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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 05-01-2010 and ending 04-30-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Doing Business As

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

1100 EAST NORRIS DRIVE

Room/suite

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

OTTAWA, IL 61350

F Name and address of principal officer

ROBERT CHAFFIN

1100 EAST NORRIS DRIVE

OTTAWA, IL 61350

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

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

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

J Website:

WWW.OTTAWAREGIONAL.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1964

M State of legal domicile

IL

Part I	Summary																																										
Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE MISSION OF OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER IS TO MAINTAIN A LEADERSHIP POSITION IN THE PROVISION OF EFFICIENT AND QUALITY HEALTHCARE SERVICES CONSISTENT WITH THE NEEDS OF THE COMMUNITY AND THE RESOURCES OF THE HOSPITAL. OUR HEALTHCARE ORGANIZATION WILL PROVIDE SERVICES FOR ALL MEMBERS OF THE COMMUNITY, REGARDLESS OF ABILITY TO PAY.																																										
Revenue	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets																																										
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>10</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>10</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2010 (Part V, line 2a)</td><td>824</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>0</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	10	4	Number of independent voting members of the governing body (Part VI, line 1b)	10	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	824	6	Total number of volunteers (estimate if necessary)	0	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0																								
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Part II

Signature Block

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

Sign Here

Signature of officer

ROBERT CHAFFIN, PRESIDENT/CEO

Type or print name and title

2012-03-12

Date

Paid Preparer Use Only

Print/Type preparer's name

JOHN J ROMANO

Preparer's signature

JOHN J ROMANO

Date

Check if self-employed

☐

PTIN

Firm's name

MCGLADREY & PULLEN LLP

Firm's EIN

Firm's address

201 N HARRISON STREET SUITE 300

DAVENPORT, IA 528011999

Phone no

(563) 888-4000

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

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

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

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

4a	(Code	) (Expenses \$	59,938,714	including grants of \$	) (Revenue \$	75,080,901)
	NON-PROFIT 99-BED, ACUTE CARE REGIONAL HOSPITAL, INCLUDING A 26-BED PSYCHIATRIC CARE UNIT \$6,154,272 CHARITY CARE PROVIDED					

[illegible][illegible]

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

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
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> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
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> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	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> 	12a	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> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	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>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	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		No
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	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	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	Yes	
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		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	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> ☒ Yes ☐ No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	89
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	824
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	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	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	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a10		
b	Enter the number of voting members included in line 1a, above, who are independent	1b10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its 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	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	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 filedIL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. MICHELE KONIEWICZ 1100 E NORRIS DRIVE OTTAWA, IL 61350 (815) 431-5479

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) STEVEN M GONZALO CHAIRMAN	1.00	X		X				0	0	0
(2) CHRISTINA CANTLIN FIRST CHAIR	1.00	X						0	0	0
(3) GEORGE SHANLEY SECOND CHAIR	1.00	X						0	0	0
(4) MARK PALMER TREASURER	1.00	X		X				0	0	0
(5) MARY MORGAN SECRETARY	1.00	X		X				0	0	0
(6) JULIE POLANCIC TRUSTEE	1.00	X						0	0	0
(7) WILLIAM KUMMER TRUSTEE	1.00	X						0	0	0
(8) ERIC ORTINEAU MD TRUSTEE	1.00	X						0	0	0
(9) STEVE CHUNG MD TRUSTEE	1.00	X						0	0	0
(10) RENEE KRANOV RN TRUSTEE	1.00	X						0	0	0
(11) ROBERT CHAFFIN PRESIDENT/CEO	40.00			X				251,344	0	39,649
(12) JUDY CHRISTIANSEN CHIEF OPERATING OFFICER	40.00			X				189,994	0	17,926
(13) DAWN TROMPETER VICE PRESIDENT, FINANCE	40.00			X				125,757	0	32,011
(14) CHIN SWONG MD PHYSICIAN	40.00					X		434,547	0	38,251
(15) DAVID BAYLEY MD PHYSICIAN	40.00					X		378,953	0	30,092
(16) CHEN WANG MD PHYSICIAN	40.00					X		157,453	0	14,609

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) CRAIG KESTENBERG MD PHYSICIAN	40 00					X		210,649	0	39,125
(18) JOSEPH CHURPEVICH MD PHYSICIAN	40 00					X		304,661	0	28,763
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,053,358	0	240,426

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▶19

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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
ST MARY'S ANESTHESIOLOGY PC 1005 4TH ST LACON, IL 61540		ANESTHESIA	425,012
DOWNSTATE SHOCKWAVE THERAPIES 403 BRONCO DR STE 2 BLOOMINGTON, IL 61704		MEDICAL	308,395
HINSHAW & CULBERTSON LLP 8142 SOLUTIONS CENTER DR CHICAGO, IL 606778001		LEGAL	280,380
SHAISTA MALIK MD 713 LIGHTHOUSE DRIVE OTTAWA, IL 61350		ANESTHESIA	236,958
SYCAMORE ANESTHESIA 924 W STATE ST STE 500 SYCAMORE, IL 60178		ANESTHESIA	155,097
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 ▶8		

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	39,996		
	d	Related organizations	1d	19,286		
	e	Government grants (contributions)	1e	52,460		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	523,237		
	g	Noncash contributions included in lines 1a-1f \$		24,940		
	h	Total. Add lines 1a-1f		634,979		
	Program Service Revenue	2a	Business Code			
		NURSING SERVICES	623000	59,534,708	59,534,708	
b		RADIOLOGY	900099	40,299,996	40,299,996	
c		ROUTINE CARE	621110	26,235,000	26,235,000	
d		LABORATORY	621500	21,169,754	21,169,754	
e		PHYSICIAN SERVICES	900099	10,658,025	10,658,025	
f		All other program service revenue		-82,816,582	82,816,582	
g		Total. Add lines 2a-2f		75,080,901		
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		814,227	
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	Gross Rents	(i) Real	(ii) Personal		
	b	Less rental expenses	681,312			
	c	Rental income or (loss)	1,060,250			
	d	Net rental income or (loss)	-378,938			
				-378,938		-378,938
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b	Less cost or other basis and sales expenses	9,969,265	154,009		
	c	Gain or (loss)	8,958,170	151,303		
	d	Net gain or (loss)	1,011,095	2,706		
				1,013,801		1,013,801
	8a	Gross income from fundraising events (not including \$ 39,996 of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b	72,368		
	c	Net income or (loss) from fundraising events		66,977		
				5,391		5,391
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue	Business Code			
	11a	CAFETERIA	722210	405,498		405,498
	b	MISCELLANEOUS	900099	82,708		82,708
c	COMMUNITY CLASSES	900099	52,944		52,944	
d	All other revenue		-2,692,822		-2,692,822	
e	Total. Add lines 11a-11d		-2,151,672			
12	Total revenue. See Instructions		75,018,689	75,080,901	0	-697,191

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).					
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	588,692	194,610	394,082	
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	29,344,928	22,113,928	7,231,000	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	827,190	605,662	221,528	
9	Other employee benefits	7,976,525	5,165,278	2,811,247	
10	Payroll taxes	2,046,917	1,512,966	533,951	
a	Fees for services (non-employees) Management				
b	Legal	541,207		541,207	
c	Accounting	217,968		217,968	
d	Lobbying	26,550		26,550	
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion	239,000	4,185	234,815	
13	Office expenses	8,792,370	7,648,009	1,144,361	
14	Information technology	814,088	179,012	635,076	
15	Royalties				
16	Occupancy	1,255,353	554,264	701,089	
17	Travel	206,474	157,388	49,086	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	318,423	318,423		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	5,825,002	4,995,897	829,105	
23	Insurance	550,695	304,742	245,953	
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	CHARITY CARE	6,154,272	6,154,272		
b	PURCHASED SERVICES	4,701,360	3,721,471	979,889	
c	OTHER EXPENSES	3,622,763	1,254,694	2,368,069	
d	BAD DEBT	3,349,236	3,349,236		
e	MEDICAID ASSESSMENT	1,704,677	1,704,677		
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	79,103,690	59,938,714	19,164,976	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

						(A)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				2,175	1	2,700
	2	Savings and temporary cash investments				1,578,325	2	1,046,324
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				9,499,942	4	8,313,015
	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				1,815,617	8	1,658,739
	9	Prepaid expenses and deferred charges				674,749	9	752,296
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	111,588,435	52,564,271	10c	54,967,037	
	b	Less accumulated depreciation	10b	56,621,398				
	11	Investments—publicly traded securities				33,907,190	11	34,623,068
	12	Investments—other securities See Part IV, line 11				11,769	12	9,915
	13	Investments—program-related See Part IV, line 11					13	
	14	Intangible assets					14	
	15	Other assets See Part IV, line 11				12,091,573	15	11,447,427
16	Total assets. Add lines 1 through 15 (must equal line 34)				112,145,611	16	112,820,521	
Liabilities	17	Accounts payable and accrued expenses				9,213,368	17	10,607,515
	18	Grants payable					18	
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities				13,623,448	20	12,984,302
	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					23	
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities Complete Part X of Schedule D				885,386	25	2,386,188
	26	Total liabilities. Add lines 17 through 25				23,722,202	26	25,978,005
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets				88,423,409	27	86,832,668
	28	Temporarily restricted net assets					28	9,848
	29	Permanently restricted net assets					29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds					30	
	31	Paid-in or capital surplus, or land, building or equipment fund					31	
	32	Retained earnings, endowment, accumulated income, or other funds					32	
	33	Total net assets or fund balances				88,423,409	33	86,842,516
	34	Total liabilities and net assets/fund balances				112,145,611	34	112,820,521

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	75,018,689
2	Total expenses (must equal Part IX, column (A), line 25)	2	79,103,690
3	Revenue less expenses Subtract line 2 from line 1	3	-4,085,001
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	88,423,409
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,504,108
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	86,842,516

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		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 ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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 IIIPart 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 stop here 						

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

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

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

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	Employer identification number 36-2604009
--	--

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

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

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

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

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

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

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes	☐ No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		26,550
j Total lines 1c through 1i			26,550	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	32%, OR \$21,988 OF MEMBERSHIP DUES TO THE ILLINOIS HOSPITAL ASSOCIATION IS ATTRIBUTABLE TO LOBBYING ACTIVITIES. 24.42%, OR \$4,562 OF MEMBERSHIP DUES TO THE AMERICAN HOSPITAL ASSOCIATION IS ATTRIBUTABLE TO LOBBYING ACTIVITIES.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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

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

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

1

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

2

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

	Held at the End of the Year
2a	Total number of conservation easements
2b	Total acreage restricted by conservation easements
2c	Number of conservation easements on a certified historic structure included in (a)
2d	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 ▶ \$ _____

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	4,725	4,725	4,725	
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	4,725	4,725	4,725	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

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

b

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

3b

Yes

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		3,829,891		3,829,891
b Buildings		67,449,879	31,330,395	36,119,484
c Leasehold improvements				
d Equipment		33,317,796	21,962,436	11,355,360
e Other		6,990,869	3,328,567	3,662,302
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				54,967,037

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUND IS HELD BY THE OTTAWA REGIONAL HOSPITAL FOUNDATION, A RELATED ORGANIZATION THE EARNINGS FROM THE FUND ARE USED FOR GENERAL SUPPORT PURPOSES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER (HOSPITAL), OTTAWA REGIONAL HOSPITAL FOUNDATION (FOUNDATION) AND OTTAWA REGIONAL HOSPITAL AUXILIARY (AUXILIARY) HAVE BEEN RECOGNIZED AS TAX EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND A SIMILAR PROVISION OF STATE LAW IN LIEU OF CORPORATION INCOME TAXES, THE MEMBERS OF RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC (RONI) ARE TAXED ON THEIR SHARE OF THE LLC'S INCOME, DEDUCTIONS, LOSSES AND CREDITS THEREFORE, THESE COMBINED FINANCIAL STATEMENTS DO NOT INCLUDE ANY PROVISION FOR INCOME TAXES FOR THESE ENTITIES OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (ORHA) IS A FOR-PROFIT CORPORATION SUBJECT TO APPLICABLE FEDERAL AND STATE INCOME TAXES DEFERRED TAXES FOR ORHA ARE PROVIDED ON A LIABILITY METHOD WHEREBY DEFERRED TAX ASSETS ARE RECOGNIZED FOR DEDUCTIBLE TEMPORARY DIFFERENCE AND OPERATING LOSS AND TAX CREDIT CARRYFORWARDS AND DEFERRED TAX LIABILITIES ARE RECOGNIZED FOR TAXABLE TEMPORARY DIFFERENCES TEMPORARY DIFFERENCES ARE THE DIFFERENCES BETWEEN THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES AND THEIR TAX BASIS DEFERRED TAX ASSETS ARE REDUCED BY A VALUATION ALLOWANCE WHEN, IN THE OPINION OF MANAGEMENT, IT IS MORE LIKELY THAN NOT THAT SOME PORTION OR ALL OF THE DEFERRED TAX ASSETS WILL NOT BE REALIZED DEFERRED TAX ASSETS AND LIABILITIES ARE ADJUSTED FOR THE EFFECTS OF CHANGES IN THE TAX LAWS AND RATES ON THE DATE OF ENACTMENT THE HOSPITAL, AUXILIARY, AND FOUNDATION FILE A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY WHEN THIS RETURN IS FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE TAX POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED EXAMPLES OF TAX POSITIONS COMMON TO TAX EXEMPT ORGANIZATIONS INCLUDE SUCH MATTERS AS THE FOLLOWING THE TAX EXEMPT STATUS OF THE ENTITY, THE CONTINUED TAX EXEMPT STATUS OF BONDS ISSUED, THE NATURE, THE CHARACTERIZATION AND TAXABILITY OF JOINT VENTURE INCOME AND VARIOUS POSITIONS RELATIVE TO POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME (UBIT) UBIT IS REPORTED ON FORM 990T, AS APPROPRIATE THE BENEFIT OF TAX POSITION IS RECOGNIZED IN THE COMBINED FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES THAT IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY TAX POSITIONS ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS TAX POSITIONS THAT MEET THE "MORE LIKELY THAN NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50% LIKELY TO BE REALIZED ON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS IN THE ACCOMPANYING COMBINED BALANCE SHEET ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION AS OF APRIL 30, 2011 AND 2010, THERE WERE NO UNRECOGNIZED TAX BENEFITS IDENTIFIED AND RECORDED AS A LIABILITY FORMS 990 AND 990T FILED BY THE ORGANIZATION ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN FORMS 990 AND 990T FILED BY THE ORGANIZATION ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEARS 2007 AND PRIOR FORM 1120 FILED BY ORHA IS SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN

Additional Data

Software ID:

Software Version:

EIN: 36-2604009

Name: OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

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

(a) Description	(b) Book value
SELF INSURANCE TRUST	4,581,138
LOAN ORIGINATION COST	481,297
DEBT SERVICE RESERVE FUND	1,293,134
BOND INTEREST FUND	176
457B FUNDS	444,766
RADIATION ONCOLOGY JOINT VENTURE	1,062,031
FOX RIVER CANCER CENTER JOINT VENTURE	1,688,191
AR - DR G - LONG TERM	724,874
OTTAWA REGIONAL HEALTHCARE AFFILIATES	867,276
CHOICES BLDG FUNDS	20,430
ASSESSMENT	284,114

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	
			AUTUMN LEAVES GALA			(Add col (a) through col (c))	
			(event type)	(event type)	(total number)		
1	Gross receipts	. . .	112,364			112,364	
2	Less Charitable contributions	. . .	39,996			39,996	
3	Gross income (line 1 minus line 2)	. . .	72,368			72,368	
Direct Expenses	4	Cash prizes	. . .				
	5	Non-cash prizes	. .				
	6	Rent/facility costs	. .				
	7	Food and beverages	. .				
	8	Entertainment	. . .				
	9	Other direct expenses	.	66,977		66,977	
	10	Direct expense summary Add lines 4 through 9 in column (d). ▶					66,977
	11	Net income summary Combine lines 3 and 10 in column (d). ▶					5,391

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))
Direct Expenses	1	Gross revenue				
	2	Cash prizes				
	3	Non-cash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes % ☐ No	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9

Enter the state(s) in which the organization operates gaming activities

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
b	An outside facility	13b

14

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

Name

Address

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

Gaming manager compensation \$

Description of services provided

☐ 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
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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
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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 ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
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 a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 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)			2,374,512	0	2,374,512	3 130 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			12,560,579	4,810,102	7,750,477	10 230 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			346,442	262,258	84,184	0 110 %
d Total Financial Assistance and Means-Tested Government Programs			15,281,533	5,072,360	10,209,173	13 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			94,748	0	94,748	0 130 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			3,917,619	0	3,917,619	5 170 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			293,947	10,113	283,834	0 370 %
j Total Other Benefits			4,306,314	10,113	4,296,201	5 670 %
k Total. Add lines 7d and 7j			19,587,847	5,082,473	14,505,374	19 140 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,322,947
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	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	21,297,177
6	Enter Medicare allowable costs of care relating to payments on line 5	6	27,729,910
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-6,432,733
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

(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 1 RADIATION ONCOLOGY OF NORTHERN ILLINOIS LLC	RADIATION ONCOLOGY	57.000 %		43.000 %
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? 2

Name and address		Type of Facility (Describe)
1	OTTAWA REGIONAL MEDICAL CENTER INC 1614 EAST NORRIS DRIVE OTTAWA,IL 61350	OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES
2	OTTAWA REGIONAL MEDICAL CENTER INC 1614 EAST NORRIS DRIVE OTTAWA,IL 61350	OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES
3		
4		
5		
6		
7		
8		
9		
10		

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 I, LINE 3C THE ORGANIZATION PROVIDES FREE CARE RATHER THAN DISCOUNTED CARE FOR THOSE QUALIFYING INDIVIDUALS

Identifier	ReturnReference	Explanation
		PART I, LINE 6A NOT APPLICABLE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COST TO CHARGE RATIO (OBTAINED FROM THE MEDICARE COST REPORT) WAS USED TO DETERMINE THE AMOUNTS REPORTED ON LINE 7

Identifier	ReturnReference	Explanation
		PART I, LINE 7G A FREESTANDING FACILITY, THE HEALTH CENTER OF EASTERN LASALLE COUNTY (HEALTH CENTER), PROVIDES FREE HEALTH CARE SERVICES TO INDIVIDUALS AND FAMILIES WHO DO NOT HAVE ACCESS TO HEALTH INSURANCE, DO NOT QUALIFY FOR STATE OR FEDERAL PROGRAMS, AND DO NOT HAVE THE FINANCIAL RESOURCES TO SECURE THE HEALTH CARE THEY NEED THIRTEEN OF OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER'S (ORHHC) PHYSICIANS VOLUNTEER THEIR SERVICES TO PROVIDE PRIMARY HEALTH CARE, AND THE HEALTH CENTER DOES NOT RECEIVE ANY FEDERAL OR STATE FUNDS ANCILLARY SERVICES, SUCH AS LAB AND X-RAY, THAT ARE UNAVAILABLE AT THE CLINIC, ARE PROVIDED BY ORHHC AT NO CHARGE ORHHC HAS THE ONLY HOSPITAL PROVIDING MENTAL HEALTH SERVICES BETWEEN NAPERVILLE, JOLIET, PEORIA AND THE QUAD CITIES ALTHOUGH SEVERAL LOCAL AND REGIONAL HOSPITALS CEASED TO PROVIDE BEHAVIORAL HEALTH CARE DUE TO A LACK OF PROFITABILITY, ORHHC EXPANDED ITS PROGRAMS AND SERVICES TO MEET COMMUNITY NEEDS WHILE THE PROGRAM CONTINUES TO OPERATE AT A LOSS (NEARLY \$4 MILLION IN FY2011), ORHHC REMAINS COMMITTED TO PROVIDING THIS VITAL SERVICE

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) \$3,349,236 OF BAD DEBT EXPENSE IS SUBTRACTED FOR PURPOSES OF COMPUTING THE PERCENTAGE IN PART I, LINE 7K, COLUMN F THE ORGANIZATION'S TOTAL COMMUNITY BENEFIT EXPENSE AS A PERCENTAGE OF TOTAL EXPENSES, LESS BAD DEBT, IS 25 86%, AND THE PERCENTAGE INCREASES TO 62 46% IF MEDICARE ALLOWABLE COSTS ARE INCLUDED IN TOTAL COMMUNITY BENEFIT EXPENSE

Identifier	ReturnReference	Explanation
		PART II NOT APPLICABLE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED ON A REVIEW OF ALL OUTSTANDING AMOUNTS ON A MONTHLY BASIS MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS THE ORGANIZATION DOES NOT CHARGE INTEREST ON RECEIVABLES PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED PAST DUE WHEN AN AMOUNT IS PAST DUE ACCORDING TO THE PAYOR'S AGREED-UPON TERMS PATIENT RECEIVABLES ARE WRITTEN OFF AS BAD DEBT EXPENSE WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE WHEN RECEIVED AS A SERVICE TO THE PATIENT, THE ORGANIZATION BILLS THIRD-PARTY PAYORS DIRECTLY AND THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED THE AMOUNT INCLUDED ON LINE 2 WAS CALCULATED USING THE COST OF CHARGE RATIO OBTAINED FROM THE MEDICARE COST REPORT THE AMOUNT ON LINE 3 IS ZERO DUE TO THE FACT THAT PATIENT ELIGIBILITY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IS DETERMINED PRIOR TO PATIENT BILLING, THEREFORE THESE PATIENT AMOUNTS WOULD NOT BE INCLUDED IN BAD DEBT

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COST TO CHARGE RATIO (OBTAINED FROM THE MEDICARE COST REPORT) WAS USED TO DETERMINE THE AMOUNT REPORTED ON LINE 7

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PATIENT ELIGIBILITY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IS DETERMINED PRIOR TO PATIENT BILLING, THEREFORE THESE PATIENTS WOULD NOT BE INCLUDED IN THE DEBT COLLECTION POLICY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION DOES NOT CURRENTLY CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT AS IT IS NOT YET REQUIRED UNTIL TAX YEARS BEGINNING AFTER MARCH 23, 2012

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THERE IS SIGNAGE IN REGISTRATION, ADMITTING, AND THE CREDIT AND BILLING DEPARTMENTS COMMUNICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE SOME PATIENTS ARE UNAWARE THAT THEY MAY BE ELIGIBLE FOR MEDICAID BENEFITS, THEREFORE OUR FINANCIAL ASSISTANCE INCLUDES HELPING THE PATIENT COMPLETE A MEDICAID APPLICATION WE ALSO PROVIDE THEM WITH ASSISTANCE IN COMPLETING OUR CHARITY APPLICATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE ORGANIZATION'S PRIMARY SERVICE AREA IS DEFINED AS OTTAWA, MARSEILLES, SERENA, AND GRAND RIDGE (APPROXIMATELY 36,315 RESIDENTS) THE SECONDARY SERVICE AREA IS DEFINED AS (EAST) SENECA AND MORRIS, (WEST) UTICA, OGLESBY, LASALLE, PERU, MENDOTA, AND PRINCETON, (SOUTH) STREATOR, (NORTH) WEDRON, SHERIDAN, NEWARK, EARLVILLE, LELAND, SOMONAUK, SANDWICH, PLANO, AND YORKVILLE (APPROXIMATELY 135,019 RESIDENTS) ACCORDING TO THE U S CENSUS BUREAU IN 2000, THE PRIMARY SERVICE AREA INCLUDED AN AVERAGE OF 5 65% OF FAMILIES BELOW POVERY LEVEL AND AN AVERAGE OF 7 5% OF INDIVIDUALS BELOW POVERTY LEVEL THE MEDIAN AGE WAS 38 6 AND THE MEDIAN HOUSEHOLD INCOME WAS \$44,675

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 IN ADDITION TO CHARITY CARE, THE HOSPITAL PROVIDES COMMUNITY BENEFITS, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING OPERATION OF FULL-TIME EMERGENCY ROOM PROVIDING MEDICAL SERVICES TO ALL MEMBERS OF THE PUBLIC REQUIRING SUCH CARE, MAINTENANCE OF PROVIDER AGREEMENTS WITH MEDICARE AND MEDICAID PROGRAMS, FINANCIAL SUPPORT OF AN INDIGENT CLINIC IN THE COMMUNITY, EXTERNSHIPS FOR MEDICAL STUDENTS, NURSING SCHOLARSHIPS OR TUITION PAYMENTS FOR PROFESSIONAL EDUCATION TO NON-EMPLOYEES AND VOLUNTEERS, PROVISION OF A CLINICAL SETTING FOR UNDERGRADUATE/VOCATIONAL TRAINING TO STUDENTS ENROLLED IN AN OUTSIDE ORGANIZATION, NEGATIVE CONTRIBUTIONS IN SEVERAL DEPARTMENTS INCLUDING BEHAVIORAL HEALTH, ADULT DAY CARE PROGRAM, MOBILE MEALS, ETC , CONTRIBUTIONS TO OTHER NOT-FOR-PROFIT ORGANIZATIONS, MEETING ROOM OVERHEAD/SPACE FOR NOT-FOR-PROFIT ORGANIZATIONS, RECRUITMENT OF PHYSICIANS AND OTHER HEALTH PROFESSIONALS FOR FEDERALLY MEDICAL UNDERSERVED AREAS, PARTNERSHIP WITH COMMUNITY COLLEGE TO ADDRESS THE HEALTH CARE WORK FORCE SHORTAGE, HEALTH SCREENINGS, BLOOD PRESSURE CHECKS, ENROLLMENT ASSISTANCE IN PUBLIC PROGRAMS, INFORMATION AND REFERRALS TO COMMUNITY SERVICES AND PREVENTION PROGRAMS OFFERED FREE OR AT LOW COST TO THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER (HOSPITAL) IS LICENSED AS A 99-BED, NOT-FOR-PROFIT, ACUTE CARE HOSPITAL, INCLUDING A 26-BED PHSYCHIATRIC CARE UNIT THE HOSPITAL ALSO PROVIDES RELATED ANCILLARY AND OUTPATIENT SERVICES THE HOSPITAL'S AFFILIATES INCLUDE OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (INCLUDING ITS WHOLLY OWNED SUBSIDIARY, OTTAWA REGIONAL MEDICAL CENTER, INC), RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC, THE OTTAWA REGIONAL HOSPITAL AUXILIARY, AND THE OTTAWA REGIONAL HOSPITAL FOUNDATION OTTAWA REGIONAL HEALTHCARE AFFILIATES, INC (ORHA) IS AN ILLINOIS BUSINESS CORPORATION AND IS THE SOLE STOCKHOLDER OF OTTAWA REGIONAL MEDICAL CENTER, INC (ORMC) AND OTTAWA REGIONAL CARDINAL SLEEP CENTER, LLC (ORCSC) AND 50% OWNER OF OTTAWA REGIONAL DME, LLC (DME) THE HOSPITAL IS THE SOLE STOCKHOLDER OF ORHA OTTAWA REGIONAL MEDICAL CENTER, INC WAS INCORPORATED AS AN ILLINOIS BUSINESS CORPORATION IN SEPTEMBER 2009 AND PURCHASED CERTAIN ASSETS OF A THIRD-PARTY IN DECEMBER 2009 ORMC PROVIDES OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES AND IS CONSOLIDATED WITH ORHA OTTAWA REGIONAL CARDINAL SLEEP CENTER, LLC AND OTTAWA REGIONAL DME, LLC ARE LIMITED LIABILITY COMPANIES FORMED IN JULY 2010 ORHA HAS NOT MADE ANY INITIAL CAPITAL CONTRIBUTIONS TO THESE ENTITIES, AND THERE HAVE BEEN NO OPERATIONS WITHIN THESE ENTITIES AS OF APRIL 30, 2011 RADIATION ONCOLOGY OF NORTHERN ILLINOIS, LLC (RONI) IS A LIMITED LIABILITY COMPANY ESTABLISHED TO OWN AND OPERATE A RADIATION ONCOLOGY CENTER THE HOSPITAL HAS A 57% OWNERSHIP INTEREST IN RONI RONI IS CONSOLIDATED WITH THE HOSPITAL OTTAWA REGIONAL HOSPITAL AUXILIARY (AUXILIARY) IS A NOT-FOR-PROFIT FUND RAISING ORGANIZATION WHOSE PURPOSE IS TO PROMOTE AND ADVANCE THE WELFARE OF THE HOSPITAL OTTAWA REGIONAL HOSPITAL FOUNDATION (FOUNDATION) IS A NOT-FOR-PROFIT FUND RAISING ORGANIZATION WHOSE PURPOSE IS TO SUPPORT AND ENCOURAGE HEALTH CARE SERVICES IN FURTHERANCE OF THE PURPOSE OF AND IN ASSITANCE TO THE HOSPITAL, THROUGH PROVIDING FINANCIAL AND FUND RAISING ASSISTANCE AND IN ALL OTHER RELEVANT WAYS AIDING IN SUPPORTING HEALTH CARE ORGANIZATIONS AND INDIVIDUALS INTERESTED IN CAREERS IN HEALTH CARE

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

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

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number

36-2604009

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROBERT CHAFFIN	(i)	250,006	0	1,338	8,278	31,371	290,993	0
	(ii)	0	0	0	0	0	0	0
(2) JUDY CHRISTIANSEN	(i)	189,010	0	984	6,314	11,612	207,920	0
	(ii)	0	0	0	0	0	0	0
(3) DAWN TROMPETER	(i)	125,113	0	644	4,388	27,623	157,768	0
	(ii)	0	0	0	0	0	0	0
(4) CHIN SWONG MD	(i)	432,782	0	1,765	10,000	28,251	472,798	0
	(ii)	0	0	0	0	0	0	0
(5) DAVID BAYLEY MD	(i)	357,242	20,000	1,711	10,000	20,092	409,045	0
	(ii)	0	0	0	0	0	0	0
(6) CHEN WANG MD	(i)	156,927	0	526	5,000	9,609	172,062	0
	(ii)	0	0	0	0	0	0	0
(7) CRAIG KESTENBERG MD	(i)	209,369	0	1,280	10,000	29,125	249,774	0
	(ii)	0	0	0	0	0	0	0
(8) JOSEPH CHURPEVICH MD	(i)	142,634	162,027	0	0	28,763	333,424	0
	(ii)	0	0	0	0	0	0	0
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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 CITY OF OTTAWA	36-6006037	689419AW9	08-15-2004	16,630,000	REFUND SERIES 1994 BONDS, CAPITAL PROJECTS		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	3,725,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	16,630,000							
4	Gross proceeds in reserve funds	1,293,134							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow	12,510,024							
7	Issuance costs from proceeds	8,441							
8	Credit enhancement from proceeds	278,700							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	2,645,000							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2006							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

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?								
b	Are there any research agreements that may result in private business use of bond-financed property?								
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								
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								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV

Arbitrage

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

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

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

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

Name of the organization
OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number
36-2604009

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) OTTAWA REGIONAL MEDICAL CENTER INC (ORMC)	CHAFFIN, CHRISTIANSEN, TROMPETER ARE OFFICERS OF THE ORGANIZATION AND ORMC	286,599	OTTAWA REGIONAL MEDICAL CENTER, INC PAID RENT TO OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER		No
(2) OTTAWA REGIONAL MEDICAL CENTER INC (ORMC)	CHAFFIN, CHRISTIANSEN, TROMPETER ARE OFFICERS OF THE ORGANIZATION AND ORMC	2,598,541	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER PROVIDED CAPITAL CONTRIBUTIONS TO OTTAWA REGIONAL MEDICAL CENTER, INC		No
(3) POSTRACK TECHNOLOGIES (POSTRACK)	GONZALO IS DIRECTOR OF THE ORGANIZATION AND POSTRACK	551,776	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER PAID TELEPHONE MAINTENANCE EXPENSES TO POSTRACK TECHNOLOGIES		No
(4) DOWNSTATE SHOCKWAVE THERAPIES (DOWNSTATE)	CHUNG IS DIRECTOR OF THE ORGANIZATION AND OWNS 16% OF DOWNSTATE	323,911	OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER PAID MEDICAL SERVICE EXPENSES TO DOWNSTATE SHOCKWAVE THERAPIES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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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 OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	Employer identification number 36-2604009
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER HAS LIFE MEMBERS WHICH ARE PERSONS WHO HAVE PAID THE HOSPITAL FIVE HUNDRED DOLLARS (\$500) FOR SUCH MEMBERSHIP THE ORGANIZATION ALSO HAS ORGANIZATIONAL MEMBERS WHICH ARE CORPORATIONS, INSTITUTIONS, ORGANIZATIONS, ASSOCIATIONS, ETC WHICH HAVE MET THE REQUIREMENTS OF LIFE OR ANNUAL MEMBERSHIP AND HAVE SPECIFIED THAT THE SUMS DONATED BE RECOGNIZED IN THE ORGANIZATIONAL NAME EACH MEMBER OF THE HOSPITAL SHALL HAVE ONE VOTE ON ALL PROPOSITIONS PRESENTED AND ACTED UPON AT ANY MEETING OF THE MEMBERS AT WHICH THE MEMBERS ARE PERSONALLY PRESENT OR REPRESENTED BY PROXY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE OFFICERS OF THE ORGANIZATION ARE ELECTED BY THE CORPORATE MEMBERSHIP THESE POSITIONS INCLUDE THE CHAIRMAN OF THE BOARD, TWO VICE-CHAIRMAN, DESIGNATED FIRST VICE-CHAIRMAN AND SECOND VICE-CHAIRMAN, THE SECRETARY , AND THE TREASURER

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FINANCE COMMITTEE WILL MEET TO REVIEW THE FINAL FORM 990 PRIOR TO ITS FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	IT SHALL BE THE POLICY OF THE GOVERNING BOARD OF OTTAWA REGIONAL HOSPITAL AND HEALTHCARE CENTER TO REQUIRE THAT EACH BOARD MEMBER, PRIOR TO MAKING HIS/HER POSITION ON THE BOARD, AND ALL PRESENT BOARD MEMBERS AS SOON AS PRACTICABLE AFTER THE ADOPTION OF THIS POLICY, BUT NO LATER THAN FORTY-FIVE DAYS, SUBMIT IN WRITING TO THE CHIEF EXECUTIVE OFFICER OF THE HOSPITAL A LIST OF ALL BUSINESS OR OTHER ORGANIZATIONS OF WHICH HE/SHE IS AN OFFICER, MEMBER, OWNER OR EMPLOYEE OR WHICH HE/SHE ACTS AS AN AGENT, WITH WHICH THE HOSPITAL HAS, OR MIGHT REASONABLY IN THE FUTURE ENTER INTO, A RELATIONSHIP OR A TRANSACTION IN WHICH THE BOARD MEMBER WOULD HAVE CONFLICTING INTERESTS EACH WRITTEN STATEMENT WILL BE RESUBMITTED WITH ANY NECESSARY CHANGES, EACH YEAR AT SUCH TIME AS ANY MATTER COMES BEFORE THE BOARD IN SUCH A WAY AS TO GIVE RISE TO A CONFLICT OF INTEREST, THE AFFECTED BOARD MEMBER SHALL MAKE KNOWN THE POTENTIAL CONFLICT, WHETHER DISCLOSED BY HIS/HER WRITTEN STATEMENT OR NOT, AND AFTER ANSWERING ANY QUESTIONS THAT MIGHT BE ASKED HIM/HER, EITHER AS TO THE CONFLICT OR AS TO ANY SPECIAL EXPERTISE POSSESSED BY THAT BOARD MEMBER, SHALL WITHDRAW FROM THE MEETING FOR SO LONG AS THE MATTER SHALL CONTINUE UNDER DISCUSSION SHOULD THE MATTER BE BROUGHT TO A VOTE, THE AFFECTED BOARD MEMBER SHALL NOT VOTE ON IT IN THE EVENT THAT HE/SHE FAILS TO WITHDRAW VOLUNTARILY, THE CHAIRMAN OF THE BOARD IS EMPOWERED AND SHALL REQUIRE THAT HE/SHE REMOVE HIMSELF/HERSELF FROM THE ROOM DURING BOTH THE DISCUSSION AND VOTE ON THE MATTER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	EACH YEAR AT THE MARCH OR APRIL PERSONNEL COMMITTEE MEETING, MEMBERS OF THE HOSPITAL BOARD PERSONNEL COMMITTEE REVIEW SALARIES FOR SENIOR ADMINISTRATION AND KEY MANAGEMENT RESOURCE DATA FOR THIS MEETING COMES FROM TWO SOURCES THE FIRST IS A SULLIVAN COTTER ANNUAL SURVEY OF MANAGEMENT AND EXECUTIVE COMPENSATION FOR HOSPITALS AND HEALTH SYSTEMS WE ARE ONE OF A NUMBER OF HOSPITALS WHO PARTICIPATE IN THE SURVEY EACH YEAR FROM THE SURVEY, WE REVIEW THOSE INDIVIDUALS WHO ARE IN KEY POSITIONS TO DETERMINE IF THE COMPENSATION IS APPROPRIATE BASED ON THE MARKET ADDITIONALLY, WE PARTICIPATE IN AN ANNUAL SURVEY WITH THE CENTRAL ILLINOIS SOCIETY FOR HEALTHCARE HUMAN RESOURCE ADMINISTRATION WE USE THE SURVEY TO DETERMINE BENCHMARKING DATA FOR KEY MANAGEMENT PERSONNEL HISTORICALLY, OUR GOAL HAS BEEN TO BE IN THE 75TH PERCENTILE ON MARCH 10, 2011, THE PERSONNEL COMMITTEE MET TO BEGIN THE REVIEW PROCESS OF FISCAL YEAR 2012 SALARY DATA IT WAS RECOMMENDED AND APPROVED TO PROVIDE AN AVERAGE OF 3% SALARY INCREASE FOR DEPARTMENT MANAGERS EFFECTIVE MAY 1, 2011

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 2,504,108

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE ORGANIZATION'S GOVERNING BOARD MEETS WITH THE AUDITORS TO REVIEW THE AUDIT REPORT AND MANAGEMENT LETTER

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

OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER

Employer identification number

36-2604009

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)					
(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) OTTAWA REGIONAL HOSPITAL FOUNDATION 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-4007569	SUPPORTS OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	IL	501(C)(3)	LINE 11A, I	N/A	Yes	
(2) OTTAWA REGIONAL HOSPITAL AUXILIARY 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-3854788	SUPPORTS OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER	IL	501(C)(3)	LINE 11C, III-FI	N/A		No
(3) OTTAWA REGIONAL HOSPITAL & HEALTHCARE CENTER LIABILITY LOSS FUND 1100 EAST NORRIS DRIVE OTTAWA, IL 61350 36-3612653	LIABILITY TRUST FUND	IL	501(C)(3)	LINE 11A, I	N/A	Yes	

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate 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	
(1) RADIATION ONCOLOGY OF NORTHERN ILLINOIS LLC 1200 STARFIRE DRIVE OTTAWA, IL61350 75-3247165	RADIATION ONCOLOGY CENTER	IL	N/A	RELATED	257,837	1,206,371		No			No	57 000 %
(2) OTTAWA REGIONAL CARDINAL SLEEP CENTER LLC 1601 MERCURY CIRCLE SUITE 2 OTTAWA, IL61350 27-3625479	SLEEP DISORDER DIAGNOSTIC AND TREATMENT SERVICES	IL	N/A	RELATED				No			No	100 000 %

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) OTTAWA REGIONAL HEALTHCARE AFFILIATES INC 1100 EAST NORRIS DRIVE OTTAWA, IL61350 26-3937519	HOLDING COMPANY	IL	N/A	C	-2,721,567	2,131,782	100 000 %
(2) OTTAWA REGIONAL MEDICAL CENTER INC 1614 EAST NORRIS DRIVE OTTAWA, IL61350 27-1036071	OUTPATIENT MEDICAL AND DIAGNOSTIC SERVICES	IL	N/A	C			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

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

Yes

1n

No

1o

No

1p

No

1q

No

1r

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) OTTAWA REGIONAL MEDICAL CENTER INC	A	286,599	
(2) OTTAWA REGIONAL MEDICAL CENTER INC	B	2,598,541	
(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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Ottawa Regional Hospital & Healthcare Center and Affiliates

Consolidated Financial Report
April 30, 2011

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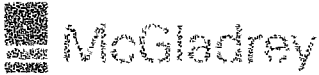
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Independent Auditor's Report

To the Board of Governors
Ottawa Regional Hospital & Healthcare Center
Ottawa, Illinois

We have audited the accompanying consolidated balance sheets of Ottawa Regional Hospital & Healthcare Center and affiliates as of April 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 audit 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 financial position of Ottawa Regional Hospital & Healthcare Center and affiliates as of April 30, 2011 and 2010 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Effective May 1, 2010 the Hospital adopted the new accounting provisions relating to consolidation of noncontrolling interests in consolidated financial statements as discussed in Note 1 to the consolidated financial statements. The adoption of this guidance resulted in a retroactive restatement of net assets on the consolidated balance sheet as of April 30, 2010.

McGladrey & Pullen, LLP

Davenport, Iowa
July 21, 2011

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidated Statements of Operations
Years Ended April 30, 2011 and 2010**

	2011	2010
Unrestricted net assets		
Net patient service revenue	\$ 77,163,755	\$ 72,594,787
Other operating revenue	1,657,710	1,442,535
Net assets released from restriction, used for operations	24,952	1,011,709
Total operating revenue	78,846,417	75,049,031
Expenses		
Salaries and wages	35,284,268	32,196,042
Employee benefits	12,236,566	11,683,461
Supplies and other expenses	26,593,358	24,264,559
Depreciation and amortization	7,013,253	6,394,742
Interest	318,423	147,245
Provision for bad debts	3,697,765	3,251,689
Total operating expenses	85,143,633	77,937,738
(Loss) from operations	(6,297,216)	(2,888,707)
Nonoperating income, gains and losses, net		
Other nonoperating gains, net	2,364,974	1,291,183
Current year change in unrealized gains on trading securities	2,504,108	7,479,931
Nonoperating income, gains and losses, net	4,869,082	8,771,114
Excess (deficiency) of revenue over expenses	(1,428,134)	5,882,407
Less excess of revenue over expenses attributable to noncontrolling interest	(170,757)	(145,821)
Excess (deficiency) of revenue over expenses attributable to controlling interest	(1,598,891)	5,736,586
Current year change in unrealized gains (losses) on investments	(21,570)	6,321
Net assets released from restriction, used for the acquisition of property and equipment	-	1,406,208
Increase (decrease) in unrestricted net assets	\$ (1,620,461)	\$ 7,149,115

See Notes to Consolidated Financial Statements

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidated Balance Sheets
April 30, 2011 and 2010**

Assets	2011	2010
Current Assets		
Cash and cash equivalents	\$ 1,650,907	\$ 2,881,387
Certificates of deposit	164,563	179,420
Receivables, net	9,231,329	10,318,869
Supplies and materials	1,870,371	2,003,231
Prepaid expenses		
Medicaid assessment program	284,113	-
Other	830,872	740,771
Total current assets	14,032,155	16,123,678
Assets Limited as to Use	40,980,313	39,933,282
Property and Equipment		
Land and improvements	3,829,891	3,627,524
Building and improvements	68,048,409	62,469,459
Furniture, fixtures and equipment	36,432,637	32,407,895
Construction in process	6,419,598	7,429,433
	114,730,535	105,934,311
Less accumulated depreciation	57,898,956	51,242,180
	56,831,579	54,692,131
Investments, primarily investment in associated company	1,748,137	1,726,823
Other Assets, primarily debt issuance costs, net and physician advances	1,849,413	1,981,705
Total assets	\$ 115,441,597	\$ 114,457,619

See Notes to Consolidated Financial Statements

Liabilities and Net Assets	2011	2010
Current Liabilities		
Current maturities of long-term debt	\$ 660,000	\$ 635,000
Accounts payable	2,922,587	2,358,703
Accrued salaries, wages and payroll taxes	1,611,947	1,394,379
Accrued earned time	3,043,090	2,783,429
Deferred revenue, medicaid assessment program	561,969	-
Estimated third-party payor settlements	2,069,584	690,363
Other accrued expenses	2,253,959	1,860,190
Total current liabilities	13,123,136	9,722,064
Long-Term Debt, net of current maturities	12,324,302	12,988,448
Other Accrued Expenses	708,043	311,524
Estimated Self-Insurance Costs	1,251,000	1,351,000
Total liabilities	27,406,481	24,373,036
Commitments and Contingencies (Notes 2, 9 and 14)		
Net Assets		
Unrestricted	87,205,819	88,826,280
Noncontrolling interest - unrestricted	801,181	1,232,424
Temporarily restricted	23,391	21,154
Permanently restricted	4,725	4,725
Total net assets	88,035,116	90,084,583
Total liabilities and net assets	\$ 115,441,597	\$ 114,457,619

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidated Statements of Changes in Net Assets
Years Ended April 30, 2011 and 2010**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Unrestricted Net Assets - Noncontrolling Interest	Total Net Assets
Net assets, April 30, 2009	\$ 81,677,165	\$ 428,464	\$ 4,725	\$ 1,344,603	\$ 83,454,957
Excess of revenue over expenses	5,736,586	-	-	145,821	5,882,407
Net change in unrealized gains on investments	6,321	-	-	-	6,321
Donations	-	2,010,607	-	-	2,010,607
Net assets released from restriction	1,406,208	(2,417,917)	-	-	(1,011,709)
Distributions to noncontrolling interest	-	-	-	(258,000)	(258,000)
Change in net assets	7,149,115	(407,310)	-	(112,179)	6,629,626
Net assets, April 30, 2010	88,826,280	21,154	4,725	1,232,424	90,084,583
Excess of revenue over expenses	(1,598,891)	-	-	170,757	(1,428,134)
Net change in unrealized (losses) on investments	(21,570)	-	-	-	(21,570)
Donations	-	27,189	-	-	27,189
Net assets released from restriction	-	(24,952)	-	-	(24,952)
Distributions to noncontrolling interest	-	-	-	(602,000)	(602,000)
Change in net assets	(1,620,461)	2,237	-	(431,243)	(2,049,467)
Net assets, April 30, 2011	\$ 87,205,819	\$ 23,391	\$ 4,725	\$ 801,181	\$ 88,035,116

See Notes to Consolidated Financial Statements

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidated Statements of Cash Flows
Years Ended April 30, 2011 and 2010**

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ (2,049,467)	\$ 6,629,626
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	6,984,479	6,327,146
Amortization of debt issuance costs	28,774	67,596
Amortization of bond premium	(4,146)	(3,998)
Amortization of physician advances and other assets	394,885	275,714
Loss on sale of property and equipment	2,706	34,829
Earnings in (excess of) distributions of associated company	(42,884)	37,642
Restricted contributions	-	(1,000,000)
Net realized and unrealized (gains) on investments	(3,493,632)	(7,890,843)
Distributions to noncontrolling interest	602,000	258,000
Net changes in assets and liabilities		
Decrease in receivables	1,087,540	224,758
(Increase) decrease in supplies and materials	132,860	(501,576)
(Increase) decrease in other assets	(645,639)	32,271
Increase in accounts payable and accrued expenses	3,584,541	940,091
(Decrease) in estimated self-insurance costs	(100,000)	(774,000)
Net cash provided by operating activities	6,482,017	4,657,256
Cash Flows from Investing Activities		
Purchase of certificates of deposit, net	14,857	13,053
Purchase of assets limited as to use	(1,031,829)	(1,310,424)
Proceeds from sale of assets limited as to use	3,500,000	12,436,079
Purchase of property and equipment	(9,092,442)	(16,414,801)
Proceeds from sale of equipment	153,859	56,794
Business acquisition	-	(1,362,769)
Advances on physician receivables	(215,375)	(369,160)
Collections on physician receivables	195,433	99,543
Investments released from restriction	-	519,754
Net cash (used in) investing activities	(6,475,497)	(6,331,931)
Net Cash from Financing Activities		
Principal payments on long-term debt	(635,000)	(615,000)
Restricted contributions	-	1,000,000
Distributions to noncontrolling interest	(602,000)	(258,000)
Net cash provided by (used in) financing activities	\$ (1,237,000)	\$ 127,000

(Continued)

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidated Statements of Cash Flows (Continued)
Years Ended April 30, 2011 and 2010**

	2011	2010
Net (decrease) in cash and cash equivalents	\$ (1,230,480)	\$ (1,547,675)
Cash and cash equivalents		
Beginning	2,881,387	4,429,062
Ending	\$ 1,650,907	\$ 2,881,387
Supplemental Disclosure of Cash Flow Information, cash payments for interest, excluding interest capitalized 2011 \$329,000, 2010 \$498,439	\$ 318,423	\$ 151,609
Supplemental Disclosure of Noncash Investing Activities, increase (decrease) in accounts payable incurred for the purchase of property and equipment	188,050	(392,597)

See Notes to Consolidated Financial Statements

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Ottawa Regional Hospital & Healthcare Center (Hospital), is licensed as a 99-bed, not-for-profit, acute care hospital, including a 26-bed psychiatric care unit. The Hospital also provides related ancillary and outpatient services. The Hospital's affiliates include Ottawa Regional Healthcare Affiliates, Inc., Radiation Oncology of Northern Illinois, LLC, Ottawa Regional Hospital & Healthcare Center Auxiliary and Ottawa Regional Hospital & Healthcare Center Foundation.

Ottawa Regional Healthcare Affiliates, Inc. (ORHA) is an Illinois business corporation and is the sole stockholder of Ottawa Regional Medical Center, Inc. (ORMC) and Ottawa Regional Cardinal Sleep Center, LLC (ORCSC) and 50% owner of Ottawa Regional DME, LLC (DME). The Hospital is the sole stockholder of ORHA.

Ottawa Regional Medical Center, Inc. was incorporated as an Illinois business corporation in September 2009 and purchased certain assets of a third-party in December 2009. ORMC provides outpatient medical and diagnostic services and is consolidated with ORHA.

Ottawa Regional Cardinal Sleep Center, LLC and Ottawa Regional DME, LLC are limited liability companies formed in July 2010. ORHA has not made any initial capital contributions to these entities, and there have been no operations within these entities as of April 30, 2011.

Radiation Oncology of Northern Illinois, LLC (RONI) is a limited liability company established to own and operate a radiation oncology center. The Hospital has a 57% ownership interest in RONI. RONI is consolidated with the Hospital.

Ottawa Regional Hospital & Healthcare Center Auxiliary (Auxiliary) is a not-for-profit fund raising organization whose purpose is to promote and advance the welfare of the Hospital.

Ottawa Regional Hospital & Healthcare Center Foundation (Foundation) is a not-for-profit fund raising organization whose purpose is to support and encourage health care services in furtherance of the purpose of and in assistance to the Hospital, through providing financial and fund raising assistance and in all other relevant ways aiding in supporting health care organizations and individuals interested in careers in health care.

The above entities are collectively referred to as the Organization.

Significant accounting policies:

Accounting 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 could differ from those estimates. The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable, estimated third-party payor settlements and the estimated self-insurance costs. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the consolidated financial statements.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Principles of consolidation The consolidated financial statements include the accounts of Ottawa Regional Hospital & Healthcare Center, Ottawa Regional Healthcare Affiliates, Inc., Radiation Oncology of Northern Illinois, LLC, Ottawa Regional Hospital & Healthcare Center Foundation and Ottawa Regional Hospital & Healthcare Center Auxiliary. All significant intercompany balances and transactions have been eliminated upon consolidation.

Cash and cash equivalents Cash and cash equivalents include unrestricted cash and certain temporary cash investments not limited as to use. For purposes of reporting cash flows, the Organization considers all temporary cash investments with less than three months original maturity to be cash equivalents.

Patient receivables The collection of receivables from third-party payors and patients is the Organization's primary source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts for deductibles and co-payments remain outstanding. Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Organization does not charge interest on receivables. Patient accounts receivable are due in full when billed. Accounts are considered past due when an amount is past due according to the payor's agreed-upon terms. Patient receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received. As a service to the patient, the Organization bills third-party payors directly and the patient when the patient's liability is determined.

Receivables or payables related to estimated settlements on various payor contracts, primarily Medicare and Medicaid, are reported as amounts due from or to third-party payors. Significant changes in payor mix, business office operations, economic conditions or trends in federal and state governmental health care coverage could affect the Organization's collection of accounts receivable, cash flow and results of operations.

Supplies and materials Supplies and materials are valued at the lower of cost (first-in, first-out method) or market.

Assets limited as to use Assets limited as to use include assets internally designated by the Board of Governors for future capital improvements and replacements, over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture agreements, assets held by trustees for self-insurance liabilities, assets restricted by donors and assets held by trustees for a 457B plan.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Investments Investments in equity securities with readily determinable fair values and all debt securities are measured at fair value in the consolidated balance sheets. Investment income includes dividend, interest and other investment income and realized and unrealized gains and losses on investments classified as trading securities. Investment income that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Unrealized gains and losses on investments of the Foundation are excluded from the excess of revenue over expenses but are included as a change in unrestricted net assets.

Investment in an associated company is accounted for using the equity method of accounting under which the Hospital's share of net income of the associated company is recognized as net nonoperating gains in the consolidated statements of operations and changes in net assets. The Hospital has a 38% interest in a limited liability company established to develop, build, acquire, own, hold, rehabilitate, lease, finance and refinance, manage, operate and dispose of specific real estate located on or within the Hospital campus.

The Foundation's investments totaling approximately \$60,000 and \$82,000 as of April 30, 2011 and 2010, respectively, are classified as other-than-trading.

The investments of the Organization are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Self-insurance for professional and comprehensive general liability losses Under the Hospital's self-insurance program for professional and general liability losses, the Hospital makes contributions to an independent bank trustee in order to establish a fund from which losses, if any, are to be paid. The contributions to the fund are based on actuarial computations and projections made by an independent actuary. The investment earnings of the trust fund are added to its principal balance and are included in the accompanying consolidated statements of operations and changes in net assets as other operating revenue. Amounts charged to expense include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Property and equipment Property and equipment is depreciated on the straight-line basis over the estimated useful life of each asset. The Hospital capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing on the Series 2004 bonds. Capitalized interest totaled approximately \$329,000 and \$498,000 for the years ended April 30, 2011 and 2010, respectively.

Debt issuance costs Debt issuance costs are amortized over the term of the related debt using the effective interest method. The unamortized cost of this asset is approximately \$481,000 and \$506,000 as of April 30, 2011 and 2010, respectively.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

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. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Charity care The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Excess of revenue over expenses The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include the Foundation's unrealized gains and losses on investments and other investments classified as other-than-trading investment securities.

Treatment of gifts and income on investments Realized investment income on assets in the self-insurance trust fund is reported as other operating revenue. Unrestricted gifts and realized income from all other investments are recorded as nonoperating gains.

Classification of net assets The Organization is required to report information regarding their financial position and operations according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The three classes are based on the presence or absence of donor-imposed restrictions. Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to remain in trust or held in trust. Amounts for each of the three classes of net assets (permanently restricted, temporarily restricted and unrestricted) are required to be displayed in the consolidated balance sheets. The amounts of the change in each of the three classes of net assets must be displayed in the consolidated statements of operations and changes in net assets. The temporarily restricted net assets as of April 30, 2011 and 2010 were restricted by a donor for development of a new mental health facility and hospital improvements. The permanently restricted net assets are restricted by donors for an endowment.

Noncontrolling interest The Hospital has a 57% ownership interest in RONI, while another member owns a noncontrolling interest. A pro rata share of the income or losses and net assets, in the form of members' equity, applicable to this interest has been recognized in the Organization's consolidated financial statements.

Fair value of financial instruments Financial instruments are described as cash or contractual obligations or rights to pay or to receive cash. The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments which include cash and cash equivalents, receivables, accounts payable, accrued liabilities, due from and due to third-party payors, and other current liabilities. The Organization's marketable investments and assets limited as to use are carried at fair value on the consolidated balance sheets. Based on borrowing rates currently available to the Organization with similar terms and maturities, the fair value of the long-term debt approximates \$13,516,000 and \$15,453,000 as of April 30, 2011 and 2010, respectively.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Organization does not know whether the fair values represent values at which the respective financial instruments could be sold individually or in the aggregate

Fair value measurements The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements, which applies to all assets and liabilities that are measured and reported on a fair value basis. See Note 7 for additional information.

Subsequent events The Organization has evaluated subsequent events through July 21, 2011, the date on which the consolidated financial statements were issued.

New accounting guidance The FASB issued guidance to establish accounting and reporting standards for a noncontrolling interest in a subsidiary. This guidance clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity and may be reported as net assets in the consolidated financial statements, rather than as a liability or in the mezzanine section between liabilities and net assets. This guidance also requires consolidated net income be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. The financial statements have been retroactively restated for the adoption of the standard, which resulted in a decrease in liabilities and an increase in net assets as of April 30, 2010 of \$1,232,424.

Pending accounting pronouncements In August 2010, Accounting Standards Update (ASU) 2010-23, *Measuring Charity Care for Disclosure*, was issued. ASU 2010-23 is effective for fiscal years beginning after December 15, 2010. ASU 2010-23 addresses the diversity in the accounting for charity care disclosures, which some entities determine on the basis of a cost measurement, while others use a revenue measurement. ASU 2010-23 requires that the measurement of charity care for disclosure purposes be based on the direct and indirect costs of providing the charity care. Management is evaluating the impact this ASU may have on its consolidated financial statements.

In August 2010, ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, was issued. ASU 2010-24 is effective for fiscal years beginning after December 15, 2010. ASU 2010-24 addresses the diversity in the accounting for medical malpractice and similar liabilities and their related anticipated insurance recoveries by health care entities that mostly have netted insurance recoveries against the accrued liability, although some have presented the anticipated insurance recovery and the liability on a gross basis. The ASU clarifies that a health care entity should not net insurance recoveries against a related claim liability; the amount of the claim liability should be determined without consideration of insurance recoveries. Management is evaluating the impact this ASU may have on its consolidated financial statements.

Note 2. Letter of Intent

In October 2010, the Organization signed a nonbinding letter of intent with OSF Healthcare System (OSF) to explore a potential affiliation. The Organization and OSF are each conducting due diligence procedures and a decision on whether to move forward with an affiliation is expected within the next year.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 3. Net Patient Service Revenue

Approximately 73% and 75% for the years ended April 30, 2011 and 2010, respectively, of the Hospital's net patient service revenue is earned under agreements with third-party payors. These agreements provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's established rates for services and amounts reimbursed by third-party payors and any differences between estimated third-party reimbursement settlements for prior years and subsequent final settlements. Contractual adjustments under third-party reimbursement programs are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined. A summary of the payment arrangements with major third-party payors follows:

Medicare Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services are paid at prospectively determined rates based on an Ambulatory Patient Classification (APC) System. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through April 30, 2007. However, the Hospital has received tentative settlements on its Medicare cost reports for the years ended April 30, 2008 through 2010. CMS has issued instructions to Fiscal Intermediaries (FI) and Medicare Administrative Contractors (MAC) to delay finalizing Medicare cost reports for fiscal years 2007 and after for hospitals that serve a disproportionate number of low income patients due to concerns regarding the calculation of a hospital's Medicare disproportionate share (DSH) payments. As the Hospital receives Medicare DSH payments, the latest finalized Medicare cost report is for the year ended April 30, 2007.

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program. During fiscal year 2007, the RAC's identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. CMS is in the process of rolling out this program nationally. As such, the Hospital may be subject to adjustments from such an audit at some time in the future.

Medicaid The Hospital renders inpatient and outpatient services to Medicaid patients at prospective rates or per diem determined by State of Illinois reimbursement formulas. These rates are not subject to retroactive adjustment.

Blue Cross The Hospital is paid for inpatient acute care services rendered to Blue Cross beneficiaries mainly under a per diem basis. For outpatient services rendered to Blue Cross beneficiaries, the Hospital is primarily reimbursed based on a combination of fixed prices and discounted charges.

Other agreements The Hospital has also entered into payment agreements with certain commercial insurance carriers, preferred provider organizations, health maintenance organizations and local employers. The basis for payment to the Hospital under these agreements includes discounts from established charges, prospectively determined per diem rates and prospectively determined rates per discharge.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 3. Net Patient Service Revenue (Continued)

A summary of net patient service revenue for the years ended April 30, 2011 and 2010 is as follows

	2011	2010
Gross patient service revenue	\$ 190,139,516	\$ 173,359,707
Less discounts, allowances and estimated contractual adjustments under third-party reimbursement programs	(112,985,171)	(100,764,920)
Net patient service revenue	\$ 77,154,345	\$ 72,594,787

Contractual adjustment expense for the years ended April 30, 2011 and 2010 includes the effect of a change in the estimate of the liability due to third-party payors. The effects of this change in estimate is a decrease in contractual adjustment expense of approximately \$524,000 and \$183,000 for the years ended April 30, 2011 and 2010, respectively.

In December 2008, the Federal Centers for Medicare and Medicaid Services (CMS) approved the State of Illinois Medicaid Hospital Assessment Program. Under the Program, which is retroactive to July 1, 2008, a hospital receives additional Medicaid reimbursement from the State and pays a related assessment. The Hospital's additional reimbursement for the periods ended April 30, 2011 and 2010 has been recorded in the accompanying financial statements. Total reimbursement revenue recognized by the Hospital related to this Program amounted to approximately \$2,968,000 for the years ended April 30, 2011 and 2010, which is recorded as a reduction of contractual adjustment expense. In July 2010, the State modified the reimbursement and assessment payment schedules. The Hospital is required to pay one quarter of the annual assessment each month from July through October and the reimbursement will be received according to the same schedule. The amount of deferred revenue related to this Program as of April 30, 2011 and 2010 was approximately \$562,000 and none respectively. Total assessments incurred by the Hospital related to this Program amounted to approximately \$1,704,000 for the years ended April 30, 2011 and 2010, which is included in other operating expenses. The prepaid expenses related to this Program as of April 30, 2011 and 2010 was approximately \$284,000 and none, respectively. The Program is effective through June 2013.

Note 4. Charity Care and Community Service

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The amount of charges forgone for services and supplies furnished under the Hospital's charity care policy was approximately \$6,154,000 and \$5,135,000 for the years ended April 30, 2011 and 2010, respectively.

Although not accounted for as charity care, the Hospital considers the Medicaid contractual adjustment expense as charity care.

The Hospital provided the following services to Medicaid beneficiaries for the years ended April 30, 2011 and 2010

	2011	2010
Charges, based on established rates	\$ 31,801,000	\$ 28,082,000
Estimated reimbursement	(6,029,000)	(5,992,000)
Contractual adjustment expense	\$ 25,772,000	\$ 22,090,000

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 4. Charity Care and Community Service (Continued)

In addition to charity care, the Hospital provided community benefits, including, but not limited to, the following

- Operation of a full-time emergency room providing emergency medical services to all members of the public requiring such care
- Maintenance of provider agreements with the Medicare and Medicaid programs
- Financial support of an indigent clinic in the community
- Externships for medical students
- Nursing scholarships or tuition payments for professional education to non-employees and volunteers
- Provision of a clinical setting for undergraduate/vocational training to students enrolled in an outside organization
- Negative contributions in several departments including behavioral health, adult day care program, etc
- Contributions to other not-for-profit organizations
- Meeting room overhead/space for not-for-profit organizations
- Recruitment of physicians and other health professionals for federally medical underserved areas
- Partnership with community college to address the health care work force shortage
- Health screenings, blood pressure checks, enrollment assistance in public programs, information and referrals to community services and prevention programs offered free or at low cost to the community

Note 5. Composition of Receivables

Receivables as of April 30, 2011 and 2010 consist of the following

	2011	2010
Patients	\$ 22,172,004	\$ 23,126,921
Less		
Estimated third-party contractual adjustments	8,268,886	8,095,628
Allowance for doubtful accounts	4,992,588	5,746,235
	8,910,530	9,285,058
Other	320,799	1,033,811
	<u>\$ 9,231,329</u>	<u>\$ 10,318,869</u>

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 5. Composition of Receivables (Continued)

The Hospital is located in Ottawa, Illinois. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors as of April 30, 2011 and 2010 was as follows:

	2011	2010
Medicare	19%	19%
Medicaid	7	9
Blue Cross	6	7
Other third-party payors	45	41
Patients	23	24
	100%	100%

Note 6. Composition of Assets Limited as to Use

Assets limited as to use as of April 30, 2011 and 2010 consist of the following:

	2011	2010
Board-designated assets for improvements and replacements, common collective trust funds	\$ 34,632,983	\$ 33,918,959
Assets held by trustee and restricted by self-insurance agreement	4,581,138	4,392,149
Assets held by trustee and restricted by bond indenture agreement, cash and securities due in one year	1,293,310	1,293,248
Assets held by trustee and restricted by 457B plan agreement	444,766	303,047
Assets restricted by donor, cash and cash equivalents	28,116	25,879
Total assets limited as to use	\$ 40,980,313	\$ 39,933,282

The composition of assets limited as to use is as follows:

Assets held by trustee and restricted by self-insurance agreement:

	2011	2010
Cash and cash equivalents	\$ 4,568,373	\$ 4,292,792
Accrued interest receivable	12,765	99,357
	\$ 4,581,138	\$ 4,392,149

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 6. Composition of Assets Limited as to Use (Continued)

Assets held by trustee and restricted by 457B plan agreement

	2011	2010
Cash	\$ 167,849	\$ 133,631
Mutual funds	276,917	169,416
	<u>\$ 444,766</u>	<u>\$ 303,047</u>

The composition of investment return for the years ended April 30, 2011 and 2010 is as follows

	2011	2010
Interest and dividend income, net of fees and expenses	\$ 712,445	\$ 943,203
Net realized gain on sale of investments	1,011,094	404,591
Change in net unrealized gains on investments	2,482,538	7,486,252
Investment return	<u>\$ 4,206,077</u>	<u>\$ 8,834,046</u>

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets for the years ended April 30, 2011 and 2010 as follows

	2011	2010
Other operating revenue	\$ 188,989	\$ 222,372
Nonoperating gains	1,534,550	1,125,422
Change in net unrealized gains on investments	2,482,538	7,486,252
	<u>\$ 4,206,077</u>	<u>\$ 8,834,046</u>

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date
- Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data
- Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below

Investments (including assets limited as to use) Where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. Level 1 securities would include equity securities and municipal bonds. Where quoted prices are available in markets that are not active or contain other inputs that are observable or can be corroborated by observable market data, securities are classified within level 2 of the valuation hierarchy. Certain securities are not valued based on observable transactions and are, therefore, classified as level 3. The Organization invests in alternative investments consisting of common collective trust funds for which fair value is determined using the net asset value per share for each fund. The fair value of the Organization's investment in the alternative investment funds generally represent the amount the Organization would expect to receive if it were to liquidate the investment excluding any redemption charges that may apply. The following table sets forth additional disclosures of the Organization's investments whose fair value is estimated using net asset value per share as of April 30, 2011

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Assets				
Assets limited as to use				
Board-designated assets for improvements and replacements, common collective trust funds				
NTCC International Securities Fund (a)	\$ 6,757,832	\$ -	Monthly	6 Days
NTCC CRM Midcap Value Fund (b)	942,630	-	Monthly	6 Days
NTCC CS McKee Large Cap Value Fund (b)	2,373,128	-	Monthly	6 Days
NTCC Marisco Fund (b)	2,388,742	-	Monthly	6 Days
NTCC NWQ Fund (b)	2,406,263	-	Monthly	6 Days
NTCC Sasco Fund (b)	686,912	-	Monthly	6 Days
NTCC Small Cap Fund (b)	1,429,549	-	Monthly	6 Days
NTCC TCW Fund (b)	692,347	-	Monthly	6 Days
NTCC Wells Capital Fund (b)	2,097,037	-	Monthly	6 Days
NTCC William Blair Fund (b)	928,130	-	Monthly	6 Days
NTGI Common Daily Aggregate				
Bond Index Fund (c)	13,930,413	-	Daily	None
	<u>\$ 34,632,983</u>			

(a) The fund invests in international securities that are either exchange traded in other countries outside of the United States of America (USA) or in securities of companies that predominantly derive their revenues from markets outside of the USA. This fund can be redeemed monthly at the current net asset value per share based on the fair value of the underlying assets. The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager.

(b) The fund primarily invests in U.S. equity securities and may invest in cash equivalents and investment grade bonds from time to time. This fund can be redeemed monthly at the current net asset value per share based on the fair value of the underlying assets. The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

- (c) The fund seeks to hold a portfolio representative of the overall U S bond and debt market as characterized by the Barclays Capital Aggregate Bond Index. This fund can be redeemed daily at the current net asset value per share based on the fair value of the underlying assets. The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager.

Assets and liabilities recorded at fair value on a recurring basis:

The following table summarizes assets measured at fair value on a recurring basis as of April 30, 2011 and 2010, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2011			
Assets limited as to use				
Board-designated assets for improvements and replacements, common collective trust funds				
NTCC International Securities Fund	\$ 6,757,832	\$ -	\$ 6,757,832	\$ -
NTCC CRM Midcap Value Fund	942,630	-	942,630	-
NTCC CS McKee Large Cap Value Fund	2,373,128	-	2,373,128	-
NTCC Marisco Fund	2,388,742	-	2,388,742	-
NTCC NWQ Fund	2,406,263	-	2,406,263	-
NTCC Sasco Fund	686,912	-	686,912	-
NTCC Small Cap Fund	1,429,549	-	1,429,549	-
NTCC TCW Fund	692,347	-	692,347	-
NTCC Wells Capital Fund	2,097,037	-	2,097,037	-
NTCC William Blair Fund	928,130	-	928,130	-
NTGI Common Daily Aggregate Bond Index Fund	13,930,413	-	13,930,413	-
	34,632,983	-	34,632,983	-
Assets held by trustee and restricted by 457B plan agreement, mutual funds, corporate bonds	276,917	276,917	-	-
Investments held by the Foundation corporate marketable equity securities, common stocks				
Financial	55,500	55,500	-	-
Industrial	4,445	4,445	-	-
	59,945	59,945	-	-
	\$ 34,969,845	\$ 336,862	\$ 34,632,983	\$ -

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 7. Fair Value Measurements (Continued)

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2010			
Assets limited as to use				
Board-designated assets for improvements and replacements, common collective trust funds				
NTCC International Securities Fund	\$ 6,832,151	\$ -	\$ 6,832,151	\$ -
NTCC CRM Midcap Value Fund	765,896	-	765,896	-
NTCC CS McKee Large Cap Value Fund	2,455,912	-	2,455,912	-
NTCC Marisco Fund	2,496,969	-	2,496,969	-
NTCC NWQ Fund	2,607,021	-	2,607,021	-
NTCC Sasco Fund	791,837	-	791,837	-
NTCC Small Cap Fund	1,149,559	-	1,149,559	-
NTCC Wall Street Fund	801,259	-	801,259	-
NTCC Wells Capital Fund	2,591,892	-	2,591,892	-
NTCC William Blair Fund	975,386	-	975,386	-
NTGI Common Daily Aggregate Bond Index Fund	12,451,077	-	12,451,077	-
	33,918,959	-	33,918,959	-
Assets held by trustee and restricted by 457B plan agreement, mutual funds, corporate bonds	169,416	169,416	-	-
Investments held by the Foundation, corporate marketable equity securities, common stocks				
Financial	76,590	76,590	-	-
Industrial	4,925	4,925	-	-
	81,515	81,515	-	-
	\$ 34,169,890	\$ 250,931	\$ 33,918,959	\$ -

Concentration of credit risk The Organization's investment in the Funds is currently invested with one custodian. In the event this counterparty does not fulfill its obligations, the Organization may be exposed to risk. This risk of default depends on the creditworthiness of the counterparty to these transactions. The Organization attempts to minimize this credit risk by monitoring the creditworthiness of its counterparties.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 8. Long-Term Debt

Long-term debt as of April 30, 2011 and 2010 consists of the following

	2011	2010
Revenue bonds, Series 2004	\$ 12,905,000	\$ 13,540,000
Bond premium	79,302	83,448
	12,984,302	13,623,448
Less current maturities	660,000	635,000
Total long-term debt	\$ 12,324,302	\$ 12,988,448

In May 2004, the Hospital borrowed \$16,630,000 from proceeds from bonds issued by the City of Ottawa, Illinois. Of these proceeds, \$12,275,000 was used to refund the Series 1994 bonds. The remaining proceeds were used for capital projects. The bonds are to be repaid over 20 years in annual principal amounts ranging from \$660,000 to \$3,575,000 and bear interest at rates ranging from 3.75% to 5.2%. The bonds have restrictive covenants and are insured by a financial guarantee insurance policy. Under the terms of the bond indentures, the Hospital is required to maintain certain deposits with a trustee. Such deposits are included in assets limited as to use.

The Hospital has a bank line of credit totaling \$3,000,000 which expires August 2011. Borrowings under this line of credit bear interest at 4.13%. There were no amounts outstanding under this line of credit as of April 30, 2011. Subsequent to year-end, borrowings on this line of credit amounted to approximately \$2,000,000.

Maturities of long-term debt over the next five years and thereafter are as follows based on the terms of the 2004 bonds:

Year ending April 30	
2012	\$ 660,000
2013	690,000
2014	720,000
2015	-
2016	1,545,000
Thereafter	9,290,000
	<u>\$ 12,905,000</u>

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 9. Self-Insurance Programs

Self-insurance for professional and comprehensive general liability losses:

The Hospital has established a self-insurance program for its professional and comprehensive general liability losses. The Hospital is currently funding its self-insurance professional and general liability losses based on loss limits of \$1,000,000 per occurrence with an annual limit of \$3,000,000. Losses in excess of these loss limits are covered by commercial insurance in the amount of \$10,000,000 per occurrence and in the aggregate.

The Hospital is from time-to-time involved in litigation arising in the ordinary course of business. Losses from asserted and unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and other relevant factors. It is the opinion of management that estimated malpractice costs accrued at April 30, 2011, are adequate to provide for potential losses resulting from asserted and unasserted claims.

Operations are charged with the costs of claims reported and an estimate of claims incurred but not reported. Total expense under the medical malpractice program was none and \$(1,000,000) for the years ended April 30, 2011 and 2010, respectively. The expense for the year ended April 30, 2010 includes the effect of a change in estimate which reduced the expense by approximately \$1,000,000.

In accordance with the self-insurance trust agreement, the assets held by the trustee are to be used only for the payment of covered losses and are, therefore, unavailable for the Hospital's general operating purposes. A summary of the transactions in the trust fund for the years ended April 30, 2011 and 2010 is as follows:

	2011	2010
Balance, beginning	\$ 4,392,149	\$ 4,169,776
Interest income	188,989	222,373
Balance, ending	<u>\$ 4,581,138</u>	<u>\$ 4,392,149</u>

Self-insurance for employees' health insurance:

The health insurance plan for the Hospital's employees is administered by a third-party administrator and is, in effect, a self-insured plan. Monthly premiums are paid into a trust fund based on estimated claims, with the Hospital liable for the excess of claims over the premiums paid. The Hospital has stop-loss insurance to cover third-party claims in excess of \$100,000. The accompanying consolidated statements of operations and changes in net assets reflect expenses of approximately \$8,056,000 and \$8,072,000 relating to the employees' health insurance plan for the years ended April 30, 2011 and 2010, respectively.

Note 10. Employee Retirement Plan

The Hospital has established a defined contribution pension plan covering substantially all of its employees. Contributions are determined annually by the Board of Governors. Contributions to the plan were approximately \$827,000 and \$1,250,000 for the years ended April 30, 2011 and 2010, respectively.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 11. Composition of Nonoperating Gains

Nonoperating gains for the years ended April 30, 2011 and 2010 consist of the following

	2011	2010
Income from assets whose use is limited, Board-designated assets for improvements and replacements		
Dividend and interest income	\$ 533,732	\$ 724,453
Gain on sale of securities, primarily marketable equity securities	1,011,095	404,591
Interest income from other assets	258,665	189,625
Gain (loss) on sale of land	2,706	(34,829)
Unrestricted gifts	558,776	7,343
	<u>\$ 2,364,974</u>	<u>\$ 1,291,183</u>

Note 12. Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses of the Hospital and not-for-profit affiliates related to providing these services for the years ended April 30, 2011 and 2010 are as follows

	2011	2010
Health care services	\$ 56,091,123	\$ 55,922,577
General and administrative	17,921,111	17,628,149
Fund raising, net of intercompany contributions	191,843	223,872
	<u>\$ 74,204,077</u>	<u>\$ 73,774,598</u>

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 13. Income Taxes

The Hospital, Auxiliary and Foundation have been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. In lieu of corporation income taxes, the members of RONI are taxed on their share of the LLC's income, deductions, losses and credits. Therefore, these consolidated financial statements do not include any provision for income taxes for these entities. ORHA is a for-profit corporation subject to applicable federal and state income taxes.

Deferred taxes for ORHA are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating losses and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in the tax laws and rates on the date of enactment.

The Hospital, Auxiliary and Foundation file a Form 990 (Return of Organization Exempt from Income Tax) annually. When this return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to tax exempt organizations include such matters as the following: the tax exempt status of the entity, the continued tax exempt status of bonds issued, the nature, the characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business taxable income (UBIT). UBIT is reported on Form 990T, as appropriate. The benefit of tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of April 30, 2011 and 2010, there were no unrecognized tax benefits identified and recorded as a liability.

Forms 990 and 990T filed by the Organization are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Forms 990 and 990T filed by the Organization are no longer subject to examination for the year ended April 30, 2007 and prior.

Form 1120 filed by ORHA is subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

Note 13. Income Taxes (Continued)

Net deferred tax assets for the years ended April 30, 2011 and 2010 consist primarily of amounts associated with net operating losses incurred by ORHA and its wholly-owned subsidiary as shown below

	2011	2010
Deferred income tax asset	\$ 1,300,000	\$ 149,000
Less valuation reserve	(1,300,000)	(149,000)
Deferred income tax asset, net	\$ -	\$ -

Income tax expense (credit) is provided on income (loss) generated by ORHA and its wholly-owned subsidiary. A reconciliation of income tax expense (credit) for the years ended April 30, 2011 and 2010 is as follows:

	2011	2010
Computed "expected" income tax credit	\$ (1,151,000)	\$ (149,000)
Less valuation allowance	1,151,000	149,000
	\$ -	\$ -

Note 14. Commitments and Contingencies

As of April 30, 2011, construction-in-progress consists of costs of facility renovations and additions to the Hospital's facilities to accommodate express care and sleep lab and the purchase of a new electronic medical records system.

The Hospital has signed commitments for the purchase of a new electronic medical records system totaling approximately \$700,000 of which approximately \$630,000 is remaining as of April 30, 2011. The estimated cost of the other renovations is approximately \$6,185,000 of which approximately \$2,783,000 is remaining as of April 30, 2011. The remaining commitments related to these projects will be funded with cash from operations and proceeds from the sale of investments.

Current economic conditions:

The current economic environment presents hospitals with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Organization.

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of the Organization's patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Organization's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts and contributions receivable that could negatively impact the Organization's ability to meet debt covenants or maintain sufficient liquidity.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

Notes to Consolidated Financial Statements

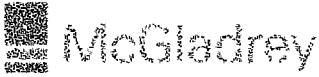
Note 14. Commitments and Contingencies (Continued)

Laws and regulations:

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

Health care reform:

As a result of recently enacted federal health care reform legislation, substantial changes are anticipated in the United States health care system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over approximately the next decade. This federal health care reform legislation does not affect the consolidated financial statements for the year ended April 30, 2011.



**Independent Auditor's Report
on the Supplementary Information**

To the Board of Governors
Ottawa Regional Hospital & Healthcare Center
Ottawa, Illinois

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations. The consolidating and other supplementary information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly presented in all material respects in relation to the consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Davenport, Iowa
July 21, 2011

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Statement of Operations
Year Ended April 30, 2011**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Unrestricted net assets			
Net patient service revenue	\$ 68,926,629	\$ 5,896,579	\$ 2,340,547
Other operating revenue, net	1,582,647	127,931	-
Net assets released from restriction, used for operations	152	-	-
Total operating revenue	70,509,428	6,024,510	2,340,547
Expenses			
Salaries and wages	29,933,620	4,863,341	405,321
Employee benefits	10,850,132	1,386,434	-
Supplies and other expenses	23,136,375	2,467,406	1,109,839
Depreciation and amortization	6,421,883	177,888	410,927
Interest	318,423	-	-
Provision for bad debts	3,349,236	324,384	24,145
Total operating expenses	74,009,669	9,219,453	1,950,232
Income (loss) from operations	(3,500,241)	(3,194,943)	390,315
Net nonoperating gains (losses)	(594,608)	-	6,794
Current year change in unrealized gains on trading securities	2,504,108	-	-
Excess (deficiency) of revenue over expenses	(1,590,741)	(3,194,943)	397,109
Less excess of revenue over expenses attributable to noncontrolling interest	-	-	(170,757)
Excess (deficiency) of revenue over expenses attributable to controlling interest	(1,590,741)	(3,194,943)	226,352
Current year change in unrealized (losses) on investments	-	-	-
Capital contributions (distributions)	-	2,598,641	(798,000)
Increase (decrease) in unrestricted net assets	\$ (1,590,741)	\$ (596,302)	\$ (571,648)

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations	Subtotal	Auxiliary	Foundation	Eliminations	Consolidated		
\$ -	\$ 77,163,755	\$ -	\$ -	\$ -	\$ 77,163,755		
(230,129)	1,480,449	169,791	7,470	-	1,657,710		
-	152	10,239	14,561	-	24,952		
(230,129)	78,644,356	180,030	22,031	-	78,846,417		
-	35,202,282	81,986	-	-	35,284,268		
-	12,236,566	-	-	-	12,236,566		
(230,129)	26,483,491	92,409	36,744	(19,286)	26,593,358		
-	7,010,698	2,555	-	-	7,013,253		
-	318,423	-	-	-	318,423		
-	3,697,765	-	-	-	3,697,765		
(230,129)	84,949,225	176,950	36,744	(19,286)	85,143,633		
-	(6,304,869)	3,080	(14,713)	19,286	(6,297,216)		
2,968,591	2,380,777	391	3,092	(19,286)	2,364,974		
-	2,504,108	-	-	-	2,504,108		
2,968,591	(1,419,984)	3,471	(11,621)	-	(1,428,134)		
-	(170,757)	-	-	-	(170,757)		
2,968,591	(1,590,741)	3,471	(11,621)	-	(1,598,891)		
-	-	-	(21,570)	-	(21,570)		
(1,800,641)	-	-	-	-	-		
\$ 1,167,950	\$ (1,590,741)	\$ 3,471	\$ (33,191)	\$ -	\$ (1,620,461)		

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Statement of Operations
Year Ended April 30, 2010**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Unrestricted net assets			
Net patient service revenue	\$ 68,507,763	\$ 1,937,491	\$ 2,149,533
Other operating revenue, net	1,233,872	25,191	-
Net assets released from restriction, used for operations	-	-	-
Total operating revenue	69,741,635	1,962,682	2,149,533
Expenses			
Salaries and wages	30,325,306	1,401,919	390,143
Employee benefits	11,473,504	209,957	-
Supplies and other expenses	21,491,295	660,719	969,903
Depreciation and amortization	5,970,624	29,975	391,588
Interest	147,245	-	-
Provision for bad debts	3,142,753	46,534	62,402
Total operating expenses	72,550,727	2,349,104	1,814,036
Income (loss) from operations	(2,809,092)	(386,422)	335,497
Net nonoperating gains	1,270,583	-	3,622
Current year change in unrealized gains on trading securities	7,479,931	-	-
Excess (deficiency) of revenue over expenses	5,941,422	(386,422)	339,119
Less excess of revenue over expenses attributable to noncontrolling interest	-	-	(145,821)
Excess (deficiency) of revenue over expenses attributable to controlling interest	5,941,422	(386,422)	193,298
Current year change in unrealized gains losses on investments	-	-	-
Change in interest in net assets of related organization	(136,000)	-	-
Net assets released from restriction, used for the acquisition of property and equipment	1,406,208	-	-
Capital contributions (distributions)	-	1,850,000	(342,000)
Increase (decrease) in unrestricted net assets	\$ 7,211,630	\$ 1,463,578	\$ (148,702)

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations	Subtotal	Auxiliary	Foundation	Eliminations	Consolidated		
\$ -	\$ 72,594,787	\$ -	\$ -	\$ -	\$ 72,594,787		
-	1,259,063	168,254	15,218	-	1,442,535		
-	-	-	1,011,709	-	1,011,709		
-	73,853,850	168,254	1,026,927	-	75,049,031		
-	32,117,368	78,674	-	-	32,196,042		
-	11,683,461	-	-	-	11,683,461		
-	23,121,917	141,869	1,185,340	(184,567)	24,264,559		
-	6,392,187	2,555	-	-	6,394,742		
-	147,245	-	-	-	147,245		
-	3,251,689	-	-	-	3,251,689		
-	76,713,867	223,098	1,185,340	(184,567)	77,937,738		
-	(2,860,017)	(54,844)	(158,413)	184,567	(2,888,707)		
193,124	1,467,329	438	7,983	(184,567)	1,291,183		
-	7,479,931	-	-	-	7,479,931		
193,124	6,087,243	(54,406)	(150,430)	-	5,882,407		
-	(145,821)	-	-	-	(145,821)		
193,124	5,941,422	(54,406)	(150,430)	-	5,736,586		
-	-	-	6,321	-	6,321		
-	(136,000)	-	-	136,000	-		
-	1,406,208	-	-	-	1,406,208		
(1,508,000)	-	-	-	-	-		
\$ (1,314,876)	\$ 7,211,630	\$ (54,406)	\$ (144,109)	\$ 136,000	\$ 7,149,115		

**Ottawa Regional Healthcare
Affiliates, Inc.**

**Consolidating Statement of Operations
Year Ended April 30, 2011**

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Revenue				
Net patient service revenue	\$ -	\$ 5,896,579	\$ -	\$ 5,896,579
Other operating revenue, net	-	127,931	-	127,931
Total operating revenue	-	6,024,510	-	6,024,510
Expenses				
Salaries and wages	-	4,863,341	-	4,863,341
Employee benefits	-	1,386,434	-	1,386,434
Supplies and other expenses	-	2,467,406	-	2,467,406
Depreciation	-	177,888	-	177,888
Provision for bad debts	-	324,384	-	324,384
Total operating expenses	-	9,219,453	-	9,219,453
(Loss) from operations	-	(3,194,943)	-	(3,194,943)
Nonoperating expense	(3,194,943)	-	3,194,943	-
Net (loss)	\$ (3,194,943)	\$ (3,194,943)	\$ 3,194,943	\$ (3,194,943)

**Ottawa Regional Healthcare
Affiliates, Inc.**

**Consolidating Statement of Operations
Year Ended April 30, 2010**

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Revenue				
Net patient service revenue	\$ -	\$ 1,937,491	\$ -	\$ 1,937,491
Other operating revenue, net	-	25,191	-	25,191
Total operating revenue	-	1,962,682	-	1,962,682
Expenses				
Salaries and wages	-	1,401,919	-	1,401,919
Employee benefits	-	209,957	-	209,957
Supplies and other expenses	-	660,719	-	660,719
Depreciation	-	29,975	-	29,975
Provision for bad debts	-	46,534	-	46,534
Total operating expenses	-	2,349,104	-	2,349,104
(Loss) from operations	-	(386,422)	-	(386,422)
Nonoperating expense	(386,422)	-	386,422	-
Net (loss)	\$ (386,422)	\$ (386,422)	\$ 386,422	\$ (386,422)

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Balance Sheet
April 30, 2011**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,059,606	\$ 5,926	\$ 477,106
Certificates of deposit	-	-	-
Receivables, net	8,313,009	840,988	111,503
Supplies and materials	1,658,739	141,467	-
Prepaid expenses			
Medicaid assessment program	284,113	-	-
Other	752,296	67,697	10,731
Total current assets	12,067,763	1,056,078	599,340
Assets Limited as to Use	40,962,045	-	-
Property and Equipment			
Land and improvements	3,829,891	-	-
Building and improvements	68,021,150	1,462	25,797
Furniture, fixtures and equipment	33,317,796	638,869	2,429,583
Construction in process	6,419,598	-	-
	111,588,435	640,331	2,455,380
Less accumulated depreciation	56,621,398	207,863	1,024,583
	54,967,037	432,468	1,430,797
Investments, primarily investment in associated company	3,617,499	-	-
Other Assets, primarily debt issuance costs, net and physician advances	1,206,177	643,236	-
Total assets	\$ 112,820,521	\$ 2,131,782	\$ 2,030,137

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations	Subtotal	Auxiliary	Foundation	Eliminations	Consolidated		
\$ -	\$ 1,542,638	\$ 83,355	\$ 24,914	\$ -	\$ 1,650,907		
-	-	4,191	160,372	-	164,563		
(37,750)	9,227,750	3,579	-	-	9,231,329		
-	1,800,206	70,165	-	-	1,870,371		
-	284,113	-	-	-	284,113		
-	830,724	148	-	-	830,872		
(37,750)	13,685,431	161,438	185,286	-	14,032,155		
-	40,962,045	1,250	17,018	-	40,980,313		
-	3,829,891	-	-	-	3,829,891		
-	68,048,409	-	-	-	68,048,409		
-	36,386,248	46,389	-	-	36,432,637		
-	6,419,598	-	-	-	6,419,598		
-	114,684,146	46,389	-	-	114,730,535		
-	57,853,844	45,112	-	-	57,898,956		
-	56,830,302	1,277	-	-	56,831,579		
(1,929,307)	1,688,192	-	59,945	-	1,748,137		
-	1,849,413	-	-	-	1,849,413		
\$ (1,967,057)	\$ 115,015,383	\$ 163,965	\$ 262,249	\$ -	\$ 115,441,597		

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Balance Sheet
April 30, 2011**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Liabilities and Net Assets			
Current Liabilities			
Current maturities of long-term debt	\$ 660,000	\$ -	\$ -
Accounts payable	2,631,832	254,760	28,996
Accrued salaries, wages and payroll taxes	1,275,036	316,130	39,792
Accrued earned time	2,853,895	189,195	-
Deferred revenue, medicaid assessment program	561,969	-	-
Estimated third-party payor settlements	2,069,584	-	-
Other accrued expenses	1,924,469	222,296	98,137
Total current liabilities	11,976,785	982,381	166,925
Long-Term Debt, net of current maturities	12,324,302	-	-
Other Accrued Expenses	425,918	282,125	-
Estimated Self-Insurance Costs	1,251,000	-	-
Total liabilities	25,978,005	1,264,506	166,925
Net Assets and Equity			
Common stock	-	100	-
Additional paid-in capital	-	4,448,541	-
Retained earnings	-	(3,581,365)	-
Unrestricted net assets	86,832,668	-	1,062,031
Noncontrolling interest - unrestricted	-	-	801,181
Temporarily restricted net assets	9,848	-	-
Permanently restricted net assets	-	-	-
Total net assets	86,842,516	867,276	1,863,212
Total liabilities and net assets	\$ 112,820,521	\$ 2,131,782	\$ 2,030,137

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations	Subtotal	Auxiliary	Foundation	Eliminations	Consolidated		
\$ -	\$ 660,000	\$ -	\$ -	\$ -	\$ 660,000		
(1,191)	2,914,397	8,190	-	-	2,922,587		
(36,559)	1,594,399	17,548	-	-	1,611,947		
-	3,043,090	-	-	-	3,043,090		
-	561,969	-	-	-	561,969		
-	2,069,584	-	-	-	2,069,584		
-	2,244,902	9,057	-	-	2,253,959		
(37,750)	13,088,341	34,795	-	-	13,123,136		
-	12,324,302	-	-	-	12,324,302		
-	708,043	-	-	-	708,043		
-	1,251,000	-	-	-	1,251,000		
(37,750)	27,371,686	34,795	-	-	27,406,481		
(100)	-	-	-	-	-		
(4,448,541)	-	-	-	-	-		
3,581,365	-	-	-	-	-		
(1,062,031)	86,832,668	127,920	245,231	-	87,205,819		
-	801,181	-	-	-	801,181		
-	9,848	1,250	12,293	-	23,391		
-	-	-	4,725	-	4,725		
(1,929,307)	87,643,697	129,170	262,249	-	88,035,116		
\$ (1,967,057)	\$ 115,015,383	\$ 163,965	\$ 262,249	\$ -	\$ 115,441,597		

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Balance Sheet
April 30, 2010**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,580,500	\$ 255,534	\$ 937,087
Certificates of deposit	-	-	-
Receivables, net	9,354,779	1,249,431	243,539
Supplies and materials	1,815,617	126,859	-
Other, primarily prepaid expenses	674,749	58,255	7,624
Total current assets	13,425,645	1,690,079	1,188,250
Assets Limited as to Use	39,907,403	-	-
Property and Equipment			
Land and improvements	3,627,524	-	-
Building and improvements	62,442,200	1,462	25,797
Furniture, fixtures and equipment	29,621,106	316,603	2,423,797
Construction in process	7,429,433	-	-
	103,120,263	318,065	2,449,594
Less accumulated depreciation	50,555,992	29,975	613,656
	52,564,271	288,090	1,835,938
Investments, primarily investment in associated company	4,742,565	-	-
Other Assets, primarily debt issuance costs, net and physician advances	1,505,727	475,978	-
Total assets	\$ 112,145,611	\$ 2,454,147	\$ 3,024,188

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations	Subtotal	Auxiliary	Foundation	Eliminations	Consolidated		
\$ -	\$ 2,773,121	\$ 71,106	\$ 37,160	\$ -	\$ 2,881,387		
-	-	19,673	159,747	-	179,420		
(530,897)	10,316,852	2,017	-	-	10,318,869		
-	1,942,476	60,755	-	-	2,003,231		
-	740,628	143	-	-	740,771		
(530,897)	15,773,077	153,694	196,907	-	16,123,678		
-	39,907,403	10,239	15,640	-	39,933,282		
-	3,627,524	-	-	-	3,627,524		
-	62,469,459	-	-	-	62,469,459		
-	32,361,506	46,389	-	-	32,407,895		
-	7,429,433	-	-	-	7,429,433		
-	105,887,922	46,389	-	-	105,934,311		
-	51,199,623	42,557	-	-	51,242,180		
-	54,688,299	3,832	-	-	54,692,131		
(3,097,257)	1,645,308	-	81,515	-	1,726,823		
-	1,981,705	-	-	-	1,981,705		
\$ (3,628,154)	\$ 113,995,792	\$ 167,765	\$ 294,062	\$ -	\$ 114,457,619		

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Consolidating Balance Sheet
April 30, 2010**

	Ottawa Regional Hospital & Healthcare Center	Consolidated Ottawa Regional Healthcare Affiliates, Inc	Radiation Oncology of Northern Illinois, LLC
Liabilities and Net Assets			
Current Liabilities			
Current maturities of long-term debt	\$ 635,000	\$ -	\$ -
Accounts payable	2,297,259	507,940	2,449
Accrued salaries, wages and payroll taxes	1,125,570	255,210	73,483
Accrued earned time	2,639,888	143,541	-
Estimated third-party payor settlements	690,363	-	-
Other accrued expenses	1,693,850	73,178	82,153
Total current liabilities	9,081,930	979,869	158,085
Long-Term Debt, net of current maturities	12,988,448	-	-
Other Accrued Expenses	300,824	10,700	-
Estimated Self-Insurance Costs	1,351,000	-	-
Total liabilities	23,722,202	990,569	158,085
Net Assets and Equity			
Common stock	-	100	-
Additional paid-in capital	-	1,849,900	-
Retained earnings	-	(386,422)	-
Unrestricted net assets	88,423,409	-	1,633,679
Noncontrolling interest - unrestricted	-	-	1,232,424
Temporarily restricted net assets	-	-	-
Permanently restricted net assets	-	-	-
Total net assets	88,423,409	1,463,578	2,866,103
Total liabilities and net assets	\$ 112,145,611	\$ 2,454,147	\$ 3,024,188

		Ottawa Regional Hospital & Healthcare Center		Ottawa Regional Hospital & Healthcare Center			
Eliminations		Subtotal	Auxiliary	Foundation	Eliminations	Consolidated	
\$	-	\$ 635,000	\$ -	\$ -	\$ -	\$	635,000
	(457,414)	2,350,234	8,469	-	-		2,358,703
	(73,483)	1,380,780	13,599	-	-		1,394,379
	-	2,783,429	-	-	-		2,783,429
	-	690,363	-	-	-		690,363
	-	1,849,181	11,009	-	-		1,860,190
	(530,897)	9,688,987	33,077	-	-		9,722,064
	-	12,988,448	-	-	-		12,988,448
	-	311,524	-	-	-		311,524
	-	1,351,000	-	-	-		1,351,000
	(530,897)	24,339,959	33,077	-	-		24,373,036
	(100)	-	-	-	-		-
	(1,849,900)	-	-	-	-		-
	386,422	-	-	-	-		-
	(1,633,679)	88,423,409	124,449	278,422	-		88,826,280
	-	1,232,424	-	-	-		1,232,424
	-	-	10,239	10,915	-		21,154
	-	-	-	4,725	-		4,725
	(3,097,257)	89,655,833	134,688	294,062	-		90,084,583
\$	(3,628,154)	\$ 113,995,792	\$ 167,765	\$ 294,062	\$ -	\$	114,457,619

**Ottawa Regional Healthcare
Affiliates, Inc.**

**Consolidating Balance Sheet
April 30, 2011**

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Assets				
Current Assets				
Cash and cash equivalents	\$ -	\$ 5,926	\$ -	\$ 5,926
Receivables, net	-	840,988	-	840,988
Supplies and materials	-	141,467	-	141,467
Other, primarily prepaid expenses	-	67,697	-	67,697
Total current assets	-	1,056,078	-	1,056,078
Property and Equipment				
Building and improvements	-	1,462	-	1,462
Furniture, fixtures and equipment	-	638,869	-	638,869
	-	640,331	-	640,331
Less accumulated depreciation	-	207,863	-	207,863
	-	432,468	-	432,468
Investment in Subsidiary	867,276	-	(867,276)	-
Other Assets, primarily noncompete covenant, net and physician advances	-	643,236	-	643,236
Total assets	\$ 867,276	\$ 2,131,782	\$ (867,276)	\$ 2,131,782

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Liabilities and Stockholder's Equity				
Current Liabilities				
Accounts payable	\$ -	\$ 254,760	\$ -	\$ 254,760
Accrued salaries, wages and payroll taxes	-	316,130	-	316,130
Accrued earned time	-	189,195	-	189,195
Other accrued expenses	-	222,296	-	222,296
Total current liabilities	-	982,381	-	982,381
Other Accrued Expenses	-	282,125	-	282,125
Total liabilities	-	1,264,506	-	1,264,506
Stockholder's Equity				
Common stock, \$1 par value, authorized 1000 shares, issued 100 shares	100	100	(100)	100
Additional paid-in capital	4,448,541	4,448,541	(4,448,541)	4,448,541
Retained earnings	(3,581,365)	(3,581,365)	3,581,365	(3,581,365)
Total stockholder's equity	867,276	867,276	(867,276)	867,276
Total liabilities and stockholder's equity	\$ 867,276	\$ 2,131,782	\$ (867,276)	\$ 2,131,782

**Ottawa Regional Healthcare
Affiliates, Inc.**

**Consolidating Balance Sheet
April 30, 2010**

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Assets				
Current Assets				
Cash and cash equivalents	\$ -	\$ 255,534	\$ -	\$ 255,534
Receivables, net	-	1,249,431	-	1,249,431
Supplies and materials	-	126,859	-	126,859
Other, primarily prepaid expenses	-	58,255	-	58,255
Total current assets	-	1,690,079	-	1,690,079
Property and Equipment				
Building and improvements	-	1,462	-	1,462
Furniture, fixtures and equipment	-	316,603	-	316,603
	-	318,065	-	318,065
Less accumulated depreciation	-	29,975	-	29,975
	-	288,090	-	288,090
Investment in Subsidiary	1,463,578	-	(1,463,578)	-
Other Assets, primarily noncompete covenant, net and physician advances	-	475,978	-	475,978
Total assets	\$ 1,463,578	\$ 2,454,147	\$ (1,463,578)	\$ 2,454,147

	Ottawa Regional Healthcare Affiliates, Inc	Ottawa Regional Medical Center, Inc	Eliminations	Consolidated Ottawa Regional Healthcare Affiliates, Inc
Liabilities and Stockholder's Equity				
Current Liabilities				
Accounts payable	\$ -	\$ 507,940	\$ -	\$ 507,940
Accrued salaries, wages and payroll taxes	-	255,210	-	255,210
Accrued earned time	-	143,541	-	143,541
Other accrued expenses	-	73,178	-	73,178
Total current liabilities	-	979,869	-	979,869
Other Accrued Expenses	-	10,700	-	10,700
Total liabilities	-	990,569	-	990,569
Stockholder's Equity				
Common stock, \$1 par value, authorized 1000 shares, issued 100 shares	100	100	(100)	100
Additional paid-in capital	1,849,900	1,849,900	(1,849,900)	1,849,900
Retained earnings	(386,422)	(386,422)	386,422	(386,422)
Total stockholder's equity	1,463,578	1,463,578	(1,463,578)	1,463,578
Total liabilities and stockholder's equity	\$ 1,463,578	\$ 2,454,147	\$ (1,463,578)	\$ 2,454,147

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Patient and Financial Statistics
(Hospital Only)**

Revenue and Expenses Statistics	Year Ended April 30,	
	2011	2010
Net patient service revenue	\$ 68,926,629	\$ 68,507,763
Other operating revenue	1,582,647	1,233,872
Net assets released from restriction, used for operations	152	-
	\$ 70,509,428	\$ 69,741,635
Patient days (unaudited)		
Acute care days	7,981	8,770
Mental health days	4,845	4,309
Nursery days	945	942
Total patient days	13,771	14,021
Adjusted patient days (unaudited) (1)	35,279	36,818
Net operating revenue per adjusted patient day (unaudited)	\$ 1,998.62	\$ 1,894.23
Percentage increase (decrease)	5.5%	2.6%
Operating expenses	\$ 74,009,669	\$ 72,550,727
Operating expenses per adjusted patient day (unaudited)	2,097.84	1,970.52
Percentage increase (decrease)	6.5%	4.6%
% of salaries, wages and employee benefits to total operating expenses	55.1%	57.6%
Income (loss) from operations	\$ (3,500,241)	\$ (2,809,092)
Excess (deficiency) of revenue over expenses	(1,590,741)	5,941,422
Increase (decrease) in net assets	(1,580,893)	6,805,422
Balance Sheet Statistics	April 30,	
	2011	2010
Total current assets	\$ 12,067,763	\$ 13,425,645
Total current liabilities	11,976,785	9,081,930
Working capital	\$ 90,978	\$ 4,343,715
Ratio of current assets to current liabilities	1.01 to 1	1.48 to 1
Average number of days revenue in patient receivables (2)	44 days	50 days

(1) Total patient days (less nursery days) divided by the percentage of inpatient revenue to total patient revenue

(2) Computed based on patient accounts receivable after adjustments for unapplied third-party payments, estimated third-party contractual adjustments and the allowance for doubtful accounts excluding Medicaid assessment

Year Ended April 30,				
2009	2008	2007	2006	2005
\$ 71,800,158	\$ 70,441,122	\$ 66,931,546	\$ 55,784,716	\$ 55,535,160
1,136,621	1,184,151	1,004,677	907,616	781,944
-	-	-	-	-
\$ 72,936,779	\$ 71,625,273	\$ 67,936,223	\$ 56,692,332	\$ 56,317,104

9,585	10,179	9,808	9,958	10,759
5,257	5,659	5,044	3,676	4,084
1,012	930	700	791	869
15,854	16,768	15,552	14,425	15,712

39,493	40,820	38,278	33,499	35,007
\$ 1,846 83	\$ 1,754 66	\$ 1,774 82	\$ 1,692 36	\$ 1,608 74
5 3%	(1 1)%	4 9%	5 2%	2 8%
\$ 74,431,671	\$ 69,759,579	\$ 65,921,054	\$ 56,620,040	\$ 55,276,683
1,884 68	1,708 96	1,722 17	1,690 20	1,579 02
10 3%	(0 8)%	1 9%	7 0%	5 4%
55 2%	53 1%	52 7%	56 0%	55 1%
\$ (1,494,892)	\$ 1,865,694	\$ 2,015,169	\$ 72,292	\$ 1,040,421
(4,450,953)	5,673,378	4,459,614	2,471,367	1,738,031
(11,154,576)	3,926,861	7,322,280	7,310,687	4,325,626

April 30,				
2009	2008	2007	2006	2005
\$ 15,099,723	\$ 21,152,912	\$ 21,526,340	\$ 16,961,426	\$ 22,251,635
8,788,922	10,018,441	8,220,317	6,254,820	5,850,127
\$ 6,310,801	\$ 11,134,471	\$ 13,306,023	\$ 10,706,606	\$ 16,401,508
1 72 to 1	2 11 to 1	2 62 to 1	2 71 to 1	3 80 to 1
49 days	62 days	54 days	65 days	73 days

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Financial Ratios
(Hospital Only)**

	April 30,			
	2011 *	2010 *	2009 *	2009 **
I Profitability Ratios				
Operating margin	(5.0)%	(4.0)%	(2.0)%	(2.0)%
Total margin	(5.7)	(2.0)	(6.4)	0.6
Return on net assets	(3.6)	(1.7)	(5.5)	0.6
II Liquidity Ratios				
Current ratio	1.01 to 1	1.48 to 1	1.72 to 1	1.72 to 1
Number of days of patient service revenue in patient accounts receivable	44.0 days	49.9 days	48.9 days	48.9 days
Days cash on hand	5.8 days	8.7 days	18.0 days	18.0 days
Average payment period	64.7 days	49.8 days	46.4 days	46.4 days
III Capital Structure Ratios				
Long-term debt to capitalization	12.4%	12.8%	14.4%	14.4%
Debt service coverage	2.32 to 1	3.56 to 1	1.26 to 1	5.63 to 1
Cash flow to total debt	9.0%	18.3%	3.6%	23.5%
IV Other Ratios				
Average age of plant	8.86 years	8.56 years	8.57 years	8.57 years
Contractual allowance percent	60.3%	58.4%	53.1%	53.1%

* Calculations prepared with investments classified as trading

** Calculations prepared with investments classified as other-than-trading

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Statement of Operations Information
(Hospital Only)**

Patient Service Revenue	2011	2010
	Total	
Routine care services		
Medical-surgical	\$ 10,455,239	\$ 9,685,796
Psychiatric care unit	10,878,685	9,540,950
Intensive care unit	1,719,574	1,664,727
Obstetrical	2,504,882	2,463,060
Nursery	676,620	630,198
	26,235,000	23,984,731
Other nursing services		
Surgical services	24,993,861	23,503,793
Central services and supply	1,687,758	1,629,170
Intravenous therapy	2,212,476	2,162,372
Emergency service	13,165,343	11,937,731
Delivery and labor room	1,364,396	1,176,986
Outpatient services	11,523,980	10,074,465
Home health	4,586,678	4,655,385
	59,534,492	55,139,902
Other professional services		
Laboratory	21,169,754	20,396,520
Pharmacy	7,900,970	8,072,395
Radiology	40,300,212	36,463,856
Respiratory therapy	6,897,285	7,021,543
Physician professional services	10,658,025	11,668,004
Physical, occupational and activity therapy	7,131,809	6,983,347
	94,058,055	90,605,665
	179,827,547	169,730,298
Less charity care	(6,154,272)	(5,135,314)
	\$ 173,673,275	\$ 164,594,984

Year Ended April 30,			
2011	2010	2011	2010
Inpatient		Outpatient	
\$ 6,109,283	\$ 6,347,733	\$ 4,345,956	\$ 3,338,063
7,207,872	6,113,960	3,670,813	3,426,990
1,711,056	1,664,727	8,518	-
1,718,424	1,720,919	786,458	742,141
676,620	630,198	-	-
17,423,255	16,477,537	8,811,745	7,507,194
6,590,431	7,566,793	18,403,430	15,937,000
1,055,731	1,119,682	632,027	509,488
1,522,120	1,564,395	690,356	597,977
3,555,464	3,286,002	9,609,879	8,651,729
1,016,114	786,358	348,282	390,628
1,678,724	1,569,917	9,845,256	8,504,548
-	-	4,586,678	4,655,385
15,418,584	15,893,147	44,115,908	39,246,755
7,616,404	7,691,245	13,553,350	12,705,275
4,478,968	4,737,027	3,422,002	3,335,368
5,661,332	6,164,827	34,638,880	30,299,029
4,964,607	5,591,988	1,932,678	1,429,555
2,540,777	2,966,536	8,117,248	8,701,468
716,332	771,616	6,415,477	6,211,731
25,978,420	27,923,239	68,079,635	62,682,426
\$ 58,820,259	\$ 60,293,923	\$ 121,007,288	\$ 109,436,375

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Statement of Operations Information
(Hospital Only)**

**Discounts, Allowances and Contractual
Adjustments**

Year Ended April 30,	
2011	2010
Contractual adjustments	
Medicare	\$ 48,704,780
Medicaid	22,093,102
Other	24,317,349
	95,115,231
Administrative adjustments, discounts and other	971,990
	\$ 96,087,221

Other Operating Revenue (Expense)

Cafeteria sales	\$ 405,498	\$ 368,317
Medical records	2,837	2,789
Pharmacy sales to employees	12,213	15,221
Commissions	674	621
Self-insurance trust realized investment income	188,990	222,372
Rental income	681,312	493,182
Bioterrorism grant	27,460	20,142
Private service grants	3,222	5,184
Other grants	25,000	-
Community classes	52,944	36,866
Miscellaneous	182,497	69,178
	\$ 1,582,647	\$ 1,233,872

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Statement of Operations Information
(Hospital Only)**

	Year Ended April 30,		
	2011		
Operating Expenses, Summary by Departments	Total	Salaries and Wages	Supplies and Other Expenses
Administrative and general services			
Administration	\$ 3,064,842	\$ 732,432	\$ 2,332,410
Fiscal services	4,306,960	1,913,766	2,393,194
Plant operation and maintenance	2,376,146	818,855	1,557,291
Housekeeping	1,314,038	726,449	587,589
Laundry and linen	291,473	38,716	252,757
Dietary	2,016,041	790,261	1,225,780
Nursing service administration	1,423,650	1,046,582	377,068
Medical records	1,368,434	712,780	655,654
Social and community service	984,673	390,396	594,277
General and administrative	1,240,138	636,327	603,811
	18,386,395	7,806,564	10,579,831
Routine care services			
Medical-surgical	3,206,925	2,114,033	1,092,892
Psychiatric care unit	5,268,274	3,825,191	1,443,083
Intensive care unit	990,382	708,242	282,140
Obstetrical	1,450,533	950,506	500,027
Nursery	184,916	121,329	63,587
	11,101,030	7,719,301	3,381,729
Other nursing services			
Surgical services	5,736,141	1,570,025	4,166,116
Central services and supply	718,435	198,088	520,347
Intravenous therapy	540,937	355,913	185,024
Emergency services	3,036,038	1,371,540	1,664,498
Outpatient services	2,047,965	1,043,953	1,004,012
Home health	2,767,914	1,675,428	1,092,486
	\$ 14,847,430	\$ 6,214,947	\$ 8,632,483

Year Ended April 30,		
2010		
Total	Salaries and Wages	Supplies and Other Expenses
\$ 2,139,455	\$ 671,682	\$ 1,467,773
3,705,412	1,843,719	1,861,693
2,397,601	716,669	1,680,932
1,343,862	735,509	608,353
333,388	38,550	294,838
2,028,934	790,125	1,238,809
1,452,095	1,055,798	396,297
1,442,659	715,555	727,104
1,036,156	421,674	614,482
997,380	541,517	455,863
16,876,942	7,530,798	9,346,144
3,417,015	2,264,177	1,152,838
4,988,622	3,562,407	1,426,215
983,784	687,424	296,360
1,641,178	1,037,989	603,189
259,117	178,363	80,754
11,289,716	7,730,360	3,559,356
5,458,795	1,576,175	3,882,620
690,679	192,697	497,982
556,744	374,923	181,821
3,228,338	1,432,121	1,796,217
1,963,773	1,011,637	952,136
2,617,763	1,556,439	1,061,324
\$ 14,516,092	\$ 6,143,992	\$ 8,372,100

(Continued)

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Statement of Operations Information
(Hospital Only)**

	Year Ended April 30,		
	2011		
Operating Expenses, Summary by Departments (Continued)	Total	Salaries and Wages	Supplies and Other Expenses
Other professional services			
Laboratory	\$ 2,942,309	\$ 877,249	\$ 2,065,060
Pharmacy	2,607,687	751,513	1,856,174
Radiology	5,073,241	2,516,936	2,556,305
Respiratory therapy	942,981	568,404	374,577
Physician professional services	2,730,159	1,307,854	1,422,305
Physical, occupational and activity therapy	2,743,011	1,633,631	1,109,380
Bioterrorism	27,460	-	27,460
Quality assurance	813,747	537,221	276,526
Medicaid Hospital Assessment	1,704,677	-	1,704,677
	<u>19,585,272</u>	<u>8,192,808</u>	<u>11,392,464</u>
	<u>63,920,127</u>	<u>\$ 29,933,620</u>	<u>\$ 33,986,507</u>
Depreciation and amortization	6,421,883		
Interest	318,423		
Provision for bad debts	3,349,236		
	<u>\$ 74,009,669</u>		

Year Ended April 30, 2010		
Total	Salaries and Wages	Supplies and Other Expenses
\$ 3,040,464	\$ 914,163	\$ 2,126,301
2,825,157	805,647	2,019,510
4,746,066	2,339,577	2,406,489
953,458	541,921	411,537
3,833,329	2,255,440	1,577,889
2,714,608	1,554,474	1,160,134
20,143	-	20,143
769,455	508,934	260,521
1,704,675	-	1,704,675
20,607,355	8,920,156	11,687,199
63,290,105	\$ 30,325,306	\$ 32,964,799
5,970,624		
147,245		
3,142,753		
<u>\$ 72,550,727</u>		

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Balance Sheet Information
(Hospital Only)**

Cash and Cash Equivalents	April 30,	
	2011	2010
Cash on hand	\$ 2,700	\$ 2,175
Operating and payroll checking accounts	1,005,635	1,273,220
Money market checking accounts	51,271	305,105
	\$ 1,059,606	\$ 1,580,500

Patient Receivables	April 30,			
	2011		2010	
	Amount	Percent	Amount	Percent
In-house and discharged				
0-30 days	\$ 9,905,642	48.18%	\$ 10,066,451	48.80%
Discharged				
31-60 days	1,843,841	8.97	1,654,056	8.02
61-90 days	1,492,402	7.26	1,596,531	7.74
Over 91 days	7,317,993	35.59	7,313,026	35.44
	20,559,878	100.00%	20,630,064	100.00%
Less estimated third-party contractual adjustments	7,853,606		8,082,976	
	12,706,272		12,547,088	
Less allowance for doubtful accounts*	4,745,000		4,755,000	
	\$ 7,961,272		\$ 7,792,088	

	Year Ended April 30,	
	2011	2010
* Analysis of allowance for doubtful accounts		
Balance, beginning	\$ 4,755,000	\$ 5,713,000
Addition to allowance for the year	3,780,558	3,602,853
Recoveries of accounts previously written off, net of collection costs	(344,366)	(230,050)
	8,191,192	9,085,803
Accounts written off during the year	(3,446,192)	(4,330,803)
Balance, ending	\$ 4,745,000	\$ 4,755,000

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Balance Sheet Information
(Hospital Only)**

Supplies and Materials	April 30,	
	2011	2010
Central supplies	\$ 144,557	\$ 146,025
Dietary	31,160	29,772
Pharmacy	355,017	362,071
Operating room	1,128,005	1,277,749
	<u>\$ 1,658,739</u>	<u>\$ 1,815,617</u>

Property and Equipment	Assets				Balance April 30, 2011
	Balance April 30, 2010	Acquisitions	Transfers	Retirements	
Land and improvements	\$ 3,627,524	\$ 202,367	\$ -	\$ -	\$ 3,829,891
Building and improvements	64,570,576	728,889	3,521,362	(152,543)	68,668,284
Furniture, fixtures and equipment	27,500,359	125,092	5,248,013	(195,173)	32,678,291
Construction in progress	7,421,804	7,759,540	(8,769,375)	-	6,411,969
	<u>\$ 103,120,263</u>	<u>\$ 8,815,888</u>	<u>\$ -</u>	<u>\$ (347,716)</u>	<u>\$ 111,588,435</u>

Estimated Life In Years	Accumulated Depreciation			Depreciated Cost April 30, 2011	
	Balance April 30, 2010	Depreciation	Eliminations		
25	\$ 2,023,602	\$ 96,223	\$ -	\$ 2,119,825	\$ 1,710,066
10 - 40	29,481,788	3,076,865	(19,511)	32,539,142	36,129,142
3 - 20	19,050,602	3,220,022	(308,193)	21,962,431	10,715,860
	-	-	-	-	6,411,969
	\$ 50,555,992	\$ 6,393,110	\$ (327,704)	\$ 56,621,398	\$ 54,967,037

Ottawa Regional Hospital & Healthcare Center and Affiliates

Community Benefits (Unaudited) Year Ended April 30, 2011

Ottawa Regional Hospital & Healthcare Center and affiliates (ORHHC) provided approximately \$16 million in community benefits during the year ended April 30, 2011. Responding to the needs of special populations, such as the elderly, people living in poverty, and those with chronic mental illness, requires a significant and ongoing effort on the part of ORHHC, including staff and volunteers, many of whom donate countless hours of their own personal time to help make a positive difference in the community.

The Hospital's contributions during the year ended April 30, 2011 included charity care, the underpayment for Medicaid patients, the unpaid debt of patients, the cost of subsidizing medical services that bring a financial loss, the cost of training the next generation of doctors, nurses, and other highly-skilled health care professionals, to include scholarships to graduating high school seniors pursuing careers in health care, providing free language assistance, donations of meeting space and volunteer time, and other free programs addressing community health needs.

ORHHC is committed to meeting the needs of every person in the communities it serves, regardless of whether or not they can pay. A \$7.8 million shortfall in the cost of treating patients from Medicaid and other government-sponsored programs accounted for nearly half of the Hospital's community benefits. ORHHC has seen an increase in charity care over the past few years. During the year ended April 30, 2011, ORHHC provided over \$6 million in free care to the community.

A freestanding facility, the Health Center of Eastern LaSalle County (Health Center), provides free health care services to individuals and families who do not have access to health insurance, do not qualify for state or federal programs, and do not have the financial resources to secure the health care they need. Thirteen of ORHHC's physicians volunteer their services to provide primary health care, and the Health Center does not receive any federal or state funds. Ancillary services, such as lab and x-ray, that are unavailable at the clinic, are provided by the Hospital at no charge.

ORHHC has the only hospital providing mental health services between Naperville, Joliet, Peoria and the Quad Cities. Although several local and regional hospitals ceased to provide behavioral health care due to a lack of profitability, ORHHC expanded its programs and services to meet community needs. While the program continues to operate at a loss (nearly \$6 million in fiscal year 2011), ORHHC remains committed to providing this vital service.

Being able to provide meeting room space for community programs and events such as blood drives, health fairs, and Children's Hospital (a program for area first-grade students), has long been a source of pride at ORHHC. The Hospital regularly provides educational and informational programs and makes presentations to community groups and clubs, service organizations, businesses, industries, churches, schools, and the general public on topics such as disease prevention, mental health, nutrition, personal effectiveness, physical fitness and safety. ORHHC also offers free transportation services for patients through its Care-a-Van program, providing in excess of 4,600 rides last year.

Last year, approximately 8,000 community members participated in support groups and classes offered by ORHHC. ORHHC's support groups included adult grief support, Alzheimer's caregivers, bereavement, breast cancer, caregiver, COPD, CPAP, diabetes, early stage dementia, and healthy lifestyles. Among the hospital's many community education classes were cesarean section, childbirth preparation, CPR, diabetes, first aid, focus based exercise, and healthy eating.

**Ottawa Regional Hospital & Healthcare
Center and Affiliates**

**Community Benefits (Unaudited) – (Continued)
Year Ended April 30, 2011**

Each year, the Ottawa Regional Hospital & Healthcare Center Foundation (Foundation) awards scholarships to graduating seniors from area high schools who are pursuing careers in the healthcare industry. Alongside the Ottawa Regional Hospital & Healthcare Center Auxiliary, another key group comprised entirely of volunteers, the Foundation plays a leading role in the well-being of the communities it serves by financially supporting the Health Center of Eastern LaSalle County and the Family Room program, which allows parents receiving government assistance to earn points for good parenting skills. Points can then be exchanged for infant and household supplies.

ORHHC has provided exceptional health care to the communities it serves for more than 100 years, and has the distinct honor of being fully accredited by the Joint Commission. But it's the care ORHHC and its employees provide that goes beyond the walls of ORHHC's buildings – caring for children in need, caring for those who lack food, homes, insurance, and transportation, and caring for the young people who represent our society's future – that makes our communities great places to live, work, learn and grow. ORHHC employees and volunteers take pride in donating their time and resources in activities such as the Thanksgiving turkey drive, Freezin' for a Reason food drive, Labor of Love program, Care-a-Van program and serving on numerous community and not-for-profit boards.