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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 06-01-2010 and ending 05-31-2011

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

C Name of organization
Idaho Elks Rehabilitation Hospital Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 600 N Robbins Road | Room/suite

City or town, state or country, and ZIP + 4
Boise, ID 83702

D Employer identification number
82-0302317

E Telephone number
(208) 343-2583

G Gross receipts $ 51,063,988

F Name and address of principal officer
Joseph P Caroselli
600 N Robbins Road
Boise, ID 83702

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 idahoelksrehab org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1943 | **M** State of legal domicile ID

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Rehabilitation services to the physically challenged throughout Idaho and its neighboring states

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	858
6	Total number of volunteers (estimate if necessary)	**6**	150
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	109,497	125,467
	9 Program service revenue (Part VIII, line 2g)	23,311,619	26,932,560
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	984,243	976,914
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,266,565	1,310,270
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	26,671,924	29,345,211
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	16,362,577	18,782,400
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶245,792		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	9,750,684	10,172,559
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	26,113,261	28,954,959
	19 Revenue less expenses Subtract line 18 from line 12	558,663	390,252

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	73,218,281	72,997,744
	21 Total liabilities (Part X, line 26)	25,519,075	22,807,496
	22 Net assets or fund balances Subtract line 21 from line 20	47,699,206	50,190,248

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

****** | 2012-04-09
Signature of officer | Date

Douglas B Lewis CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
Kim Hunwardsen	Kim Hunwardsen	2012-04-09	☐	

Firm's name ▶ Eide Bailly LLP | Firm's EIN ▶

Firm's address ▶ 800 Nicollet Mall Ste 1300
Minneapolis, MN 554027033 | Phone no ▶ (612) 253-6500

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Through our expertise in rehab and uncompromising commitment to care, education, and research, we help you live life to its fullest

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 $ 22,796,688 including grants of $) (Revenue $ 26,932,560)

Idaho Elks Rehabilitation Hospital is the Northwest's premier provider of rehabilitation services For over 63 years, we have given people with stroke, traumatic brain injury, orthopedic disorders, spinal cord injuries or other illnesses the chance to live life to its fullest Our team of board members, physicians, neuropsychologists, physical, occupational, recreational, respiratory and speech therapists, nurses, social workers, clinical nutritionists, pharmacy and other staff challenge our patients to reach their highest goals Families are supported with compassion and education to move towards recovery During fiscal year 2011 Idaho Elks Rehabilitation Hospital had 12,215 inpatient days with 40% occupied by Medicare and Medicaid patients The Hospital provided 176,984 total treatments for physical therapy, respiratory therapy, occupational therapy, speech, audiology, and clinics The Hospital provides care to patients who meet certain criteria under its charity care policy without charge, or at amounts less than established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Net patient service revenues are reflected net of charity care At the discretion of the Board of Directors, charity care is offset by interest income earned by the charitable trust Charity care provided in 2011 based on charges foregone equaled $344,749

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

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

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

4e **Total program service expenses** ▶ $ 22,796,688

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	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, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		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? *If "Yes," complete Schedule D, Part VIII.*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		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? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ Yes ☐ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	43		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	858		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 10		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 10		
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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
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		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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 ▶

Douglas B Lewis
600 N Robbins Road
Boise, ID 83702
(208) 489-4663

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) Charley Schmoeger Chairman	1 00	X		X				0	0	0
(2) Phillip S Oberrecht Vice Chairman	1 00	X		X				0	0	0
(3) John V Evans Secretary	1 00	X		X				0	0	0
(4) Mel Rodriques Director	1 00	X						0	0	0
(5) Mel England Director	1 00	X						0	0	0
(6) Kevin Poor Director	1 00	X						0	0	0
(7) Aaron Knight Director	1 00	X						0	0	0
(8) John Herman Director	1 00	X						0	0	0
(9) Terri Tackett Director	1 00	X						0	0	0
(10) Keith Mills Director	1 00	X						0	0	0
(11) Joseph P Caroselli CEO	50 00			X				231,599	0	38,350
(12) Douglas B Lewis CFO	50 00			X				106,509	0	9,067
(13) Columbus Candies SLIERS COO	40 00					X		167,737	0	7,574
(14) Lee Kornfield MD Director EIM	40 00					X		308,805	0	11,052
(15) Mark Weinrobe MD Physician EIM	40 00					X		226,989	0	5,506
(16) Mirian Shaw MD Physician EIM	40 00					X		171,354	0	0

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) Cynthia Stevenson Director Wound Care	40 00					X		141,682	0	0
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,354,675	0	71,549

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 ▶ 7

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Lauren C Seeberger MD PO Box 1100 Boise, ID 83701	Neurology	231,925
Hall Farley Oberrecht Blanton PA PO Box 1271 Boise, ID 83701	Legal services	184,323
Dennis J Woody PHD PO Box 1102 Boise, ID 83701	Counseling	119,328

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 ▶ 3

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 125,467				
	g Noncash contributions included in lines 1a-1f $	36,487				
	h **Total.** Add lines 1a-1f . . . . . ▶		125,467			
Program Service Revenue		Business Code				
	2a Net patient service re	622110	22,654,197	22,654,197		
	b JV contracted services	622110	1,917,524	1,917,524		
	c Meals on wheels	624210	1,326,510	1,326,510		
	d Equity in joint ventur	900099	661,306	661,306		
	e Supporting revenue	900099	373,023	373,023		
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		26,932,560			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		645,509			645,509
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	1,310,270				
	b Less rental expenses					
	c Rental income or (loss)	1,310,270				
	d Net rental income or (loss) . . . . . ▶		1,310,270			1,310,270
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	22,050,182				
	b Less cost or other basis and sales expenses	21,718,777				
	c Gain or (loss)	331,405				
	d Net gain or (loss) . . . . . ▶		331,405			331,405
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a _____					
	b _____					
	c _____					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		29,345,211	26,932,560	0	2,287,184

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	388,288		388,288	
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	15,576,669	13,280,830	2,165,666	130,173
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	436,513	368,561	64,047	3,905
9 Other employee benefits	957,897	796,850	153,237	7,810
10 Payroll taxes	1,423,033	1,201,510	208,792	12,731
a Fees for services (non-employees) Management				
b Legal	124,402		124,402	
c Accounting	59,601		59,601	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	82,262		82,262	
g Other	1,380,359	1,380,359		
12 Advertising and promotion	122,625	84,280		38,345
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	205,328	205,328		
17 Travel	133,077	74,548	54,959	3,570
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	540,612	421,677	118,935	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,372,761	971,706	400,145	910
23 Insurance	102,578	92,320	10,258	
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 Drugs and supplies	2,896,537	2,436,650	434,481	25,406
b Bad debt expense	717,731	717,731		
c Utilities	576,859		576,859	
d Repairs and maintenance	427,161	181,364	245,797	
e				
f All other expenses	1,430,666	582,974	824,750	22,942
25 **Total functional expenses.** Add lines 1 through 24f	28,954,959	22,796,688	5,912,479	245,792
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		142,941	1	192,835
	2	Savings and temporary cash investments		4,748,095	2	846,705
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		13,527,785	4	15,688,510
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	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		406,617	8	538,700
	9	Prepaid expenses and deferred charges		307,237	9	276,609
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 39,845,458			
	b	Less accumulated depreciation	10b 16,112,339	23,460,098	10c	23,733,119
	11	Investments—publicly traded securities		19,150,727	11	23,539,041
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		7,301,784	13	4,577,225
	14	Intangible assets		200,000	14	200,000
	15	Other assets See Part IV, line 11		3,972,997	15	3,405,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		73,218,281	16	72,997,744
Liabilities	17	Accounts payable and accrued expenses		3,049,173	17	3,979,255
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		10,480,000	23	9,899,258
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		11,989,902	25	8,928,983
	26	**Total liabilities.** Add lines 17 through 25		25,519,075	26	22,807,496
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		46,934,452	27	49,442,050
	28	Temporarily restricted net assets		445,772	28	429,216
	29	Permanently restricted net assets		318,982	29	318,982
		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		47,699,206	33	50,190,248
	34	Total liabilities and net assets/fund balances		73,218,281	34	72,997,744

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	29,345,211
2	Total expenses (must equal Part IX, column (A), line 25)	2	28,954,959
3	Revenue less expenses Subtract line 2 from line 1	3	390,252
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	47,699,206
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,100,790
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	50,190,248

Part XII Financial Statements and Reporting

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

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

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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
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

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 331/3% 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 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Idaho Elks Rehabilitation Hospital Inc	82-0302317

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		13,521
j	Total lines 1c through 1i			13,521
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	Dues paid to national and statewide affiliated hospital associations, a portion of which is used to carry out lobbying activities

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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
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	2,325,111	2,216,234	2,353,713		
b Contributions					
c Investment earnings or losses	207,537	220,641	14,522		
d Grants or scholarships					
e Other expenditures for facilities and programs	94,002	111,764	152,001		
f Administrative expenses					
g End of year balance	2,438,646	2,325,111	2,216,234		

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

- a Board designated or quasi-endowment ▶ 87 000 %
- b Permanent endowment ▶ 13 000 %
- c Term endowment ▶

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,143,787		2,143,787
b Buildings		28,599,572	10,142,372	18,457,200
c Leasehold improvements				
d Equipment		8,039,106	5,245,560	2,793,546
e Other		1,062,993	724,407	338,586
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				23,733,119

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Investment in St Luke's Idaho Elks Rehabilitation Services	3,949,546	F
(2) Investment in Wound Care and Hyperbaric Center	541,897	F
(3) Investment in Physician Practice	62,500	F
(4) Investment in Peds Start Up	23,282	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	4,577,225	

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Due to related joint ventures	8,928,983
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	8,928,983

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	29,345,211
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	28,954,959
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	390,252
4	Net unrealized gains (losses) on investments	4	2,100,790
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	2,100,790
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,491,042

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	30,921,945
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,100,790		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-496,474		
e	Add lines **2a** through **2d**			2e	1,604,316
3	Subtract line **2e** from line **1**			3	29,317,629
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	27,582		
c	Add lines **4a** and **4b**			4c	27,582
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	29,345,211

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

1	Total expenses and losses per audited financial statements			1	28,414,347
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	0
3	Subtract line **2e** from line **1**			3	28,414,347
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	540,612		
c	Add lines **4a** and **4b**			4c	540,612
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	28,954,959

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 Hospital's permanent endowment consists of a fund established for the purposes of education The Hospital's board designated endowment consists of a fund established for the purposes of providing charity care to those that are eligible
Description of Uncertain Tax Positions Under FIN 48	Part X	The Hospital has adopted the provision of ASC 740 (previously Financial Interpretation No 48, Accounting for Uncertainty in Income Taxes), on January 1, 2009 The implementation of this standard had no impact on the financial statements As of both the date of adoption, and as of May 31, 2011, the unrecognized tax benefit accrual was zero The Hospital will accrue any unrecognized tax benefits, unrecognized tax expenses or penalties if any such items should be incurred The Hospital is no longer subject to Federal and state tax examinations by tax authorities for years before 2008
Part XII, Line 2d - Other Adjustments		Interest expense included in expenses on Form 990 -540,612 Net assets released from restrictions used for operations 44,138
Part XII, Line 4b - Other Adjustments		Contributions recorded in fund balance for financial statements 3,380 Investment income recorded in fund balance for financial statements 20,225 Net realized investment gains recorded in fund balance for financial stmts 3,977
Part XIII, Line 4b - Other Adjustments		Interest expense included in expenses on Form 990 540,612

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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
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

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 .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the 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 *free* 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 _____ %	3a		No
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . .	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			263,905	131,508	132,397	0 470 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			3,610,137	2,297,327	1,312,810	4 650 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			3,874,042	2,428,835	1,445,207	5 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,509,376	1,326,510	182,866	0 650 %
f Health professions education (from Worksheet 5)			65,714		65,714	0 230 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			156,195	91,862	64,333	0 230 %
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			1,731,285	1,418,372	312,913	1 110 %
k **Total.** Add lines 7d and 7j			5,605,327	3,847,207	1,758,120	6 230 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	549,423		
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	7,721,223
6	Enter Medicare allowable costs of care relating to payments on line 5	6	9,112,561
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-1,391,338
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	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Idaho Elks Rehabilitation Hospital Inc 600 N Robbins Road Boise, ID 83702	X								Therapy/Rehab

Part V **Facility Information** *(continued)*

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? _____

	Name and address	Type of Facility (Describe)
1		
1		
2		
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 During Fiscal Year 2011 the Hospital followed County guidelines Upon review of the patient uncompensated care financial application, if the patient is unable to pay the patient balance in 60 months or less then uncompensated care is provided The Hospital's new policy is in effect for Fiscal Year 2012 Patients may be granted charity based on the following sliding fee schedule a 20% of the balance assigned to charity for those between 151% and 200% of the Federal Poverty Level (FPL) b 40% of the balance assigned to charity for those between 101% and 150% of the Federal Poverty Level (FPL) c 100% of the balance for those below 100% of the Federal Poverty Level (FPL)

Identifier	ReturnReference	Explanation
		Part I, Line 7 The cost-to-charge ratio is calculated on Worksheet 2 The Ratio of Patient Care Cost to Charges was used to calculate the costs for the following community benefits Charity Care and unreimbursed Medicaid Actual costs with actual overhead allocations based on the Medicare Cost Report were used for the remainder of the community benefits reported

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt removed from total expenses to determine the percentage was $717,731

Identifier	ReturnReference	Explanation
		Part III, Line 4 The organization's bad debt expense was converted to cost using the cost-to-charge ratio derived from Worksheet 2 The bad debt expense is only the uncollected portion of the patient account Any discounts would be treated as a reduction in revenue All forms of payment, including self-pay, insurance, contractual allowances, and discounts reduce the patient's account prior to the account being classified as bad debt A payment received on an account previously written off as bad debt reduces bad debt expense The organization reports bad debt in accordance with Healthcare Management Association Statement No 15, therefore no bad debt is considered to be attributable to patients that are eligible under the charity care policy as a community benefit Financial Statement Footnote The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts Management considers historical write off and recovery information in determining the estimated bad debt provision Accounts deemed uncollectible and all private pay balances over 180 days overdue are charged against this allowance

Identifier	ReturnReference	Explanation
		Part III, Line 8 Idaho Elks Rehabilitation Hospital treats the full value of the Medicare shortfall as a community benefit The rational for this treatment is consistent with the American Hospital Association Providing care to Medicare patients is an essential part of the community benefit standard Medicare, like Medicaid, does not pay the full cost of care Many Medicare beneficiaries are poor and eligible for Medicaid coverage in addition to Medicare Medicare under payment is a cost that IERH must cover in order to continue treating the elderly and poor in the community we serve The costing methodology is based on the actual Medicare allowable cost reported on the organization's Medicare Cost Report This methodology was consistent with the guidelines and instructions provided by the Centers for Medicare services (CMS) for the filed Cost Report Fiscal Year ending May 31, 2011

Identifier	ReturnReference	Explanation
		Part III, Line 9b Once considered eligible, patients whose personal financial position falls within the scope of qualifying for the charity care, the respective amounts are applied to charity care If a patient falls within the scope of discounted care, the unpaid portion is placed on an extended payment plan for 60 months

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Elks Rehab System provides its services as a rehab provider in a 61-bed, free-standing rehabilitation hospital in Boise, Idaho There are also two acute care system hospitals in Boise, Idaho St Luke's Regional Medical Center and St Alphonsus Regional Medical Center The three hospitals, along with United Way, have plans to collaboratively conduct a needs assessment for our community Therefore, it is our intent to work with our two community hospitals and United Way to participate in a needs assessment for our service area We expect to participate in this community-wide effort once every three years going forward, beginning with the 2012 calendar year Meanwhile, we conduct satisfaction surveys and focus groups to better meet the ongoing needs of the people we serve

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Patients are referred to IERH for rehabilitation services and when it is determined that the patient has a rehabilitation need and could benefit from our services the patient is admitted regardless of their ability to pay During the admission process when it is determined that the patient cannot fully pay for their services, the patient is directed to the following uncompensated care process (1) Admissions Liaison coordinates eligibility and approval process for uncompensated care, (2) provides a copy of the policy, and a summary thereof, and financial assistance statement to be completed by patient as part of the intake process, (3) discusses with the patient the availability of various government benefits, such as Medicaid or state programs, and assists the patient with qualification for such programs, where applicable Because financial assistance may be provided to the patient at any point during admission, discharge, and during the billing process, Idaho Elks Rehab Hospital has financial counselors on staff to assist patients in Medicaid, Medicare, and other charity assistance programs This assures that all patients have access to quality health care services without discrimination and the ability to pay

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Idaho Elks Rehabilitation Hospital has provided over 63 years of Inpatient and Outpatient rehabilitation services to people in southwest Idaho and the surrounding area with a physical disability that can benefit from rehabilitation services IERH consists of one Hospital and four Hearing and Balance Centers In addition, the hospital provides rehabilitation services at two Wound Centers and over 20 Outpatient therapy clinics that are jointly owned through a partnership with St Luke's Regional Medical Center, LTD The primary service region of ADA and Canyon counties consists of a population of approximately 581,288 for 2010 The average income for Ada and Canyon county is $55,835 and $43,218 respectively, and the percent of the population that fall below the federal poverty guidelines is 10 2% and 17 3% respectively IERH is committed to serving rehabilitation patients regardless of their ability to pay Approximately 7 0% of FY 2011 Inpatient Admissions were Medicaid recipients and 70% were covered by Medicare 14 2% of all services were provided to Medicaid recipients and 48 3% of all services were provided to Medicare recipients

Identifier	ReturnReference	Explanation
		Part VI, Line 6 A majority of the governing body of Idaho Elks Rehabilitation Hospital is comprised of persons who reside in the Hospital's primary service area and State of Idaho who are not employees of the organization The ten Board Members are independent for the fiscal year The Hospital extends medical staff privileges to all qualified physicians in its community The organization applies surplus funds to improve patient care, medical education, and research Community health improvement services consists of revenue and expenses from the Meals on Wheels program The Hospital is the only provider of a Meals on Wheels program in the Boise community Meals on Wheels provides nutritious meals to the elderly There are known health consequences of food insecurity among the elderly Without the program these individuals are more likely to be in poor or fair health and more likely to have limitations in daily living Providing the meals provides a direct impact on these individuals' health Education benefit expenses consist of programs and training that is necessary to be licensed to practice as a health care professional, as required by state law, or continuing education necessary to retain state license or certification Research benefit expenses consist of costs from studying the effects of drug developments on patients with movement orders related to Huntington's and Parkinson's disease The information is documented and made available to the public In regards to Schedule H, Part V, Section C, the Hospital has five hospital based facilities that assist in providing rehabilitation services throughout the area These five facilities are treated as departments of the hospital for Medicare cost report purposes, and the patients are eligible under the Hospital's charity care policy

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Joseph P Caroselli	(i)	209,699	0	21,900	30,776	10,794	273,169	0
	(ii)	0	0	0	0	0	0	0
(2) Columbus Candies	(i)	167,737	0	0	0	10,794	178,531	0
	(ii)	0	0	0	0	0	0	0
(3) Lee Kornfield MD	(i)	267,305	25,000	16,500	4,882	9,390	323,077	0
	(ii)	0	0	0	0	0	0	0
(4) Mark Weinrobe MD	(i)	208,313	0	18,676	0	8,726	235,715	0
	(ii)	0	0	0	0	0	0	0
(5) Mirian Shaw MD	(i)	156,066	0	15,288	0	3,228	174,582	0
	(ii)	0	0	0	0	0	0	0
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Joseph P Caroselli, CEO participated in a supplemental nonqualified 457(f) retirement plan Contributions for 2010 were $30,776

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory	X	20	36,487	Sale of comparable items
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( )				
26 Other ▶( )				
27 Other ▶( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b If "Yes," describe the arrangement in Part II			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b If "Yes," describe in Part II			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Method for Determining Number of Contributors	Part I, Column (b)	Contributions related to Idaho Elks food drive Items used for patient care and hospital cafeteria

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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
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 1		The Executive Committee consists of six board members and CEO The Executive Committee has the broad authority to act on behalf of the Board in the management of the business of the organization between meetings of the Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		The board members are appointed by the President of the Idaho State Elks Association

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		The Board of Directors for the organization may not buy, sell, give away or dispose of any real property without the approval of the members of the Idaho State Elks Association

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The senior management reviewed the Form 990 before it was provided to the Board The Board was notified in a board meeting that the Form 990 was posted on the base camp website for their review Once posted the website automatically electronically sends the Form 990 to each Board Member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	All employees, officers, board members and trustees are required to make prompt and full disclosure in writing to the compliance officer or management of any situation which may violate the conflicts of interest section contained in the IERH business ethics policy Without prior written approval, employees, officers, board members and trustees may not participate in a joint venture, partnership or other business arrangement with the organization If a conflict exists the board member is required to leave the room during deliberation and voting on the issue

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15a	Compensation for the CEO is computed annually by the Board of Directors using annual performance review including the IHA CEO salary survey and other pertinent surveys This deliberation is documented in the board minutes The CEO reviews performance evaluations for the CFO and adjustments are made based on performance and market adjustments for the area

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The governing documents, conflict of interest policy, and financial statements are available to the public upon request

Identifier	Return Reference	Explanation
	Form 990, Part VII, Section A	The following individuals devoted time to the following related organizations St Luke's Idaho Elks Rehabilitation Joseph P Caroselli 1 0 hours per week Douglas B Lewis 2 0 hours per week Columbus Candies 40 hours per week Center for Wound Care and Hyperbaric Treatment Joseph P Caroselli 1 0 hours per week Douglas B Lewis 2 0 hours per week

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 2,100,790

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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
Idaho Elks Rehabilitation Hospital Inc

Employer identification number
82-0302317

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Center for Wound Care and Hyperbaric Treatment-dba Elks Wound Center 600 N Robbins Road Boise, ID83702 90-0288299	Rehabilitation services	ID	Idaho Elks Rehabilitation Hospital Inc	Related health care	674,052	1,381,834		No		Yes		75 000 %
(2) St Luke's Idaho Elks Rehabilitation 600 N Robbins Road Boise, ID83702 82-0503100	Rehabilitation services	ID	Idaho Elks Rehabilitation Hospital Inc	Related health care	311,154	4,545,503		No		Yes		50 000 %

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

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

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c		No
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h	Yes	
i Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	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) Center for Wound Care and Hyperbaric Treatment	K	340,371	General ledger
(2) St Luke's Idaho Elks Rehabilitation	I	379,000	General ledger
(3) Center for Wound Care and Hyperbaric Treatment	P	5,718,267	General ledger
(4) St Luke's Idaho Elks Rehabilitation	K	1,130,809	General ledger
(5) St Luke's Idaho Elks Rehabilitation	P	16,396,856	General ledger
(6) St Luke's Idaho Elks Rehabilitation	H	3,500,000	General ledger

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 82-0302317
Name: Idaho Elks Rehabilitation Hospital Inc

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	Center for Wound Care and Hyperbaric Treatment	K	340,371	General ledger
(2)	St Luke's Idaho Elks Rehabilitation	I	379,000	General ledger
(3)	Center for Wound Care and Hyperbaric Treatment	P	5,718,267	General ledger
(4)	St Luke's Idaho Elks Rehabilitation	K	1,130,809	General ledger
(5)	St Luke's Idaho Elks Rehabilitation	P	16,396,856	General ledger
(6)	St Luke's Idaho Elks Rehabilitation	H	3,500,000	General ledger

Financial Statements
May 31, 2011 and 2010

Idaho Elks Rehabilitation Hospital, Inc.

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Idaho Elks Rehabilitation Hospital, Inc.
Boise, Idaho

We have audited the accompanying balance sheets of Idaho Elks Rehabilitation Hospital, Inc. (the Hospital) as of May 31, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of May 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Boise, Idaho
October 21, 2011

877 W Main St, Ste 800 | Boise, ID 83702-5858 | T 208 344 7150 | F 208 344 7435 | EOE

Idaho Elks Rehabilitation Hospital, Inc.
Balance Sheets
May 31, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents - Note 1	$ 1,039,540	$ 2,748,696
Receivables		
Patient accounts, net of estimated uncollectibles of $690,850 in 2011 and $622,274 in 2010	14,696,515	13,428,042
Due from related parties	1,622,345	2,339,288
Other	991,995	528,559
Inventories	538,700	406,617
Prepaid expenses and other assets	299,891	268,237
Estimated third-party settlements - Note 2	1,108,692	958,708
Total current assets	20,297,678	20,678,147
Investments - Note 4	20,671,179	18,561,184
Property, Plant and Equipment, Net - Note 5	23,733,119	23,460,098
Investment in Joint Ventures - Note 8	4,553,943	7,301,784
Other Non-Current Assets		
Cash surrender value of life insurance policies - Note 1	504,943	484,425
Debt issuance costs	169,020	190,576
Goodwill - Note 1	200,000	200,000
Total other non-current assets	873,963	875,001
Limited Use Assets		
Charitable trust fund - Note 4	2,119,664	2,006,129
Specific purpose fund - Note 4	748,198	764,754
	2,867,862	2,770,883
	$ 72,997,744	$ 73,647,097

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,744,809	$ 1,280,147
Accrued payroll and related liabilities	2,234,446	2,197,842
Due to joint ventures	8,928,983	11,989,902
Current portion of long-term debt - Note 12	607,026	580,742
Total current liabilities	13,515,264	16,048,633
Long-Term Debt, Net of Current Portion - Note 12	9,292,232	9,899,258
Total liabilities	22,807,496	25,947,891
Net Assets		
Unrestricted		
Undesignated	47,322,386	44,928,323
Board designated for charity care - Note 13	2,119,664	2,006,129
	49,442,050	46,934,452
Temporarily restricted	429,216	445,772
Permanently restricted	318,982	318,982
Total net assets	50,190,248	47,699,206
	$ 72,997,744	$ 73,647,097

Idaho Elks Rehabilitation Hospital, Inc.

Statements of Operations

Years Ended May 31, 2011 and 2010

	2011	2010
Unrestricted Revenue and Other Support		
Net patient service revenue	$ 22,654,197	$ 18,439,677
Other revenue	5,710,720	7,139,632
Net assets released from restrictions used for operations	44,138	53,380
Total revenue and other support	28,409,055	25,632,689
Expenses		
Professional care of patients	15,819,368	13,086,779
Provision for bad debts	717,731	827,817
General services	10,504,487	9,695,232
Depreciation and amortization	1,372,761	1,378,068
Total expenses	28,414,347	24,987,896
Operating Income (Loss)	(5,292)	644,793
Nonoperating Revenues (Expenses)		
Investment income	952,712	1,070,123
Interest expense	(540,612)	(775,032)
Other	-	(350,332)
Total nonoperating revenues (expenses), net	412,100	(55,241)
Excess of Revenues over Expenses	406,808	589,552
Unrealized Gain on Investments	2,100,790	1,800,374
Increase in Unrestricted Net Assets	$ 2,507,598	$ 2,389,926

Idaho Elks Rehabilitation Hospital, Inc.

Statements of Changes in Net Assets
Years Ended May 31, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Undesignated and Board designated		
Excess of revenues over expenses increase in undesignated assets	$ 423,848	$ 588,478
Unrealized gain on investments	1,970,215	1,692,571
Increase in undesignated and Board designated assets	2,394,063	2,281,049
Internally designated for charitable care		
Investment income	69,383	94,775
Charity care expenses	(86,423)	(93,701)
Unrealized gain on investments	130,575	107,803
Increase in internally designated assets	113,535	108,877
Increase in Unrestricted Net Assets	2,507,598	2,389,926
Temporarily Restricted Net Assets		
Contributions	3,380	-
Investment income	20,225	9,836
Net realized investment gains	3,977	12,656
Net assets released from restrictions	(44,138)	(53,380)
Decrease in temporarily restricted net assets	(16,556)	(30,888)
Increase in Net Assets	2,491,042	2,359,038
Net Assets, Beginning of Year	47,699,206	45,340,168
Net Assets, End of Year	$ 50,190,248	$ 47,699,206

See Notes to Financial Statements

	2011	2010
Cash Flows from Operating Activities		
Increase in net assets	$ 2,491,042	$ 2,359,038
Adjustments to reconcile increase in net assets to net cash from operating activities		
Depreciation and amortization	1,372,761	1,339,155
Provision for bad debts	717,731	827,817
Equity earnings in joint ventures	(679,223)	(1,084,704)
Increase in cash surrender value of hospital owned life insurance	(20,518)	(20,760)
(Gain) loss on disposal of property, plant, and equipment	-	(1,125)
Net realized (gain) loss on investments	(331,405)	(270,899)
Net unrealized (gain) loss on investments	(2,100,790)	(1,800,374)
Changes in operating assets and liabilities		
Receivables		
Patient accounts	(1,986,204)	124,363
Due from related parties	716,943	225,802
Other	(463,436)	(211,127)
Inventory	(132,083)	(110,115)
Prepaid expenses and other assets	(31,654)	(76,438)
Estimated third-party settlements	(149,984)	(217,613)
Debt issuance costs	-	205,896
Accounts payable and accrued liabilities	464,662	140,394
Accrued payroll and related liabilities	36,604	95,597
Due to joint ventures	415,720	1,384,400
Net Cash from Operating Activities	320,166	2,909,307
Cash Flows from Investing Activities		
Proceeds from the sale of investments	22,050,182	14,515,952
Purchase of investments	(21,824,961)	(13,798,738)
Equity distributions from joint ventures	14,388	415,000
Equity contributions to joint ventures	(500,000)	(344,680)
Purchase of property, plant, and equipment	(1,188,189)	(1,035,667)
Net Cash used for Investing Activities	(1,448,580)	(248,133)

	2011	2010
Cash Flows from Financing Activities		
Payment on long-term debt	(580,742)	(1,305,000)
Net Cash used for Financing Activities	(580,742)	(1,305,000)
Change in Cash and Cash Equivalents	(1,709,156)	1,356,174
Cash and Cash Equivalents, Beginning of Year	2,748,696	1,392,522
Cash and Cash Equivalents, End of Year	$ 1,039,540	$ 2,748,696
Supplemental Disclosures		
Interest paid	$ 536,597	$ 761,424
Noncash transactions		
Acquisition of property through reduction of joint venture investment	$ 436,037	$ -
Due to joint venture by distribution of assets	$ 3,476,639	$ -

Note 1 - Principal Business Activity and Significant Accounting Policies

Nature of Operations

Idaho Elks Rehabilitation Hospital, Inc. (the Hospital) is licensed by the State of Idaho to provide certain medical services. In fiscal year 1973, the Hospital was incorporated as an entity separate from the Idaho State Elks Association of which it was previously a part. At that time, the new corporation received determination from the Internal Revenue Service as a 501(c)(3) non-profit organizations that is not subject to federal or state income tax.

Basis of Accounting

The accompanying financial statements of the Hospital have been prepared on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP) and as recommended in the Audit and Accounting Guide for Health Care Organizations published by the American Institute of Certified Public Accountants.

Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The statement of operations is a statement of financial activities within the current reporting period. The Hospital classifies net assets, revenues, gains, and other revenues and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Hospital and changes therein are classified and reported as follows:

Permanently Restricted Net Assets – permanently restricted assets are donor designated gifts which will be maintained permanently by the Hospital. The investment income earned on these permanently restricted net assets is generally restricted as to purpose and is recorded as temporarily restricted net assets.

Temporarily Restricted Net Assets – temporarily restricted net assets are primarily available to support the Hospital by providing funds for charity care and nursing education.

Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions.

The Hospital's policy is to report restricted revenues as unrestricted if the restriction is met in the same period as the revenues are recognized.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Such estimates include the settlement liability with third-party payors, the allowance for contractual adjustments, and the allowance for bad debts. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of cash flows, the Hospital considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents included in limited use assets are Board designated, and are not used for operations, and thus not included in statement of cash flows. Cash deposits exceeded FDIC insured limits at May 31, 2011 and 2010 by $1,147,533 and $2,857,575, respectively.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Accounts deemed uncollectible and all private pay balances over 180 days overdue are charged against this allowance.

Inventories

Inventories consist of medical supplies and are stated at the lower of cost (first-in, first-out) or net realizable value.

Investments

Investments are recorded in accordance with ASC 958 (formerly Statement of Financial Accounting Standards (SFAS) No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations). Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment income (loss), including realized gains (losses), interest, and dividends, are included in the excess of revenues over expenses.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Fair Value of Financial Instruments

The Hospital has adopted ASC 825-10 (formerly Statement of Financial Accounting Standards No. 107, Disclosures About Fair Values of Financial Instruments), which requires disclosures about the fair values of the Hospital's financial instruments. The following methods and assumptions were used to estimate the fair values for the Hospital's financial instruments.

Cash, Accounts Receivable, and Accounts Payable – The carrying amount of these items approximate their fair values at May 31, 2011 and 2010.

Long-Term Debt - The carrying amount of the Company's long-term debt approximates fair value based on rates and terms available for similar borrowings at May 31, 2011 and 2010.

Fair Value Measurements

The Hospital has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC 820 (formerly SFAS No. 157, Fair Value Measurements), which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability. All of the Hospital's fair value measurements fall within the level one hierarchy, with the exception of corporate bonds and international bonds.

Property, Plant, and Equipment

Property, plant, and equipment acquisitions in excess of $500 capitalized and recorded at cost, except for donated assets, which are recorded at fair value at date of donation. All capital assets other than land are depreciated using the straight-line method of depreciation using the following estimated useful lives:

Land improvements	8 to 20 years
Buildings and fixed equipment	10 to 40 years
Major movable equipment	3 to 15 years
Autos, trucks and other equipment	3 to 8 years

Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures for renewals and betterments are capitalized. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the records, and any gain or loss is reflected in the statement of operations.

Bond Issuance Costs

Bond issue costs are capitalized and amortized over the life of the related debt.

Goodwill

During 2008, the Hospital purchased an audiology practice located in Ontario, Oregon. The Hospital paid $200,000 for the practice, and acquired various fully-depreciated assets of an immaterial value. The acquisition resulted in goodwill. The Hospital accounts for goodwill accordance with the provisions of ASC 350 (formerly SFAS No. 142, Goodwill and Other Intangible Assets) which requires that goodwill and certain intangible assets are not to be amortized but instead be tested for impairment at least annually. As of May 31, 2011, the Hospital concluded that no impairment of goodwill existed.

Limited Use Assets

In addition to assets temporarily and permanently restricted per the donor, the Board has set aside certain assets to be used for specific purposes. These purposes include: the retirement of long-term debt, acquisition of capital assets, and charitable care. The Board, at its discretion, may use these assets for other purposes.

Investments in Joint Ventures

Investments in joint ventures in which the Hospital's ownership interest is 10 percent to 50 percent are reported using the equity method of accounting.

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, including estimated retroactive adjustments under reimbursement agreements with third-party. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in the future periods as final settlements are determined.

On June 1, 2002, the Hospital began being paid under a prospective payment system (PPS). PPS pays the Hospital based on categories of patient services rather than based on cost. Amounts received under these programs are subject to audit and retroactive settlements. Provisions for settlements are provided in the current year's deductions from revenues. Since these settlements are estimates, any difference between the amounts accrued and the amounts settled are recorded in operations in the year of settlement. The Hospital's Medicare and Medicaid cost reports have been settled by the Hospital's fiscal intermediaries through May 31, 2009.

Excess of Revenues over Expenses

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments other than trading securities.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge, or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Net patient service revenues are reflected net of charity care. At the discretion of the Board of Directors, charity care is offset by interest income earned by the charitable trust. Charity care provided in 2011 and 2010 equaled $344,749 and $330,238, respectively.

Compensated Absences

The Hospital has a paid-time-off (PTO) program that allows employees to earn vacation benefits based, in part, on length of service. Employees may accumulate PTO up to a maximum of 320 hours. Employees are paid for accumulated PTO if employment is terminated.

Income Taxes

The Hospital is exempt from income taxes as defined by Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Hospital has adopted the provisions of ASC 740 (previously Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes), on January 1, 2009. The implementation of this standard had no impact on the financial statements. As of both the date of adoption, and as of May 31, 2011, the unrecognized tax benefit accrual was zero.

The Hospital will accrue any unrecognized tax benefits, unrecognized tax expenses or penalties if any such items should be incurred. The Hospital will accrue any unrecognized tax benefits, unrecognized tax expenses or penalties if any such items should be incurred. The Hospital is no longer subject to Federal and state tax examinations by tax authorities for years before 2008.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Reclassifications

Certain reclassifications have been made to the 2010 amounts to conform to the 2011 presentation.

Subsequent Events

The Hospital has evaluated subsequent events through October 21, 2011, which is the date the financial statements were available to be issued.

Note 2 - 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. A summary of the payment arrangements with major third-party payors follows:

Medicare

Medicare pays a higher reimbursement for rehabilitation services to rehabilitation hospitals than to hospitals and other health care providers that are not classified as rehabilitation hospitals. Medicare has recently implemented the "60% Rule" for rehabilitation hospitals. Currently under this rule, 65% of the Hospital's patients have to meet certain acuity level requirements for the Hospital to retain its classification as a rehabilitation hospital and continue to qualify for the higher reimbursement rates from Medicare. This rule is being phased in as to the percentage requirement and no significant near-term impact is anticipated for the Hospital. However, this new rule could potentially adversely affect the Hospital significantly in the long-term.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, subject to an operating cost limit. Outpatient services are reimbursed under a cost reimbursement methodology based on costs as determined in the Medicare cost report, subject to a reduction of 5.8% for operating expenses and 10% for capital expenses. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been final settled by the fiscal intermediary through May 31, 2009.

The Hospital has also entered into payment agreements with certain health maintenance organizations and other third-party insurers. The basis for payment to the Hospital under these agreements includes prospectively determined discounts from established charges, and per diem rates.

The total settlement receivable related to Medicare and Medicaid was approximately $1,108,692 and $958,708 at May 31, 2011 and 2010, respectively.

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 3 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and many are insured under third-party payor agreements. The ultimate collectability from third-party payors is dependent upon the financial stability of the underlying third-party payor.

With regard to self-pay receivables, the Hospital's patient base consists primarily of residents of Western Idaho and Eastern Oregon. Ultimate collection of self-pay receivables is partially dependent on the underlying economic conditions in those areas. The economic conditions within the geographic region the Hospital serves, as well as the financial stability of the responsible party, are taken into consideration in determining the allowance for uncollectible accounts.

The mix of receivables from third-party payors and patients at May 31 is as follows:

	2011	2010
Medicare	34%	31%
Medicaid	13%	23%
Commercial insurance and other third-party payors	45%	43%
Patients	8%	3%
	100%	100%

The mix of revenue from third-party payors and patients at May 31 was as follows:

	2011	2010
Medicare	48%	48%
Medicaid	14%	15%
Blue Cross Blue Shield	16%	16%
Other third party payors and patients	22%	21%
	100%	100%

Note 4 - Investments and Limited Use Assets

The Hospital's investment portfolio, including assets limited as to use that have been designated for charitable care, consists of money market funds, government bonds, municipal bonds, corporate bonds, common stock, preferred stock, bond funds, and mutual funds. The Hospital's investment policy allows for investment in certain derivative type investments. The allowable derivative type instruments are covered calls against existing equity securities. The unrealized change in the fair market value of investments is presented on the statement of operations after the excess of revenues over (under) expenses.

Investments at May 31 consisted of the following:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Cash and Equivalents	$ 1,262,274	$ 1,262,274	$ 2,161,773	$ 2,161,773
Government Bonds	180,925	188,192	380,925	395,626
Municipal Bonds	150,000	149,501	100,000	103,705
Corporate Bonds	3,972,729	4,102,198	4,467,505	4,558,673
Common Stock	10,296,792	11,408,024	7,677,079	7,589,686
Preferred Stock	1,500,930	1,546,520	622,779	631,915
Bond Funds	1,733,648	1,831,250	2,512,522	2,425,393
Mutual Funds	3,054,114	3,112,288	4,271,185	3,475,338
Other	(29,969)	(61,206)	(47,347)	(10,042)
	$ 22,121,443	$ 23,539,041	$ 22,146,421	$ 21,332,067

Fair Value Measurements

The Hospital has determined the fair value of certain assets and liabilities in accordance with the provision of ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

The following table sets forth by level, within the fair value hierarchy, the fair values of the Hospital's investments and assets limited as to use.

	2011			
	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ 1,262,274	$ -	$ -	$ 1,262,274
Government bonds	-	188,192	-	188,192
Municipal bonds	-	149,501	-	149,501
Corporate bonds	-	4,102,198	-	4,102,198
Common stock	11,408,024	-	-	11,408,024
Preferred stock	1,546,520	-	-	1,546,520
Bond funds	-	1,831,250	-	1,831,250
Mutual funds	3,112,288	-	-	3,112,288
Other	-	(61,206)	-	(61,206)
	$ 17,329,106	$ 6,209,935	$ -	$ 23,539,041

	2010			
	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ 2,303,524	$ -	$ -	$ 2,303,524
Government bonds	-	395,626	-	395,626
Municipal bonds	-	103,705	-	103,705
Corporate bonds	-	4,558,673	-	4,558,673
Common stock	7,589,686	-	-	7,589,686
Preferred stock	631,915	-	-	631,915
Bond funds	-	2,425,393	-	2,425,393
Mutual funds	3,475,338	-	-	3,475,338
Other	-	(151,793)	-	(151,793)
	$ 14,000,463	$ 7,331,604	$ -	$ 21,332,067

Investment income includes interest, dividends, and realized gain (loss) on investments, and is included in nonoperating revenues and expenses on the statement of operations. Investment income on investments is as follows for the years ended May 31:

	2011	2010
Interest and dividends	$ 648,889	$ 834,372
Realized gains and sales of securities	331,405	258,243
	$ 980,294	$ 1,092,615

The fair values and gross unrealized losses of investments and assets limited as to use for individual securities that were in an unrealized loss position as of May 31, 2011 are as follows:

	Less Than Twelve Months		More Than Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Government bonds	$ (1,335)	$ 50,116	$ -	$ -
Municipal bonds	(641)	49,360	-	-
Corporate bonds	(13,938)	1,086,725	(418)	9,095
Common stock	(266,145)	1,654,915	(197,816)	780,912
Preferred stock	(2,024)	150,600	(12,741)	200,020
Bond funds	-	-	(19,398)	471,405
Mutual funds	-	-	(89,112)	1,212,970
Other	(46,826)	(101,284)	(354)	7,082
	$ (330,909)	$ 2,890,432	$ (319,839)	$ 2,681,484

The gross unrealized losses on these investments were due to market-price movements. The Hospital reviewed the investment portfolio and determined that the gross unrealized losses on these investments were temporary in nature at May 31, 2011. The Hospital has the ability to hold these investments until recovery of fair value.

Note 5 - Property, Plant and Equipment

	2011	2010
Land	$ 2,143,787	$ 2,143,787
Buildings and land improvements	29,422,144	29,285,013
Major movable and fixed equipment	7,912,137	6,600,697
Autos, trucks and other equipment	126,969	125,626
Construction in progress	240,421	72,599
	39,845,458	38,227,722
Less accumulated depreciation	(16,112,339)	(14,767,624)
	$ 23,733,119	$ 23,460,098

Depreciation expense for 2011 and 2010 was $1,344,716 and $1,339,155, respectively.

Note 6 - Disclosure of Custodial and Investment Advisory Fees

The Hospital has various levels of fees paid for the ongoing management of the Hospital's financial assets. Fees totaled $87,368 and $101,560 for the years ended May 31, 2011 and 2010, respectively.

Note 7 - Employee Retirement Plan and Deferred Compensation Benefits

Employee Retirement Plan

The Hospital has a defined contribution plan for all eligible employees. Contributions charged to operations under the plan totaled $428,189 and $244,754, for the years ended May 31, 2011 and 2010, respectively.

Deferred Compensation Benefits

The Hospital has deferred compensation agreements with certain former employees. These former employees are receiving retirement benefit payments over a specified period as provided for in their agreements. The Hospital has obtained life insurance policies on these individuals to fund the Hospital's obligations under the agreements.

During 2007, the Hospital also expanded a deferred compensation agreement with certain current employees in accordance with Internal Revenue Code Section 457(b). Under the agreement, the Hospital contributes to the participant's plan and the participant selects investments from alternatives offered by the plan. The funds are held in trust accounts with a custodian, who is under contract with the Hospital to manage the plan. The deferred compensation is payable to the employee upon death, disability, or retirement. Discretionary contributions charged to operations during 2011 and 2010 totaled $100,000 and $0, respectively.

Note 8 - Joint Venture Partnership Agreements

The Hospital has entered into certain joint ventures with other health care providers, to provide certain services including:

The Hospital has a joint venture partnership agreement with St. Luke's Regional Medical Center, named St. Luke's Idaho Elks Rehabilitation Services (SLIERS), through which they jointly provide rehabilitation services for the benefit of the communities they serve. The Hospital owns 50% interest in the joint ventures, and accounts for the joint venture using the equity method of accounting. The initial capitalization was limited to the joint venture's working capital needs and was funded equally by the two parties. Profits and losses are allocated and distributed between the partners in relation to the proportionate share of each partner's respective capital account to the total capital of the joint venture. The joint venture's scope of services includes adult and pediatric rehabilitation services that are provided in space leased from the Hospital. Income from the joint venture is included in other revenue and is considered a part of operations.

Effective June 1, 2006, the Hospital entered a second joint venture with St. Luke's Regional Medical Center, named Wound Care and Hyperbaric Center (WCHC), through which they jointly provide wound clinic and hyperbaric services for the benefit of the communities they serve. In accordance with the joint venture agreement, the Hospital's initial capital contribution was $350,000 in cash, equipment, and start-up costs as well as its prior wound clinic operations. Effective October 1, 2010, the Hospital acquired 100% ownership of the Wound Care Meridian site in exchange for an 80% reduction in the existing investment. The 80% reduction in the WCHC equaled $3,500,000 which was exchanged by the partners and recorded as a reduction in Due to joint ventures on the Hospital's books. This results in a 10% interest in any future earnings of the Boise site. Profits and losses are allocated and distributed between the partners in relation to the proportionate share of each partner's respective capital account to the total capital of the joint venture. Income from the joint venture is included in other revenue and is considered a part of operations.

The Hospital, as the partner of record for the joint ventures, performs certain administrative functions related to the day-to-day operations of SLIERS and WCHC. The Hospital is paid an administrative fee for these services.

Summarized financial information (unaudited) as of and for the years ended May 31, 2011 and 2010 related to the joint ventures is as follows:

	2011	2010
SLIERS		
Due from the Hospital	$ 5,103,047	$ 5,331,319
Due to the Hospital	$ 1,191,915	$ 1,191,289
Net patient revenue	$ 13,549,409	$ 13,331,738
Expenses	$ 16,396,856	$ 14,698,044
Administrative fees paid to Hospital	$ 1,130,809	$ 1,018,114
WCHC		
Due from the Hospital	$ 4,726,170	$ 7,060,889
Due to the Hospital	$ 994,065	$ 6,457,155
Net patient revenue	$ 6,989,431	$ 9,722,822
Expenses	$ 5,718,267	$ 8,236,049
Administrative fees paid to Hospital	$ 340,371	$ 511,453

The Hospital also leases property to the joint ventures in the ordinary course of business, and received $379,000 and $379,000 in lease payments from the joint venture during 2011 and 2010, respectively. The Hospital is reimbursed for payroll and other costs incurred by the Hospital on behalf of both of the joint ventures.

Summarized financial information (unaudited), as of and for the years ended May 31, 2011 and 2010, for the joint ventures is as follows:

	2011	2010
SLIERS		
Total assets	$ 9,091,008	$ 7,502,363
Partners' equity	$ 7,899,093	$ 6,311,074
Net income	$ 588,019	$ 682,634
WCHC		
Total assets	$ 6,598,107	$ 9,717,543
Partners' equity	$ 5,543,969	$ 8,639,494
Net income	$ 1,271,164	$ 1,486,773

Note 9 - Operating Lease Commitments

The Hospital leases space in four locations to provide physical rehabilitation services. The leases provide for payments totaling $20,786 per month. Lease expense was $236,551 and $188,713 for 2011 and 2010, respectively.

Future minimum lease payments for the next five years are as follows:

2012	$	384,873
2013	$	414,535
2014	$	415,413
2015	$	416,308
2016	$	372,257
Thereafter	$	26,303

Note 10 - Operating Lease Revenue

The Hospital has long-term operating leases for space leased by physicians for medical offices and for a surgical suite. Rental income related to these leases was $1,310,270 and $852,837 for the years ended May 31, 2011 and 2010, respectively.

Future minimum rental receipts expected under operating leases for the next five years are as follows:

2012	$	508,477
2013	$	380,705
2014	$	125,161
2015	$	125,161
2016	$	104,301

Note 11 - Permanently and Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. The contributions received and income earned from temporarily restricted net assets is used to fund special programs, purchase library materials and capital equipment, or with the passage of time are available for Hospital operations. Net assets of $44,138 and $53,380 were released from donor restrictions for use in operations during 2011 and 2010, respectively.

Permanently restricted net assets are those to be maintained by the Hospital in perpetuity. The income earned from permanently restricted net assets is used to provide educational scholarships or educational opportunities to Hospital employees. Realized investment gains and unspent investment earnings revert back to the corpus in the year earned.

Note 12 - Long-Term Debt

Long-term debt consists of the following at May 31, 2011 and 2010:

	2011	2010
Obligations to Idaho Health Facilities Authority - Series 2009 Hospital Revenue Note	$ 9,899,258	$ 10,480,000
Less current portion	607,026	580,742
	$ 9,292,232	$ 9,899,258

The maturity schedule of long-term debt at May 31, 2011:

2012	$ 607,026
2013	633,247
2014	662,972
2015	692,879
2016	724,133
Thereafter	6,579,001
	$ 9,899,258

Principal payments on the Note to the Idaho Health Facilities Association are due in semi-annual payments through July 2023 ranging from $300,000 to $500,000. Interest is payable semi-annually at a fixed rate of 4.4%.

The terms of the Note agreement place restrictions on annual debt additions that the Hospital may incur. The Hospital facility has been pledged as collateral to secure the Note. The Hospital incurred total debt service costs of approximately $540,612and $775,032 in May 31, 2011 and 2010, respectively.

Note 13 - Endowment

The Hospital's endowment consists of one fund established for the purposes of education. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Hospital has interpreted the Idaho Prudent Management of Institutional Funds Act (IPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not

classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by IPMIFA. In accordance with IPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a) The duration and preservation of the fund
b) The purposes of the organization and the donor-restricted endowment fund
c) General economic conditions
d) The possible effect of inflation and deflation
e) The expected total return from income and the appreciation of investments
f) Other resources of the organization
g) The investment policies of the organization

The composition of endowment net assets by fund type as of May 31, 2011 and 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
May 31, 2011				
Donor-restricted endowment funds	$ -	$ -	$ 318,982	$ 318,982
Board-designated endowment funds	2,119,664	-	-	2,119,664
	$ 2,119,664	$ -	$ 318,982	$ 2,438,646
May 31, 2010				
Donor-restricted endowment funds	$ -	$ -	$ 318,982	$ 318,982
Board-designated endowment funds	2,006,129	-	-	2,006,129
	$ 2,006,129	$ -	$ 318,982	$ 2,325,111

Changes in endowment net assets for the years ended May 31, 2011 and 2010 is as follows:

May 31, 2011	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 2,006,129	$ -	$ 318,982	$ 2,325,111
Investment return				
Investment income	85,807	9,834	-	95,641
Realized and unrealized gains	110,332	1,564	-	111,896
Appropriation of endowed assets for expenditure	(82,604)	(11,398)	-	(94,002)
Endowment net assets, end of year	$ 2,119,664	$ -	$ 318,982	$ 2,438,646

May 31, 2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 1,897,252	$ -	$ 318,982	$ 2,216,234
Investment return				
Investment income	94,775	8,594	-	103,369
Realized and unrealized gains	107,803	9,469	-	117,272
Appropriation of endowed assets for expenditure	(93,701)	(18,063)	-	(111,764)
Endowment net assets, end of year	$ 2,006,129	$ -	$ 318,982	$ 2,325,111

The components of endowment funds classified as permanently restricted net assets as of May 31, 2011 and 2010, respectively, are as follows:

	2011	2010
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor, board or by UPMIFA	$ 318,982	$ 318,982

Return Objectives and Risk Parameters

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity, and are invested in interest bearing investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Consistent with the endowment agreement, the Hospital appropriates for distribution the interest and dividend income earned on the invested endowment assets. Accordingly, endowment assets are invested in interest and dividend bearing investments.

Note 14 - Contingencies

Medical Malpractice Insurance

The Hospital maintains a claims-made policy for professional liability coverage, with excess coverage provided through modified claims-made policies. The Hospital has a $25,000 deductible requirement in relation to this coverage. The claims-made policies provide primary and excess coverage up to the policy limits for claims filed within the period of the policy term. The Hospital, based upon information available, has determined that no significant liability exists for potential losses incurred, but not reported, at May 31, 2011.

Litigation in the Ordinary Course of Business

The Hospital is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without a material effect on the Hospital's financial statements at May 31, 2011.

Current Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. As of October 21, 2011, management believes that the Hospital is in substantial compliance with current laws and regulations.

Supplemental Information
May 31, 2011 and 2010

Idaho Elks Rehabilitation Hospital, Inc.

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplemental Information

The Board of Directors
Idaho Elks Rehabilitation Hospital, Inc.
Boise, Idaho

Our report on our audits of the financial statements of Idaho Elks Rehabilitation Hospital, Inc. for the years ended May 31, 2011 and 2010 appears on page 1. The audit was made for the purpose of forming an opinion on the consolidated statements taken as a whole. The information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Boise, Idaho
October 21, 2011

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Idaho Elks Rehabilitation Hospital, Inc.

Financial Summary

Years Ended May 31, 2011 and 2010

	2011	2010
Patient Accounts Receivable at End of Year, Net of Allowance for Uncollectibles	$ 14,696,515	$ 13,428,042
Gross Revenues from Patient Services	$ 32,979,403	$ 27,064,373
Deductions from Revenue	$ 10,325,206	$ 8,624,696
Operating Income (Loss)	$ (5,292)	$ 644,793
Increase in Unrestricted Net Assets	$ 2,507,598	$ 2,389,926
Personnel Expenses	$ 18,682,329	$ 16,362,576
Total Operating Expenses, Excluding Depreciation, Amortization, and Bad Debts	$ 28,414,347	$ 24,987,896
Depreciation, Amortization and Other	$ 1,372,761	$ 1,378,068
Patient Days	12,121	11,925
Percent of Occupancy	54%	53%
Medicare/Medicaid Utilization of Hospital (Patient Days)	74%	79%

Idaho Elks Rehabilitation Hospital, Inc.

Accounts Receivable

Years Ended May 31, 2011 and 2010

	2011	2010
Average Number of Days Service in Accounts Receivable		
Gross	72	76
Allowance for Doubtful Accounts		
Balance, Beginning of Year	$ 622,274	$ 548,060
Add		
Provision for bad debts	717,731	827,817
Recoveries of accounts previously written off	299,127	303,611
	1,016,858	1,131,428
Less		
Accounts written off	948,282	1,057,214
Balance, End of Year	$ 690,850	$ 622,274

Idaho Elks Rehabilitation Hospital, Inc.

Property, Plant and Equipment

Years Ended May 31, 2011 and 2010

	Property, Plant, and Equipment				
	Balance at May 31, 2010	Additions	Deletions	Transfers	Balance at May 31, 2011
Land	$ 2,143,787	$ -	$ -	$ -	$ 2,143,787
Land improvements	822,572	-	-	-	822,572
Buildings	28,462,441	137,131	-	-	28,599,572
Construction in progress	72,599	167,822	-	-	240,421
Fixed equipment	303,004	147,728	-	-	450,732
Major movable equipment	6,297,693	1,163,712	-	-	7,461,405
Autos and trucks	125,626	1,343	-	-	126,969
	$ 38,227,722	$ 1,617,736	$ -	$ -	$ 39,845,458

	Accumulated Depreciation				
	Balance at May 31, 2010	Provisions	Disposals	Balance at May 31, 2011	Net Book Value at May 31, 2011
Land	$ -	$ -	$ -	$ -	$ 2,143,787
Land improvements	706,966	17,441	-	724,407	98,165
Buildings	9,332,018	810,354	-	10,142,372	18,457,200
Construction in progress	-	-	-	-	240,421
Fixed equipment	104,720	35,901	-	140,621	310,111
Major movable equipment	4,522,950	477,220	-	5,000,170	2,461,235
Autos and trucks	100,970	3,799	-	104,769	22,200
	$ 14,767,624	$ 1,344,715	$ -	$ 16,112,339	$ 23,733,119

Idaho Elks Rehabilitation Hospital, Inc.

Routine and Special Service Revenues
Years Ended May 31, 2011 and 2010

	2011	2010	Increase (Decrease)
Professional Care of Patients			
Daily service - Acute	$ 6,208,788	$ 5,892,367	$ 316,421
Daily service - Sub Acute	1,785,864	1,497,014	288,850
	7,994,652	7,389,381	605,271
Special Professional Services			
Physical therapy	3,632,798	3,604,497	28,301
Respiratory therapy	982,061	847,065	134,996
Occupational therapy	3,050,324	2,802,205	248,119
Speech therapy	1,307,331	1,247,523	59,808
Audiology	4,276,713	3,925,219	351,494
Pharmacy	1,949,108	1,621,943	327,165
Medical supplies	726,395	694,781	31,614
Laboratory	427,822	403,172	24,650
Radiology	266,306	324,611	(58,305)
Social service and psychological counseling	338,356	264,201	74,155
Pediatrics	-	1,266,167	(1,266,167)
Uro Dynamics and Rehab Clinic	657,777	673,809	(16,032)
Movement and disorders clinic	648,553	562,561	85,992
Internal Medicine Clinic	1,934,519	1,437,238	497,281
Wound Care Clinic Meridian	4,786,688	-	4,786,688
	24,984,751	19,674,992	5,309,759
	$ 32,979,403	$ 27,064,373	$ 5,915,030

Idaho Elks Rehabilitation Hospital, Inc.

Deductions from Revenues, Special Revenues, and Other Income

Years Ended May 31, 2011 and 2010

	2011	2010	Increase (Decrease) Amount	Increase (Decrease) Percent
Daily Hospital Service				
Nursing service - Acute	$ 4,156,214	$ 3,961,600	$ 194,614	4.91%
Nursing service - Sub Acute	424,402	337,242	87,160	25.84%
	4,580,616	4,298,842	281,774	6.55%
Special Professional Services				
Physical therapy	1,222,050	1,259,677	(37,627)	-2.99%
Respiratory therapy	162,210	156,693	5,517	3.52%
Occupational therapy	855,711	830,940	24,771	2.98%
Speech therapy	409,770	408,815	955	0.23%
Audiology	2,920,087	2,608,604	311,483	11.94%
Pharmacy	756,130	664,164	91,966	13.85%
Medical supplies	217,662	231,291	(13,629)	-5.89%
Laboratory	45,552	57,651	(12,099)	-20.99%
Radiology	82,513	209,547	(127,034)	-60.62%
Movement and Disorders Clinic	410,366	331,666	78,700	23.73%
Social service and psychological counseling	335,702	303,156	32,546	10.74%
Pediatrics	-	141,299	(141,299)	-100.00%
Meals on Wheels	877,544	701,214	176,330	100.00%
Elks Internal Medicine	954,250	782,459	171,791	100.00%
Uro Dynamics	189,005	100,761	88,244	87.58%
Wound Care Clinic Meridian	1,800,200	-	1,800,200	100.00%
	11,238,752	8,787,937	2,450,815	2788.84%
General Services to Patients				
Household and property	1,084,002	1,111,135	(27,133)	-2.44%
Laundry and linen	59,602	61,496	(1,894)	-3.08%
Dietary	730,759	644,409	86,350	13.40%
Administration and general	8,630,124	7,878,192	751,932	9.54%
	10,504,487	9,695,232	809,255	8.35%
Depreciation	1,344,716	1,339,155	5,561	0.42%
Amortization of debt issuance	28,045	38,913	(10,868)	-27.93%
Provision for bad debts	717,731	827,817	(110,086)	-13.30%
	$ 28,414,347	$ 24,987,896	$ 3,426,451	13.71%

Idaho Elks Rehabilitation Hospital, Inc.

Operating Expenses

Years Ended May 31, 2011 and 2010

	2011	2010	Increase (Decrease)
Deductions from Revenues			
Contractual			
Medicare and Medicaid allowances	$ 17,229,871	$ 15,056,753	$ 2,173,118
Noncontractual			
Other allowances	(6,904,665)	(6,432,057)	(472,608)
	$ 10,325,206	$ 8,624,696	$ 1,700,510
Other Revenue			
Equity interest in joint venture	$ 661,306	$ 1,086,041	$ (424,735)
Cafeteria sales	190,454	206,942	(16,488)
Rental	1,310,270	1,292,050	18,220
Coffee and vending machine	803	1,330	(527)
Medical records transcripts	4,377	4,601	(224)
Contracted services (joint ventures)	1,620,359	1,685,399	(65,040)
Contracted services (optimal & transcription)	297,165	871,610	(574,445)
Meals on Wheels	1,326,510	1,224,291	102,219
Other	299,476	767,368	(467,892)
	$ 5,710,720	$ 7,139,632	$ (1,428,912)
Elks Lodge Contributions (included in other income)			
Food caravan	$ 36,487	$ 30,474	$ 6,013

Idaho Elks Rehabilitation Hospital, Inc.

Expenses by Natural Classification

Years Ended May 31, 2011 and 2010

	2011		2010		Increase (Decrease)
	Amount	Percent	Amount	Percent	Amount
Personnel					
Salaries and wages	$ 15,964,957	56.2%	$ 14,198,844	56.8%	$ 1,766,113
Payroll taxes and employee benefits	2,717,372	9.6%	2,163,732	8.7%	553,640
	18,682,329	65.8%	16,362,576	65.5%	2,319,753
Purchased medical services	1,069,082	3.8%	839,643	3.4%	229,439
Drugs and supplies	2,896,537	10.2%	2,264,056	9.1%	632,481
Facility rental	205,328	0.7%	221,619	0.9%	(16,291)
Utilities	576,859	2.0%	620,911	2.5%	(44,052)
Repairs and maintenance	427,161	1.5%	396,384	1.6%	30,777
Travel and education	133,077	0.5%	99,388	0.4%	33,689
Insurance	102,578	0.4%	109,125	0.4%	(6,547)
Other expense	2,230,904	7.9%	1,868,309	7.5%	362,595
Depreciation	1,344,716	4.7%	1,339,155	5.4%	5,561
Bond financing espense	28,045	0.1%	38,913	0.2%	(10,868)
Provision for doubtful accounts	717,731	2.5%	827,817	3.3%	(110,086)
	$ 28,414,347	100.0%	$ 24,987,896	100.0%	$ 3,426,451

Idaho Elks Rehabilitation Hospital, Inc.
Patient Statistics
Years Ended May 31, 2011 and 2010

	2011	2010
Total Bed Complement	61	61
Average Number of Beds Occupied	33	32
Inpatient Days		
Medicare and Medicaid patients	8,970	9,335
Other patients	3,151	2,497
Total	12,215	11,925
Percent of Occupancy		
Medicare and Medicaid patients	40%	42%
Non-Medicare patients	14%	11%
Total	54%	53%
Number of Discharges	1,009	1,067
Medicare and Medicaid patients	12.42	11.03
Other patients	10.59	11.61
All patients	11.89	11.23
Number of Treatments		
Physical therapy and EMGs	68,737	77,870
Respiratory therapy	17,027	17,930
Occupational therapy	49,032	56,132
Speech	21,762	38,287
Audiology	18,236	16,904
Clinics	2,190	1,939
Total	176,984	209,062