,491,808	(2,663,257)	(208,298)	(2,027,615)	(2,419,094)	(455,974)	-
<b>Net Assets (Deficit) - End of year</b>	<b>\$ 264,715,330</b>	<b>\$ (4,356,301)</b>	<b>\$ (267,456)</b>	<b>\$ -</b>	<b>\$ (3,168,870)</b>	<b>\$ -</b>	<b>\$ (1,174,624)</b>

# Holland Hospital and Affiliates

## Consolidating Statement of Changes in Net Assets (Deficit) (Continued) Year Ended March 31, 2011

	HH Services - ORT, LLC	South Washington Family Medicine	Lakeshore Health Partners - Family Medicine	HH Services - South Washington	Eliminating Entries	Totals
<b>Unrestricted Net Assets</b>						
Excess of revenue over (under) expenses	\$ (1,462,036)	\$ 5,947	\$ (185,669)	\$ (445,091)	\$ 2,712,613	\$ 25,223,999
Transfer (to) from affiliate	-	176,022	391,227	-	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	(1,462,036)	181,969	205,558	(445,091)	2,712,613	25,223,999
<b>Temporarily Restricted Net Assets</b>						
Restricted contributions	-	-	-	-	-	640,725
Net assets released from restriction	-	-	-	-	-	(641,202)
<b>Decrease in Temporarily Restricted Net Assets</b>	-	-	-	-	-	(477)
<b>Increase (Decrease) in Net Assets</b>	(1,462,036)	181,969	205,558	(445,091)	2,712,613	25,223,522
<b>Net Assets (Deficit) - Beginning of year</b>	(744,792)	(181,969)	(205,558)	(196,312)	9,102,869	239,491,808
<b>Net Assets (Deficit) - End of year</b>	<b>\$ (2,206,828)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (641,403)</b>	<b>\$ 11,815,482</b>	<b>\$ 264,715,330</b>