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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 07-01-2010 and ending 06-30-2011

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

C Name of organization: TRINITY HEALTH & AFFILIATES
 Doing Business As:
 Number and street (or P O box if mail is not delivered to street address): PO BOX 5020 Room/suite:
 City or town, state or country, and ZIP + 4: MINOT, ND 587025020

D Employer identification number: 33-1007002
E Telephone number: (701) 857-5178
G Gross receipts \$ 246,994,118

F Name and address of principal officer: JOHN M KUTCH, PO BOX 5020, MINOT, ND 587025020
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: 3904

I Tax-exempt status: 501(c)(3) 501(c) () (Insert no) 4947(a)(1) or 527

J Website: WWW.TRINITYHEALTH.ORG

K Form of organization: Corporation Trust Association Other
L Year of formation: 2003 **M** State of legal domicile: ND

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities TRINITY HEALTH IS COMMITTED TO PRESERVING AND IMPROVING THE QUALITY OF HEALTH OF THE PEOPLE WE SERVE. OUR MISSION IS TO EXCEL AT MEETING THE NEEDS OF THE WHOLE PERSON THROUGH THE PROVISION OF QUALITY HEALTH AND HEALTH RELATED SERVICES. TRINITY HOSPITALS IS THE LARGEST HOSPITAL PROVIDER IN NORTHWEST NORTH DAKOTA, WITH AN ACUTE CARE FACILITY WHICH IS VERIFIED BY THE AMERICAN COLLEGE OF SURGEONS AS A LEVEL 2 TRAUMA CENTER. THE FACILITY ALSO INCLUDES A NEONATAL INTENSIVE CARE UNIT, A KIDNEY DIALYSIS UNIT, AN INPATIENT REHABILITATION CENTER, AN INPATIENT PSYCHIATRIC UNIT AND A COMPREHENSIVE COMPLIMENT OF BOTH ACUTE CARE AND OUTPATIENT SERVICES ALONG WITH A SKILLED NURSING HOME FACILITY AND A CRITICAL ACCESS HOSPITAL IN KENMARE. TRINITY PROVIDED COMMUNITY EDUCATION PROGRAMS AND EVENTS, SCREENINGS AND SUPPORT OF UND FAMILY MEDICINE.				
	2	Check this box <input type="checkbox"/> 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 14				
	4	Number of independent voting members of the governing body (Part VI, line 1b) 4 11				
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a) 5 0				
	6	Total number of volunteers (estimate if necessary) 6 291				
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 7a 1,463,013				
7b	Net unrelated business taxable income from Form 990-T, line 34 7b 0					
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	994,417	Current Year	2,237,788
	9	Program service revenue (Part VIII, line 2g)	236,149,423	242,014,918		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	129,499	1,356,665		
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	173,480	384,049		
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	237,446,819	245,993,420		
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	389,223	417,699		
	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)	106,480,912	112,977,763		
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0		
	b	Total fundraising expenses (Part IX, column (D), line 25) 684,643				
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	99,903,542	125,096,428		
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	206,773,677	238,491,890			
19	Revenue less expenses Subtract line 18 from line 12	30,673,142	7,501,530			
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	441,154,307	End of Year	508,339,689
	21	Total liabilities (Part X, line 26)	216,139,933	274,590,263		
	22	Net assets or fund balances Subtract line 21 from line 20	225,014,374	233,749,426		

Part II Signature Block

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

Sign Here
 Signature of officer: ***** Date: 2012-05-11
 JOHN M KUTCH PRESIDENT/CEO
 Type or print name and title

Paid Preparer Use Only
 Print/Type preparer's name: RICK AWALT CPA Preparer's signature: RICK AWALT CPA Date: Check if self-employed PTIN:
 Firm's name: BRADY MARTZ & ASSOCIATES PC Firm's EIN:
 Firm's address: POST OFFICE BOX 848 MINOT, ND 587020848 Phone no: (701) 852-0196

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

TRINITY HEALTH IS COMMITTED TO PRESERVING AND IMPROVING THE QUALITY OF HEALTH OF THE PEOPLE WE SERVE OUR MISSION IS TO EXCEL AT MEETING THE NEEDS OF THE WHOLE PERSON THROUGH THE PROVISION OF QUALITY HEALTH CARE AND HEALTH RELATED SERVICES

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 \$ 21,613,913 including grants of \$) (Revenue \$ 20,488,003)

TRINITY HOMES IS A 292 BED HOSPITAL BASED SKILLED NURSING FACILITY PARTICIPATING IN MEDICARE AND MEDICAID PROGRAMS RESIDENTS OF TRINITY HOMES, UNDER THE DIRECTION OF THEIR PHYSICIAN, ARE ABLE TO RECEIVE SKILLED NURSING CARE, PHYSICAL THERAPY, SPEECH THERAPY, OCCUPATIONAL THERAPY, DIETETIC SERVICES, SOCIAL SERVICE AND ACTIVITIES OF DAILY LIVING ASSISTANCE, SPIRITUAL CARE AND RECREATIONAL ACTIVITIES

4b (Code) (Expenses \$ 22,002,960 including grants of \$) (Revenue \$ 66,171,734)

TRINITY HOSPITALS PHARMACY DEPARTMENT PROVIDES COMPREHENSIVE PHARMACEUTICAL SERVICES 24 HOURS PER DAY TO PROVIDERS AND PATIENTS THROUGH INVESTMENTS IN TECHNOLOGY, OUR MEDICATION MANAGEMENT PROCESS ENSURES THE SAFE AND EFFECTIVE ADMINISTRATION AND MONITORING OF ALL MEDICATIONS IN ADDITION TO PROVIDING MEDICATIONS AND RELATED SUPPLIES, THE PHARMACY PROVIDES DRUG INFORMATION TO PATIENTS AND HEALTHCARE PROVIDERS, DOSING AND PHARMACOKINETIC SERVICES, ADVERSE DRUG REACTION MONITORING, DRUG-DRUG AND DRUG-FOOD INTERACTION OF INFORMATION, DRUG COMPATIBILITIES, TOXICOLOGY AND NATURAL PRODUCT INFORMATION SERVICES RANGE FROM MEDICATIONS DISPENSING TO PERFORMING COMPLEX PHARMACOKINETIC CALCULATIONS AND COMPOUNDING SPECIALIZED NUTRITION SOLUTIONS, CHEMOTHERAPY AND BIOLOGICAL REGIMENS THE PHARMACY DEPARTMENT ALSO PARTICIPATED IN FMEA FAILURE MODE EFFECT ANALYSIS AND ROOT CAUSE ANALYSIS IN COOPERATION WITH OTHER DEPARTMENTS RETROSPECTIVE AND CONCURRENT CHART REVIEWS ARE CONDUCTED TO ASSESS TIMELINESS AND APPROPRIATENESS OF THERAPY, AS WELL AS HOW WELL THE PATIENTS' NEEDS ARE BEING MET

4c (Code) (Expenses \$ 10,182,506 including grants of \$) (Revenue \$ 49,685,576)

TRINITY HOSPITALS LABORATORY IS STAFFED 24/7, 365 DAYS/YR TO SERVE HOSPITAL, CLINIC AND OUTREACH PATIENTS OUR PURPOSE IS TO PROVIDE LABORATORY TESTING TO AID THE PROVIDER IN DIAGNOSIS, TREATMENT AND FOLLOW-UP OF DISEASE AND WELLNESS WE PROVIDE ROUTINE TESTING FREE OF CHARGE TO THE COMMUNITY "FREE CLINIC", HAVE DONE PSA SCREENINGS AT THE ND STATE FAIR, AND DO SOME SCREENING TESTS FOR COMPANIES IN TOWN WE HAVE PHLEBOTOMIST WHO GOES TO ASSISTED LIVING FACILITIES, NURSING HOMES AND PRIVATE HOMES TO DRAW BLOOD

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**
(Expenses \$ 143,774,071 including grants of \$ 417,699) (Revenue \$ 105,669,605)

4e Total program service expenses \$ 197,573,450

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	21	Yes	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> <input checked="" type="checkbox"/>	22	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> <input checked="" type="checkbox"/>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> <input checked="" type="checkbox"/>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> <input checked="" type="checkbox"/>	34	Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> <input checked="" type="checkbox"/>	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.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	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	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
16b	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?		No

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed _____
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 JAMIE TOWNSEND
 PO BOX 5020
 MINOT, ND 587025020
 (701) 857-5160

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							0	6,185,969	731,634	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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

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 **0**

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	2,237,788				
	g Noncash contributions included in lines 1a-1f \$	11,144				
	h Total. Add lines 1a-1f	2,237,788				
	Program Service Revenue	2a PATIENT CARE	541610	124,045,206	124,045,206	
b MEDICARE/MEDICAID		541610	115,265,978	115,265,978		
c DIETARY SERVICE		722320	1,607,965	1,240,721	367,244	
d ADMINSTRATIVE & SUPPOR		561000	634,601		634,601	
e LABORATORY SERVICE		621500	347,355		347,355	
f All other program service revenue			113,813		113,813	
g Total. Add lines 2a-2f			242,014,918			
Other Revenue		3 Investment income (including dividends, interest and other similar amounts)		1,261,421		1,261,421
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real	51,397			
		(ii) Personal				
		b Less rental expenses	53,397			
		c Rental income or (loss)	-2,000			
	d Net rental income or (loss)		-2,000	-2,000		
	7a Gross amount from sales of assets other than inventory	(i) Securities	1,019,882			
		(ii) Other		3,420		
		b Less cost or other basis and sales expenses	927,162			
		c Gain or (loss)	92,720			
d Net gain or (loss)		95,244	95,244			
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a		9,875			
	b Less direct expenses b		19,243			
	c Net income or (loss) from fundraising events		-9,368		-9,368	
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		11a VENDOR REBATE	900099	351,374	351,374	
	b TUITION & FEES	900099	44,043	44,043		
	c _____					
	d All other revenue					
	e Total. Add lines 11a-11d		395,417			
12 Total revenue. See Instructions		245,993,420	241,040,566	1,463,013	1,252,053	

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	382,110	382,110		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	35,589	35,589		
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				
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	94,871,562	77,812,744	16,991,624	67,194
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,357,428	3,537,074	816,572	3,782
9	Other employee benefits	7,224,818	4,998,220	2,216,867	9,731
10	Payroll taxes	6,523,955	5,441,565	1,077,357	5,033
a	Fees for services (non-employees)				
	Management				
b	Legal	186,978	1,770	185,208	
c	Accounting	90,971		90,971	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	8,311,019	4,287,219	4,016,076	7,724
12	Advertising and promotion	1,378,834		1,378,834	
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy	2,370,328	1,716,550	653,778	
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	385,311	188,050	196,320	941
20	Interest	4,298,676	2,709,981	1,542,670	46,025
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	11,080,558	4,814,243	6,265,400	915
23	Insurance	714,675	365,242	349,433	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	SUPPLIES	47,143,908	45,560,733	1,343,329	239,846
b	BAD DEBT EXPENSE	29,438,486	29,420,335		18,151
c	PURCHASED SERVICE	10,990,362	8,093,146	2,698,100	199,116
d	RENTAL/MAINTANCE	10,020,987	5,226,242	4,794,745	
e	MEDICAL DIRECTORS	3,067,524	2,600,607	466,917	
f	All other expenses	-4,382,189	382,030	-4,850,404	86,185
25	Total functional expenses. Add lines 1 through 24f	238,491,890	197,573,450	40,233,797	684,643
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	13,326,538	1	19,917,936
	2 Savings and temporary cash investments	1,404,324	2	1,425,844
	3 Pledges and grants receivable, net	2,756	3	35,465
	4 Accounts receivable, net	321,966,850	4	398,360,380
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net	843,680	7	550,182
	8 Inventories for sale or use	5,669,703	8	6,225,426
	9 Prepaid expenses and deferred charges	2,510,493	9	2,748,412
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	200,615,442		
	b Less accumulated depreciation	138,322,635	62,223,300	10c 62,292,807
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11	11,658,298	12	12,212,523
	13 Investments—program-related See Part IV, line 11	0	13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	21,548,365	15	4,570,714
16 Total assets. Add lines 1 through 15 (must equal line 34)	441,154,307	16	508,339,689	
Liabilities	17 Accounts payable and accrued expenses	22,687,588	17	41,440,652
	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	981,218	23	800,114
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	192,471,127	25	232,349,497
	26 Total liabilities. Add lines 17 through 25	216,139,933	26	274,590,263
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	220,674,527	27	228,808,953
	28 Temporarily restricted net assets	4,244,702	28	4,845,422
	29 Permanently restricted net assets	95,145	29	95,051
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	225,014,374	33	233,749,426	
34 Total liabilities and net assets/fund balances	441,154,307	34	508,339,689	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	245,993,420
2	Total expenses (must equal Part IX, column (A), line 25)	2	238,491,890
3	Revenue less expenses Subtract line 2 from line 1	3	7,501,530
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	225,014,374
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,233,522
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	233,749,426

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
TRINITY HEALTH & AFFILIATES

Employer identification number
33-1007002

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 - (ii) a family member of a person described in (i) above?
 - (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

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

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and 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).

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

2010

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

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 TRINITY HEALTH & AFFILIATES	Employer identification number 33-1007002
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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 ▶ \$ 51,462
- 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 function activities ▶ \$ _____
- 3** Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4** Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5** Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check if the filing organization belongs to an affiliated group
B Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

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

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		51,462
j Total lines 1c through 1i			51,462
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 1.
Also, complete this part for any additional information

Identifier	Return Reference	Explanation
ORGANIZATIONS DIRECT AND INDIRECT POLITICAL CAMPAIGN ACTIVITIES	PART I-A, LINE 1	LOBBYING ACTIVITIES CONSIST OF PORTION OF ANNUAL MEMBERSHIP DUES IDENTIFIED ON RENEWAL AS ASSOCIATED WITH LOBBYING ACTIVITY ASSOCIATIONS INCLUDE ND HEALTHCARE ASSOCIATION, AMERICAN HOSPITAL ASSOCIATION, ND LONG TERM CARE ASSOCIATION, NATIONAL HOSPICE ASSOCIATION AND HEALTH POLICY CONSORTIUM
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	LOBBYING ACTIVITIES CONSIST OF PORTION OF ANNUAL MEMBERSHIP DUES IDENTIFIED ON RENEWAL AS ASSOCIATED WITH LOBBYING ACTIVITY ASSOCIATIONS INCLUDE ND HOSPITAL ASSOCIATION, AMERICAN HOSPITAL ASSOCIATION, ND LONG TERM CARE ASSOCIATION, NATIONAL HOSPICE ASSOCIATION, HEALTH POLICY CONSORTIUM, AND SECTION 508 HOSPITAL COALITION

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization TRINITY HEALTH & AFFILIATES

Employer identification number 33-1007002

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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?
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?

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, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 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?
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)?
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
1c Beginning balance	226,156
1d Additions during the year	35,881
1e Distributions during the year	2,962
1f Ending balance	259,075

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	95,145	305,323	313,288		
b Contributions					
c Investment earnings or losses	3,902	-214,179	-5,031		
d Grants or scholarships	3,693	4,001	2,934		
e Other expenditures for facilities and programs	303				
f Administrative expenses					
g End of year balance	95,051	95,145	305,323		

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

- a** Board designated or quasi-endowment
- b** Permanent endowment 30.000 %
- c** Term endowment 70.000 %

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		355,000		355,000
b Buildings		45,233,465	22,908,188	22,325,277
c Leasehold improvements		19,447	19,447	0
d Equipment		152,327,414	115,395,000	36,932,414
e Other		2,680,116		2,680,116
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				62,292,807

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	245,993,420
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	238,491,890
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	7,501,530
4	Net unrealized gains (losses) on investments	4	1,155,549
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	77,973
9	Total adjustments (net) Add lines 4 - 8	9	1,233,522
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	8,735,052

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	247,221,609
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	1,155,549
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	72,640
e	Add lines 2a through 2d	2e	1,228,189
3	Subtract line 2e from line 1	3	245,993,420
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	245,993,420

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

1	Total expenses and losses per audited financial statements	1	238,564,530
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	72,640
e	Add lines 2a through 2d	2e	72,640
3	Subtract line 2e from line 1	3	238,491,890
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	238,491,890

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
	PART IV, LINE 1B	PUBLIC EDUCATION FOR HOSPICE CARE
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE PURPOSE OF THE ENDOWMENT FUNDS IS TO PROVIDE FUNDS FOR STAFF EDUCATION AND SCHOLARSHIPS, AND FOR THE PURCHASE OF NEW EQUIPMENT
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	UNDER PROFESSIONAL STANDARDS, THE COMPANY'S POLICY IS TO EVALUATE THE LIKELIHOOD THAT ITS UNCERTAIN TAX POSITIONS WILL PREVAIL UPON EXAMINATION BASED ON THE EXTENT TO WHICH THOSE POSITIONS HAVE SUBSTANTIAL SUPPORT WITHIN THE INTERNAL REVENUE CODE AND REGULATIONS, REVENUE RULINGS, COURT DECISIONS AND OTHER EVIDENCE. IT IS THE OPINION OF MANAGEMENT THAT THE COMPANY HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS THAT WOULD BE SUBJECT TO CHANGE UPON EXAMINATION. THE FEDERAL INCOME TAX RETURNS OF THE COMPANY ARE SUBJECT TO EXAMINATION BY THE IRS, GENERALLY FOR THREE YEARS AFTER THEY WERE FILED.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF MAOPS 77,973
PART XII, LINE 2D - OTHER ADJUSTMENTS		RENT EXPENSE 53,397 FUNDRAISER 19,243
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENT 53,397 FUNDRAISER 19,243

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 TRINITY HEALTH & AFFILIATES

Employer identification number 33-1007002

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a. 1b If "Yes," is it a written policy? 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. 3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? 3b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? 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"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Does the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (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. Rows include Financial Assistance and Means-Tested Government Programs, and Other Benefits.

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 Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense (at cost)	2 10,236,309		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3		
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 70,821,739
6 Enter Medicare allowable costs of care relating to payments on line 5	6 60,446,011
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7 10,375,728
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

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? 12

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	TRINITY HOSPITAL ONE BURDICK EXPRESSWAY WEST MINOT, ND 58701	X	X		X			X		TRINITY HOSPITALS
2	TRINITY HOSPITAL ST JOSEPH'S 407 3RD STREET SE MINOT, ND 58701	X	X							TRINITY HOSPITALS
3	TRINITY KENMARE HOSPITAL PO BOX 697 KENMARE, ND 587460697					X		X		TRINITY HOSPITALS
4	TRINITY HOMES 305 8TH AVENUE NE MINOT, ND 58701									SKILLED NURSING HOME
5	TRINITY HEALTH CENTER MEDICAL ARTS 400 BURDICK EXPRESSWAY EAST MINOT, ND 58701									PROVIDER BASED CLINIC
6	TRINITY HEALTH CENTER-EAST 20 BURDICK EXPRESSWAY WEST MINOT, ND 58701									PROVIDER BASED CLINIC
7	TRINITY HEALTH CENTER-WEST 101 3RD AVENUE SW MINOT, ND 58701									PROVIDER BASED CLINIC
8	TRINITY REGIONAL EYECARE-MINOT CENTER 120 BURDICK EXPRESSWAY EAST MINOT, ND 58701									PROVIDER BASED CLINIC
9	TRINITY HEALTH CENTER-RIVERSIDE 1900 8TH AVENUE SE MINOT, ND 58701									PROVIDER BASED CLINIC
10	TRINITY HEALTH CENTER-TOWN & COUNTRY 831 SOUTH BROADWAY MINOT, ND 58701									PROVIDER BASED CLINIC
11	TRINITY HOSPITALS HOME HEALTHHOSPICE 1015 SOUTH BROADWAY STE 306 MINOT, ND 58701									HOME HEALTH & HOSPICE
12	TRINITY HOSPITALS HOSPITAL ROAD BELCOURT, ND 58316									DIALYSIS SERVICES

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, 6l, 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
		<p>PART III, LINE 4 IN FURTHERANCE OF ITS CHARITABLE PURPOSE, TRINITY PROVIDES A WIDE VARIETY OF BENEFITS TO THE COMMUNITY, INCLUDING OFFERING VARIOUS COMMUNITY-BASED SERVICE PROGRAMS, SUCH AS FREE CLINICS, HEALTH SCREENINGS, IN-HOME CAREGIVER SERVICES, SOCIAL SERVICE AND SUPPORT COUNSELING FOR PATIENTS AND FAMILIES, PASTORAL CARE, CRISIS INTERVENTION, TRANSPORTATION TO AND FROM THE HOSPITAL CAMPUSES, AND THE DONATION OF SPACE FOR USE BY COMMUNITY GROUPS ADDITIONALLY, A LARGE NUMBER OF HEALTH-RELATED EDUCATIONAL PROGRAMS ARE PROVIDED FOR THE BENEFIT OF THE COMMUNITY, INCLUDING HEALTH ENHANCEMENTS AND WELLNESS, CLASSES ON SPECIFIC CONDITIONS, TELEPHONE INFORMATION SERVICES, AND COSTS RELATED TO PROGRAMS DESIGNED TO IMPROVE THE GENERAL STANDARDS OF THE HEALTH OF THE COMMUNITY THE COST OF PROVIDING THE ABOVE SERVICES IS NOT INCLUDED IN TRINITY'S CHARITY CARE AMOUNT TRINITY ALSO PROVIDES MEDICAL CARE WITHOUT CHARGE OR AT REDUCED CHARGE TO RESIDENTS OF ITS COMMUNITY THROUGH THE PROVISION OF CHARITY CARE INCLUDED IN TRINITY'S DEFINITION OF CHARITY CARE ARE THE FOLLOWING (A) SERVICES PROVIDED TO THE UNINSURED OR UNDERINSURED AND (B) SERVICES PROVIDED TO PATIENTS EXPRESSING A WILLINGNESS TO PAY BUT WHO ARE DETERMINED TO BE UNABLE TO PAY BECAUSE OF SOCIOECONOMIC FACTORS TRINITY MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THOSE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR CHARITY CARE THE AMOUNTS DO NOT INCLUDE THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS OR THE DIFFERENCE BETWEEN PUBLIC PROGRAM PAYMENTS (PRIMARILY MEDICARE AND MEDICAID) AND THE RELATED COSTS OF PROVIDING SUCH SERVICES TRINITY USES THE MEDICARE COST TO CHARGE RATIO TO DETERMINE THE AMOUNTS REPORTED ON LINES 2 AND 3</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 9B IT IS THE POLICY OF TRINITY TO PROVIDE MEDICAL SERVICES TO THE COMMUNITY AND REGION REGARDLESS OF THE CUSTOMERS ABILITY TO PAY THROUGH CONSISTENT BILLING PRACTICES ACCOUNTS WILL BE MONITORED TO ENSURE THAT CUSTOMERS ARE BILLED FOR ONLY THOSE SERVICES PROVIDED TRINITY, THROUGH VERIFICATION OF INFORMATION, IS REQUIRED TO PROVIDE TIMELY AND ACCURATE, BILLING, COLLECTION, AND PATIENT ACCOUNT MAINTENANCE INFORMATION REGARDING TRINITYS BILLING AND PAYMENT GUIDELINES, WHICH INCLUDES FINANCIAL ASSISTANCE PROGRAMS, ARE AVAILABLE AT REGISTRATION AND BUSINESS SERVICES LOCATIONS THIS INFORMATION IS COMMUNICATED VERBALLY OR THROUGH THE USE OF THE TRINITY BILLING & PAYMENT GUIDELINES BROCHURE TO ENHANCE VERBAL COMMUNICATIONS, INTERPRETERS ARE PROVIDED AS NECESSARY</p>

**Schedule I
(Form 990)**

OMB No 1545-0047

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

2010

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

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
TRINITY HEALTH & AFFILIATES

Employer identification number
33-1007002

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) ST LUKES HOSPITAL PO BOX 10 CROSBY, ND 58730	45-0254692	501(C)(3)	38,430				TRAINING
(2) TIOGA MEDICAL CENTER 710 WELO ST TIOGA, ND 58852	45-0308484	501(C)(3)	35,475				TRAINING
(3) TRINITY HEALTHPO BOX 5020 MINOT, ND 58702	45-0226558	501(C)(3)	105,814				ETC ENHANCEMENT, NURSE CALL SYSTEM, MOPS AND CANCER EXERCISE
(4) NORSEK HOSTFESTPO BOX 1347 MINOT, ND 58702	45-0353644	501(C)(3)	26,400				SPONSORSHIP
(5) WESTERN ND CHARITY PRO AM 7101 COUNTY ROAD WEST MINOT, ND 58701	45-0368024	501(C)(3)	7,000				SPONSORSHIP
(6) THE MINOT FAMILY YMCA PO BOX 69 MINOT, ND 58702	45-0237612	501(C)(3)	50,500				STUDIES
(7) ND STATE FAIR CENTER PO BOX 1796 MINOT, ND 58702	45-0215346	501(C)(3)	15,000				SPONSORSHIP OF STATE FAIR ACTIVITY

2 Enter total number of section 501(c)(3) and government organizations 7

3 Enter total number of other organizations 0

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) CASH	129	35,589			

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 TRINITY HEALTH & AFFILIATES DOES NOT HAVE A PROCEDURE FOR MONITORING USE OF GRANT FUNDS IN THE UNITED STATES

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
TRINITY HEALTH & AFFILIATES

Employer identification number

33-1007002

Part I Questions Regarding Compensation

	Yes	No
1a		
1b	Yes	
2	Yes	
3		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

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

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 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?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

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

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Software ID:
Software Version:
EIN: 33-1007002
Name: TRINITY HEALTH & AFFILIATES

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MARTIN ROTHBERG MD	(i) 0 (ii) 688,264	0 52,084	0 198,187	0 0	0 53,938	0 992,473	0 980,085
JOHN M KUTCH	(i) 0 (ii) 322,087	0 0	0 41,691	0 0	0 48,150	0 411,928	0 224,237
KEVIN COLLINS	(i) 0 (ii) 290,462	0 355,373	0 9,384	0 0	0 52,442	0 707,661	0 781,893
KEVIN SEEHAFFER	(i) 0 (ii) 245,846	0 0	0 3,566	0 0	0 41,884	0 291,296	0 285,797
RANDY SCHWAN	(i) 0 (ii) 162,276	0 0	0 3,566	0 0	0 37,534	0 203,376	0 197,870
PAUL SIMONSON	(i) 0 (ii) 220,698	0 0	0 1,800	0 0	0 45,486	0 267,984	0 262,509
THOMAS WARSOCKI	(i) 0 (ii) 153,122	0 0	0 3,566	0 0	0 36,852	0 193,540	0 181,897
JOHN NELSON	(i) 0 (ii) 384,395	0 0	0 94,697	0 0	0 49,888	0 528,980	0 512,772
JEFFREY SATHER	(i) 0 (ii) 499,925	0 20,000	0 5,342	0 0	0 50,557	0 575,824	0 537,303
SCOTT KNUDSON	(i) 0 (ii) 432,495	0 0	0 4,502	0 0	0 49,278	0 486,275	0 475,033
DANIAL R PADGETT	(i) 0 (ii) 205,239	0 11,200	0 211,048	0 0	0 39,940	0 467,427	0 450,254
ASITHA R DIAS	(i) 0 (ii) 205,266	0 15,900	0 141,628	0 0	0 48,202	0 410,996	0 0
TERRY G HOFF	(i) 0 (ii) 20,095	0 0	0 0	0 0	0 6,175	0 26,270	0 797,077
JOHN SHEEHAN MD	(i) 0 (ii) 136,727	0 0	0 4,367	0 0	0 34,331	0 175,425	0 0
JEFFREY VERHEY	(i) 0 (ii) 293,943	0 130,000	0 108,367	0 0	0 50,660	0 582,970	0 0
NANCY HOLMES	(i) 0 (ii) 205,638	0 0	0 9,036	0 0	0 35,397	0 250,071	0 284,303
NICOLA ROED	(i) 0 (ii) 100,320	0 0	0 928	0 0	0 9,581	0 110,829	0 0
RICK WITTMEIER	(i) 0 (ii) 191,139	0 0	0 1,800	0 0	0 41,339	0 234,278	0 234,444

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

2010

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
TRINITY HEALTH & AFFILIATES

Employer identification number

33-1007002

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		BEFORE THE FORM 990 IS FILED WITH THE IRS, THE GOVERNING BODY OF TRINITY HEALTH & AFFILIATES IS GIVEN A COPY OF THE FORM 990 TO REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL SALARIED EMPLOYEES (AT MANAGER LEVEL AND ABOVE AS DETERMINED BY TRINITY) AND SUCH OTHER EMPLOYEES AS FROM TIME TO TIME MAY BE DIRECTED TO DO SO, ARE REQUIRED TOP COMPLETE OUR CONFLICT OF INTEREST STATEMENT YEARLY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE REVIEWED COMPENSATION INFORMATION FOR THE CHIEF EXECUTIVE OFFICER PREPARED BY DELOITTE & TOUCHE. DELOITTE & TOUCHE ANALYZED FOUR COMPENSATION SURVEYS OF HEALTH CARE EMPLOYERS AND REVIEWED FORM 990 FILINGS FOR A PEER GROUP ANALYSIS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	WE WOULD MAKE OUR FORM 990, FORMS 1023, AND FORM 990-T AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	ON OUR WEB SITE WWW TRINITYHEALTH ORG WE LIST OUR BOARD OF DIRECTORS, MISSION, VISION, VALUES AND OUR ANNUAL REPORT WHICH INCLUDES FINANCIAL INFORMATION THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 1,155,549 CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF MA OPS 77,973 TOTAL TO FORM 990, PART XI, LINE 5 1,233,522

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public
Inspection**

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
TRINITY HEALTH & AFFILIATES

Employer identification number

33-1007002

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) COMMUNITY AMBULANCE SERVICE OF MINOT INC 305 11TH AVE SW MINOT, ND 58701 45-0363593	AMBULANCE SERVICE	ND	501(C)(3)	LINE 11A, I	TRINITY HEALTH		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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) MEDICAL ARTS OUTPATIENT SERVICES INC 400 BURDICK EXPRESSWAY EAST MINOT, ND58701 45-0278212	RETAIL PHARMACY AND DURABLE MEDICAL EDUIPMENT	ND	TRINITY HEALTH	C	77,972	6,068,071	100 000 %

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a	Yes	
1b		No
1c		No
1d		No
1e		No
1f	Yes	
1g	Yes	
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n		No
1o		No
1p		No
1q		No
1r		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) MEDICAL ARTS OUTPATIENTS SERVICE INC	A	88,000	FMV
(2) MEDICAL ARTS OUTPATIENTS SERVICE INC	F	28,468	FMV
(3) MEDICAL ARTS OUTPATIENTS SERVICE INC	G	123,399	FMV
(4) MEDICAL ARTS OUTPATIENTS SERVICE INC	K	441,500	FMV
(5)			
(6)			

Part VII Supplemental Information

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

Identifier**Return Reference****Explanation****Schedule R (Form 990) 2010**

TY 2010 Affiliate Listing

Name: TRINITY HEALTH & AFFILIATES

EIN: 33-1007002

Name	Address	EIN	Name control
TRINITY HOSPITALS	PO BOX 5020 MINOT, ND 587025020	41-2002771	TRIN
TRINITY KENMARE HOSPITAL	PO BOX 5020 MINOT, ND 587025020	41-2002769	TRIN
TRINITY HOMES	PO BOX 5020 MINOT, ND 587025020	45-0404412	TRIN
TRINITY HEALTH FOUNDATION	PO BOX 5020 MINOT, ND 587025020	45-0215346	TRIN

TRINITY HEALTH

MINOT, NORTH DAKOTA

JUNE 30, 2011, 2010, AND 2009

CONSOLIDATED FINANCIAL STATEMENTS

AND

ADDITIONAL INFORMATION

AND

INDEPENDENT AUDITORS' REPORTS

TRINITY HEALTH
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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Governing Board
Trinity Health and Subsidiaries
Minot, North Dakota

We have audited the accompanying consolidated balance sheets of Trinity Health and subsidiaries ("Trinity") as of June 30, 2011, 2010, and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Trinity's management. Our responsibility is to express an opinion on these financial statements based on our audit

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity as of June 30, 2011, 2010, and 2009, and the results of its operations, changes in net assets, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Brady, Martz & Associates

BRADY, MARTZ, AND ASSOCIATES, P. C.

October 21, 2011

TRINITY HEALTH
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2011, 2010, AND 2009

ASSETS	2011	2010	2009
CURRENT ASSETS			
Cash and cash equivalents	\$ 22,923,697	\$ 16,456,390	\$ 11,434,171
Investments	1,783,167	1,757,456	10,321,047
Accounts receivable			
Patients and residents, net	71,266,945	58,062,498	52,248,271
Pledges	35,465	2,756	38,765
Other, net of allowance of \$517,000, \$509,000, and \$431,000, respectively	9,772,123	2,833,574	2,678,669
Due from third-party payors	450,000	1,500,000	1,500,000
Inventories	8,498,297	7,401,922	6,086,149
Prepaid expenses	2,918,872	2,556,214	2,148,718
Funds held by trustee	6,033,507	5,621,081	7,040,450
	<hr/>	<hr/>	<hr/>
Total current assets	\$ 123,682,073	\$ 96,191,891	\$ 93,496,240
INVESTMENTS WHOSE USE IS LIMITED			
Funds held for expansion & replacement of buildings and equipment	\$ 3,164,441	\$ 19,610,359	\$ 10,175,654
Funds held by trustee:			
Bond reserve fund	7,556,389	7,556,389	7,556,389
Interest receivable	258,915	349,148	345,878
	<hr/>	<hr/>	<hr/>
Total investments whose use is limited	\$ 10,979,745	\$ 27,515,896	\$ 18,077,921
OTHER ASSETS			
Investments	\$ 22,812,573	\$ 21,593,534	\$ 18,167,098
Deferred debt expense, less accumulated amortization of \$471,439, \$421,414, and \$371,389, respectively	948,350	1,007,478	1,066,605
Investments in, and advances to, joint ventures	-	-	-
Total other assets	<hr/>	<hr/>	<hr/>
Total other assets	\$ 23,871,294	\$ 22,711,384	\$ 19,344,075
LAND, BUILDINGS, AND EQUIPMENT-NET	<hr/>	<hr/>	<hr/>
	\$ 79,912,459	\$ 77,581,405	\$ 76,257,912
TOTAL ASSETS	<hr/>	<hr/>	<hr/>
	\$ 238,445,571	\$ 224,000,576	\$ 207,176,148

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (CONTINUED)

LIABILITIES AND NET ASSETS	2011	2010	2009
CURRENT LIABILITIES.			
Accounts payable	\$ 11,808,875	\$ 7,855,618	\$ 5,614,417
Salaries, wages, payroll taxes, and withholdings	9,574,935	9,323,737	8,262,734
Accrued vacation and sick pay	6,164,437	6,018,177	5,987,283
Due to third-party payors	7,363,476	250,000	250,000
Accrued interest	2,195,084	2,275,410	2,351,584
Estimated professional malpractice liability	3,951,544	1,077,000	1,077,000
Other accrued liabilities	15,961,360	7,620,322	8,441,333
Current portion of long-term debt	4,361,488	4,170,747	4,707,166
 Total current liabilities	 \$ 61,381,199	 \$ 38,591,011	 \$ 36,691,517
 LONG-TERM DEBT AND OTHER LONG- TERM LIABILITIES-Less current portion	 \$ 84,334,151	 \$ 88,489,123	 \$ 90,784,260
 Total liabilities	 \$ 145,715,350	 \$ 127,080,134	 \$ 127,475,777
NET ASSETS			
Unrestricted	\$ 87,789,748	\$ 92,580,594	\$ 75,627,835
Temporarily restricted	4,845,422	4,244,702	3,702,946
Permanently restricted	95,051	95,146	369,590
 Total net assets	 \$ 92,730,221	 \$ 96,920,442	 \$ 79,700,371
 TOTAL LIABILITIES AND NET ASSETS.	 \$ 238,445,571	 \$ 224,000,576	 \$ 207,176,148

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2011, 2010, AND 2009

	<u>2011</u>	<u>2010</u>	<u>2009</u>
REVENUES			
Net patient and resident service revenues	\$ 331,616,893	\$ 313,291,504	\$ 278,633,566
Other revenues	8,191,833	9,669,946	8,726,044
Net assets released from restriction, used for operations	322,610	285,356	266,669
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 340,131,336	\$ 323,246,806	\$ 287,626,279
EXPENSES			
Salaries, wages, payroll taxes, and employee benefits	\$ 182,596,805	\$ 167,656,640	\$ 154,809,722
Drugs and supplies	63,551,914	59,815,646	56,320,702
Purchased services and fees	36,747,861	34,764,636	32,086,103
Maintenance, equipment rental, and utilities	16,529,600	14,387,371	15,434,024
Depreciation and amortization	12,448,829	11,183,250	10,377,025
Interest and debt expense	4,366,372	4,588,361	4,515,882
Bad debt expense	31,636,769	16,252,003	12,305,703
Insurance	1,226,059	1,302,327	2,077,667
Other	614,145	710,673	724,830
	<hr/>	<hr/>	<hr/>
Total expenses	\$ 349,718,354	\$ 310,660,907	\$ 288,651,658
OPERATING INCOME (LOSS)	<hr/>	<hr/>	<hr/>
	\$ (9,587,018)	\$ 12,585,899	\$ (1,025,379)
NONOPERATING GAINS (LOSSES)			
Income (losses) on Investments whose use is limited-			
Funds held for expansion and replacement of buildings and equipment	\$ 1,948,135	\$ 694,188	\$ (594,153)
Joint ventures	(107,780)	(168,462)	(46,509)
Other nonoperating gains (losses)	1,174,127	1,459,543	(2,275,954)
	<hr/>	<hr/>	<hr/>
Total net nonoperating gains (losses)	\$ 3,014,482	\$ 1,985,269	\$ (2,916,616)
REVENUES AND GAINS OVER (UNDER) EXPENSES AND LOSSES			
	<hr/>	<hr/>	<hr/>
	\$ (6,572,536)	\$ 14,571,168	\$ (3,941,995)
UNREALIZED NET GAINS (LOSSES) ON INVESTMENTS			
	<hr/>	<hr/>	<hr/>
	1,697,043	2,167,505	(188,967)
NET ASSETS RELEASED FROM RESTRICTION, USED FOR THE PURCHASE OF PROPERTY AND EQUIPMENT			
	<hr/>	<hr/>	<hr/>
	64,388	189,720	362,183
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS			
	<hr/>	<hr/>	<hr/>
	\$ (4,811,105)	\$ 16,928,393	\$ (3,768,779)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011, 2010, AND 2009

	2011	2010	2009
UNRESTRICTED NET ASSETS.			
Excess of revenues and gains over (under) expenses and losses	\$ (6,572,536)	\$ 14,571,168	\$ (3,941,995)
Unrealized net gains (losses) on investments	1,697,043	2,167,505	(188,967)
Net assets released from restriction, used for purchase of property and equipment	64,388	189,720	362,183
	<u>\$ (4,811,105)</u>	<u>\$ 16,928,393</u>	<u>\$ (3,768,779)</u>
Transfers	\$ 20,259	\$ 24,366	\$ -
	<u>\$ 20,259</u>	<u>\$ 24,366</u>	<u>\$ -</u>
Increase (decrease) in unrestricted net assets	<u>\$ (4,790,846)</u>	<u>\$ 16,952,759</u>	<u>\$ (3,768,779)</u>
TEMPORARILY RESTRICTED NET ASSETS.			
Contributions	\$ 779,831	\$ 613,784	\$ 856,811
Transfers	(20,259)	238,428	-
Net assets released from restrictions for operations	(383,001)	(473,869)	(625,918)
Net realized and unrealized gains (losses) on investments	224,149	163,413	(102,788)
	<u>\$ 600,720</u>	<u>\$ 541,756</u>	<u>\$ 128,105</u>
Increase (decrease) in temporarily restricted net assets	<u>\$ 600,720</u>	<u>\$ 541,756</u>	<u>\$ 128,105</u>
PERMANENTLY RESTRICTED NET ASSETS:			
Contributions	\$ -	\$ -	\$ 2,680
Transfers	-	(277,238)	-
Net assets released from restrictions	(3,997)	(1,207)	(2,934)
Net realized and unrealized gains (losses) on investments	3,902	4,001	(6,090)
	<u>\$ (95)</u>	<u>\$ (274,444)</u>	<u>\$ (6,344)</u>
Increase (decrease) in permanently restricted net assets	<u>\$ (95)</u>	<u>\$ (274,444)</u>	<u>\$ (6,344)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ (4,190,221)</u>	<u>\$ 17,220,071</u>	<u>\$ (3,647,018)</u>
NET ASSETS - Beginning of year	<u>96,920,442</u>	<u>79,700,371</u>	<u>83,347,389</u>
NET ASSETS - End of year	<u>\$ 92,730,221</u>	<u>\$ 96,920,442</u>	<u>\$ 79,700,371</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011, 2010, AND 2009

	<u>2011</u>	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase (decrease) in net assets	\$ (4,190,221)	\$ 17,220,071	\$ (3,647,018)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities			
Depreciation	12,398,802	11,132,462	10,327,000
Amortization	50,024	50,024	50,025
Loss (gain) on disposal of buildings and equipment	(5,545)	(295,387)	(10,381)
Net realized losses (gains) on investments	(2,094,742)	(401,285)	3,428,067
Net unrealized (gains) losses on investments	(1,697,041)	(2,164,230)	188,967
Restricted contributions	(779,831)	(613,784)	(859,491)
Changes in operating assets and liabilities			
(Increase) decrease in accounts receivable	(20,175,705)	(5,933,123)	(9,323,953)
(Increase) decrease in due from third-party payors	1,050,000	-	299,451
(Increase) decrease in inventories	(1,096,375)	(1,315,773)	546,258
(Increase) decrease in prepaid expenses	(362,658)	(407,496)	427,336
(Increase) decrease in other assets	99,338	5,833	57,422
Increase (decrease) in accounts payable	3,953,257	2,241,201	775,754
Increase (decrease) in accrued salaries, wages, payroll taxes, withholdings, vacation, and sick pay	397,458	1,091,897	1,582,079
Increase (decrease) in due to third-party payors	7,113,476	-	-
Increase in accrued interest, other accrued expenses, and other liabilities	8,260,712	(897,185)	(327,292)
Increase in estimated professional malpractice liability	2,874,544	-	-
Net cash provided by operating activities	<u>\$ 5,795,493</u>	<u>\$ 19,713,225</u>	<u>\$ 3,514,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of land, buildings, and equipment	\$ (14,730,751)	\$ (12,554,602)	\$ (8,356,752)
Proceeds from disposal of buildings and equipment	6,440	394,034	208,545
Purchases of investments	(31,505,241)	(23,306,591)	(28,671,650)
Proceeds from sale of investments	50,085,766	22,993,925	32,639,857
Net cash provided by (used in) investing activities	<u>\$ 3,856,214</u>	<u>\$ (12,473,234)</u>	<u>\$ (4,180,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions for restricted funds	\$ 779,831	\$ 613,784	\$ 859,491
Borrowings of long-term debt	341,000	2,079,696	-
Payments of long-term debt	(4,305,231)	(4,911,252)	(5,355,847)
Net cash provided by (used in) financing activities	<u>\$ (3,184,400)</u>	<u>\$ (2,217,772)</u>	<u>\$ (4,496,356)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 6,467,307</u>	<u>\$ 5,022,219</u>	<u>\$ (5,162,132)</u>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>16,456,390</u>	<u>11,434,171</u>	<u>16,596,303</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 22,923,697</u>	<u>\$ 16,456,390</u>	<u>\$ 11,434,171</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
- Cash paid for interest	\$ 4,573,529	\$ 4,791,366	\$ 4,714,988
- Cash paid for income taxes	\$ 229,210	\$ 109,650	\$ 681,809
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Borrowings of long term debt	\$ -	\$ -	\$ 1,000,000
Purchase of equipment / Land	\$ -	\$ -	\$ (1,000,000)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011, 2010, AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Trinity Health ("Trinity") consists of a parent company, Trinity Health, and seven wholly owned subsidiaries: Trinity Homes; Trinity Health Foundation, Trinity Hospitals: Trinity Kenmare Hospital; B & B Drug, Community Ambulance Service of Minot, Inc ; and Medical Arts Outpatient Services ("MAOPS") The consolidated financial statements, which include the accounts of Trinity Health and all subsidiaries, have been prepared to reflect the consolidated financial position, results of consolidated operations, consolidated changes in net assets, and consolidated cash flows All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements

Trinity Hospitals (the "Hospitals"), a North Dakota nonprofit corporation, owns and operates an acute care hospital located on two campuses in Minot, North Dakota, that has a licensed capacity of 416 beds and provides a wide range of health care services to the patients it serves.

Trinity Homes has a 292-bed skilled-care nursing component and a 15-room retirement home.

Trinity Health Foundation (the "Foundation") is a separate and distinct entity whose purpose is directed toward improving medical services and facilities in the Minot, North Dakota area

Trinity Kenmare Hospital, a North Dakota nonprofit corporation, owns and operates an acute care hospital in Kenmare, North Dakota It is licensed for 25 beds, which are shared between acute beds and swing beds It currently is classified as a critical access hospital by Medicare The 12 nursing home beds were closed in October, 2009.

B & B Drug is a for-profit pharmacy whose stock is 100% owned by Trinity.

Community Ambulance Service ("CAS") of Minot, Inc. is a 24-hour ambulance service and qualifies as a tax-exempt, nonprofit organization under Section 501(c)3 of the Internal Revenue Code. Trinity is the sole member of CAS

MAOPS is a for-profit retail pharmacy and durable medical equipment company. The Hospitals owns 100% of the outstanding stock of MAOPS, which is located in the Trinity Health – Medical Arts Building to serve the patients treated there.

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

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - (CONTINUED)

Net Patient Service Revenue - Patient service revenue is recorded at Trinity's established billing rates. Certain revenue is subject to contracts with various third-party payors whereby the services rendered may be paid at rates other than Trinity's established billing rates. Patient accounts receivable and revenue are adjusted to the estimated amounts that will be received under third-party payor contracts. Management determines the allowance for doubtful accounts and contractual discounts by using historical experience applied to payor source. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Estimated receivables from, and payables to third-party payors include the aggregate of estimated settlements and receivables due from Medicare and Medicaid. Final settlement will be determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare and Medicaid fiscal intermediary.

Nonoperating Gains (Losses) - Unrestricted contributions, board-designated contributions; interest income; realized gains and losses on funds held for replacement of building and equipment and unrestricted investments of Trinity, income and losses from joint ventures, gains/losses on extinguishment of debt, and gains and losses on disposal of land, buildings, and equipment are reported as nonoperating gains (losses).

Property and Equipment - Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets ranging from 3 to 40 years, and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Inventories - Inventories are stated at the lower of cost or market value.

Advertising - Advertising and promotion costs are expensed as incurred. Advertising and promotion costs amounted to \$1,652,089, \$1,268,418, and \$1,080,445 for the years ended June 30, 2011, 2010, and 2009, respectively.

NOTE 1 - (CONTINUED)

Investments and Investments Whose Use is Limited - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet, as determined by market prices. Investment income or loss (including interest and dividends and realized gains and losses) is included in the excess of revenues and gains over expenses and losses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses and losses. A decline in the market value of any investment below cost that is deemed other than temporary, is reflected in the consolidated statement of operations similar to a realized loss, resulting in a new cost basis for the investment.

Investments whose use is limited include funds designated by the Governing Board to be set aside for future expansion and replacement of buildings and equipment and funds held by the trustee. Trinity invests in various securities, including U.S. government securities, corporate debt instruments, and corporate stocks. 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 reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the consolidated balance sheet.

The Company follows FASB ASC Topic 820, Fair Value Measurements. This standard applies to all assets and liabilities that are being measured and reported on a fair value basis. It defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles in the United States of America and expands disclosure about fair value measurements. The implementation of the standard did not change amounts reported in the financial statements, however, additional disclosures are required.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used:

Level 1 – Inputs to value investments are based on quoted prices (unadjusted) 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 other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3 – Inputs are unobservable. Inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about market risk) developed based on the best information available under the circumstances.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - (CONTINUED)

Income Taxes - Trinity Health and the following subsidiaries, Trinity Hospitals, Trinity Homes, Trinity Health Foundation, Trinity Kenmare Hospital and Community Ambulance Service have all been recognized by the Internal Revenue service as a not-for-profit corporation as described in Sec 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Sec. 501(a) of the IRC. All unrelated business income generated by Trinity is subject to federal income tax under section 511 of the IRC.

B&B and MAOPS are for-profit entities. The provisions for income taxes are based on amounts estimated to be currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. These differences consist principally of bad debts and depreciation.

The Company's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Company has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they were filed.

Sales Taxes - Sales taxes collected from customers and remitted to taxing authorities are excluded from revenues and cost of sales, respectively.

Excess of Revenues and Gains Over Expenses and Losses - Consistent with industry practice the consolidated statements of operations include excess of revenues and gains over expenses and losses. Changes in unrestricted net assets which are excluded from excess of revenues and gains over expenses and losses, include unrealized gains and losses on investments.

Cash and Cash Equivalents - Trinity considers cash and all short-term investments purchased with maturity of three months or less and not otherwise classified as investments whose use is limited to be cash and cash equivalents.

Pledges and Contributions - Pledges and contributions are recorded at fair value in the year made. Contributions and pledges are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are classified as unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the financial statements. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as unrestricted activity.

Basis of Presentation - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - COMMUNITY SERVICE AND CHARITY CARE

In furtherance of its charitable purpose, Trinity provides a wide variety of benefits to the community, including offering various community-based service programs, such as free clinics, health screenings, in-home caregiver services, social service and support counseling for patients and families, pastoral care, crisis intervention, transportation to and from the Hospital campuses, and the donation of space for use by community groups. Additionally, a large number of health-related educational programs are provided for the benefit of the community, including health enhancements and wellness, classes on specific conditions, telephone information services, and costs related to programs designed to improve the general standards of the health of the community. The cost of providing the above services is not included in Trinity's charity care amount.

Trinity also provides medical care without charge or at reduced charge to residents of its community through the provision of charity care. Included in Trinity's definition of charity care are the following: (a) services provided to the uninsured or underinsured and (b) services provided to patients expressing a willingness to pay but who are determined to be unable to pay because of socioeconomic factors.

Trinity maintains records to identify and monitor the level of charity care it provides. Those records include the amount of charges foregone for services and supplies furnished under this charity care policy, and an estimated cost (based on the cost to charge ratio) of those services and supplies. The following information measures the level of charity care provided for the years ended June 30:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Estimated costs and expenses incurred to provide charity care	<u>\$ 1,353,222</u>	<u>\$ 1,677,499</u>	<u>\$ 1,915,105</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS

The composition of investments at June 30 is set forth in the following table. Investments are stated at fair value.

	2011	2010	2009
Bond fund investment accounts	\$ 13,652,878	\$ 13,177,470	\$ 14,596,839
Certificate of deposit / money markets	3,447,084	10,223,254	9,297,832
Corporate bonds	3,699,590	8,489,871	7,466,619
Equity securities	4,086,333	6,767,986	4,720,392
U S treasury securities	681,773	-	-
Government agency securities	261,546	-	-
Mortgage backed securities	1,275,396	3,132,143	4,318,188
Mutual funds	11,830,069	11,942,323	11,010,553
Land and other	2,415,408	2,405,772	1,850,215
	<u>\$ 41,350,077</u>	<u>\$ 56,138,819</u>	<u>\$ 53,260,638</u>

Reconciliation of investment balances to amounts reported in consolidated financial statements:

	2011	2010	2009
Current assets:			
Funds held by trustee	\$ 6,033,507	\$ 5,621,081	\$ 7,040,450
Investments	1,783,167	1,757,456	10,321,047
Investments whose use is limited.			
Funds held for expansion and replacement of buildings and equipment	3,164,441	19,610,359	10,175,654
Funds held by trustee-			
Bond reserve fund	7,556,389	7,556,389	7,556,389
Other assets-			
Investments	22,812,573	21,593,534	18,167,098
	<u>\$ 41,350,077</u>	<u>\$ 56,138,819</u>	<u>\$ 53,260,638</u>

Investment income (loss) and gains (losses) on investments whose use is limited and other investments are composed of the following for the years ended June 30:

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - (CONTINUED)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Income (loss)			
Interest and dividend income	\$ 1,494,386	\$ 1,675,031	\$ 2,131,242
Realized net gains (losses) on sales/ impairments of investments (1)	2,099,449	398,010	(5,318,696)
Unrealized net gains (losses) on investments	<u>1,697,043</u>	<u>2,167,505</u>	<u>(188,967)</u>
	<u>\$ 5,290,878</u>	<u>\$ 4,240,546</u>	<u>\$ (3,376,421)</u>

Reconciliation of investment income (loss) to amounts reported in financial statements-
Included in.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Other revenue (loss) (2) (1)	\$ 1,645,700	\$ 1,378,853	\$ (2,593,301)
Investments whose use is limited (1)	1,948,135	694,188	(594,153)
Unrealized net gains (losses) on investments	<u>1,697,043</u>	<u>2,167,505</u>	<u>(188,967)</u>
	<u>\$ 5,290,878</u>	<u>\$ 4,240,546</u>	<u>\$ (3,376,421)</u>

(1) For the years ended June 30, 2011, 2010, and 2009, there were investments that were deemed to be other than temporarily impaired resulting in a write-down of \$0, \$3,275, and \$4,365,149, respectively.

(2) Other revenue is income earned on unrestricted investments.

The following tables show the gross unrealized losses and fair value of Trinity Health's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2011, 2010, and 2009 respectively

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - (CONTINUED)

Description of Securities	2011				TOTAL	
	Less Than 12 Months		12 Months or Greater		Fair Value	Unrealized Loss
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss		
Corporate bonds	\$ 444,986	\$ 7,803	\$ 826,786	\$ 35,735	\$ 1,271,772	\$ 43,538
Equity securities	53,528	2,013	609,259	58,914	662,787	60,927
US Treasury and government agency obligations	53,965	230	64,626	1,385	118,591	1,615
Mutual funds and other	<u>527,197</u>	<u>3,774</u>	<u>1,196,174</u>	<u>41,586</u>	<u>1,723,371</u>	<u>45,360</u>
Total	<u>\$ 1,079,676</u>	<u>\$ 13,820</u>	<u>\$ 2,696,845</u>	<u>\$ 137,620</u>	<u>\$ 3,776,521</u>	<u>\$ 151,440</u>

Description of Securities	2010				TOTAL	
	Less Than 12 Months		12 Months or Greater		Fair Value	Unrealized Loss
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss		
Corporate bonds	\$ 434,985	\$ 29,596	\$ 1,046,929	\$ 54,545	\$ 1,481,914	\$ 84,141
Equity securities	2,347,677	327,111	1,336,009	237,498	3,683,686	564,609
US Treasury and government agency obligations	24,805	3,004	162,072	5,695	186,877	8,699
Mutual funds and other	<u>895,107</u>	<u>30,945</u>	<u>3,730,450</u>	<u>283,692</u>	<u>4,625,557</u>	<u>314,637</u>
Total	<u>\$ 3,702,574</u>	<u>\$ 390,656</u>	<u>\$ 6,275,460</u>	<u>\$ 581,430</u>	<u>\$ 9,978,034</u>	<u>\$ 972,086</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - (CONTINUED)

Description of Securities	2009				TOTAL	
	Less Than 12 Months		12 Months or Greater		Fair Value	Unrealized Loss
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss		
Corporate bonds	\$ 1,587,904	\$ 40,619	\$ 2,468,368	\$ 273,839	\$ 4,056,272	\$ 314,458
Equity securities	2,369,459	348,625	369,833	47,329	2,739,292	395,954
US Treasury and government agency obligations	262,846	49,841	177,274	4,924	440,120	54,765
Mutual funds and other	<u>4,646,184</u>	<u>299,846</u>	<u>2,627,157</u>	<u>531,309</u>	<u>7,273,341</u>	<u>831,155</u>
Total	<u>\$ 8,866,393</u>	<u>\$ 738,931</u>	<u>\$ 5,642,632</u>	<u>\$ 857,401</u>	<u>\$ 14,509,025</u>	<u>\$ 1,596,332</u>

Corporate Bonds:

The Company's investments in corporate bonds with unrealized losses, were approximately 3%, 5% and 7% lower than cost as of June 30, 2011, 2010, and 2009, respectively. Because Trinity Health has the ability and intent to hold these investments until the recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at June 30, 2011, 2010 and 2009

Equity Securities:

The Company's investments in equity securities with unrealized losses, were approximately 9%, 13% and 13% lower than cost as of June 30, 2011, 2010, and 2009, respectively. The Company does not consider these investments to be other-than-temporarily impaired at June 30, 2011, 2010, and 2009, based on an evaluation of available evidence

US Treasury and Government Agency Obligations:

The Company's investments in US treasury and government agency obligations with unrealized losses, were approximately 0%, 4% and 11% lower than cost as of June 30, 2011, 2010, and 2009. Because Trinity Health has the ability and intent to hold these investments until the recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at June 30, 2011, 2010, and 2009

Other:

The Company's other investments with unrealized losses, were approximately 3%, 6% and 10% lower than cost as of June 30, 2011, 2010, and 2009 respectively. The Company does not consider these investments to be other-than-temporarily impaired at June 30, 2011, 2010, and 2009, based on an evaluation of available evidence.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – ACCOUNTS RECEIVABLE – PATIENTS AND RESIDENTS

The following is a summary of accounts receivable composition for patients and residents as of June 30:

	2011	2010	2009
Accounts receivable - patients and residents	\$ 178,221,836	\$ 107,945,471	\$ 92,407,893
Allowance for doubtful accounts and discounts	(106,954,891)	(49,882,973)	(40,159,622)
	<u>\$ 71,266,945</u>	<u>\$ 58,062,498</u>	<u>\$ 52,248,271</u>

For fiscal year 2011, as a result of a conversion to a new patient accounting system, accounts receivable balances have grown in excess of normal operating levels. Due to factors increasing the risk of non-collection, significant additional provisions for the allowance for doubtful accounts has been recorded in the current year. In addition, as a result of additional analysis, receivable balances relating to prior year activity for certain classes had an increase to the provision for doubtful accounts in the current year as well.

In fiscal year 2011, Trinity has been subjected to the Recovery Audit Contractor program (See Note 9). These audits are considered third party audits and can be applied as far back as three years. As a result of the early audits, Trinity has estimated its potential liability for this three year look back period and has recorded a liability in the current year.

The total amount of the additional provision over previous estimates and the increase in the contractual allowance due to the RAC estimate is approximately \$23 million. Of this, \$14 million is a result of the conversion issues and \$9 million is associated with prior years activity.

NOTE 5 – LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30 consisted of:

	2011	2010	2009
Land and improvements	\$ 11,044,636	\$ 11,044,636	\$ 11,134,635
Buildings	51,602,009	51,602,009	51,669,082
Fixed equipment	57,280,519	54,728,660	52,357,914
Moveable equipment	118,935,083	105,231,458	99,613,461
Equipment under capital lease obligations	-	48,645	1,005,082
	<u>\$ 238,862,247</u>	<u>\$ 222,655,408</u>	<u>\$ 215,780,174</u>
Less accumulated depreciation	164,352,133	152,251,760	141,365,233
	<u>\$ 74,510,114</u>	<u>\$ 70,403,648</u>	<u>\$ 74,414,941</u>
Construction-in-progress	5,402,345	7,177,757	1,842,971
	<u>\$ 79,912,459</u>	<u>\$ 77,581,405</u>	<u>\$ 76,257,912</u>

Depreciation and amortization expense for the years ended June 30, 2011, 2010, and 2009 amounted to approximately \$12,450,000, \$11,180,000, and \$10,380,000, respectively. Accumulated amortization for equipment under capital lease obligations included above was approximately \$0, \$2,400, and \$700,000 in 2011, 2010, and 2009, respectively.

As a result of the flood of 2011, Trinity Health sustained approximately \$2.5 million in damages to several of its buildings. The Company's plan is to repair these structures using the insurance proceeds awarded, as such there is no impairment reflected in these financial statements.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

A summary of long-term debt and capital lease obligations at June 30 follows:

	2011	2010	2009
Loan payable to County of Ward, North Dakota (Health Care Facilities Revenue Bonds, Series 2006 Trinity Obligated Group (1)), interest rates ranging from 5 0% to 5 25%, \$85,190,000 Serial Bonds with principal payments due annually beginning on July 1, 2007, and continuing through 2021	\$ 75,550,000	\$ 78,145,000	\$ 80,610,000
Unamortized premium (based on 5 125% effective interest)	2,583,505	2,727,033	2,870,561
Loan payable to County of Ward, North Dakota (Health Care Facilities Revenue Bonds, Series 1996B Trinity Obligated Group (1)), interest rates ranging from 6 0% to 6 25%, \$2,600,000 Serial Bonds with principal payments of \$295,000 due July 1, 2000, increasing to \$380,000 on July 1, 2005, \$10,680,000 Serial Bonds with principal payments of \$405,000 due July 1, 2007, increasing to \$1,020,000 on July 1, 2021	8,390,000	8,905,000	9,390,000
Less unamortized discount (based on 6 25% effective interest)	(44,435)	(51,276)	(58,530)
Note payable - Cerner	-	-	1,411,598
Note payable - Bremer Bank	-	-	66,082
Note payable - Bremer Bank	-	-	66,082
Note payable - Bremer Bank	341,000	-	-
Note payable - Dakota Acres	837,016	920,495	1,000,000
Note payable - MVAW Linen	144,270	237,720	-
Commercial Loan - 1st International	894,283	1,750,500	-
Capital leases	-	25,398	135,633
	<u>\$ 88,695,639</u>	<u>\$ 92,659,870</u>	<u>\$ 95,491,426</u>
Less current portion	<u>4,361,488</u>	<u>4,170,747</u>	<u>4,707,166</u>
	<u>\$ 84,334,151</u>	<u>\$ 88,489,123</u>	<u>\$ 90,784,260</u>

(1) The Trinity Obligated Group consists of Trinity Health, Trinity Hospitals, Trinity Kenmare Hospital, and Trinity Homes.

Trinity retired portions of several bond obligations as stated above by placing funds in an irrevocable escrow account that has been invested in U.S. government obligations and will be used to pay bond obligations as they become due. The refunded debt is no longer a part of Trinity's long-term debt, since Trinity has legally satisfied its obligation through the advance refunding transaction.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - (CONTINUED)

Under various debt agreements, Trinity must meet certain operational and performance covenants and is limited in the amount of additional debt which can be incurred. Trinity is required to maintain revenues at a level sufficient to provide income available for debt service (as defined) equal to at least 125% of the maximum annual debt service requirement of the obligated group. Trinity was in compliance with this covenant as of June 30, 2011, 2010, and 2009.

In addition, the Obligated Group is required to maintain a minimum of sixty days of unrestricted cash on hand as of June 30. Trinity was in compliance with this covenant for the years ended June 30, 2011, 2010, and 2009.

Trinity was in compliance with all other covenants as of June 30, 2011, 2010, and 2009.

During 2007, Trinity entered into an agreement with CERNER for the financing of the final payment for the acquisition of equipment. The amount financed was \$6,254,341. The terms of the agreement included no stated rate of interest. As such, an imputed interest rate has been determined to be 6%. Monthly principal and interest payments were \$180,231 beginning January 31, 2007 and continued for three years.

During 2009, Trinity Health Foundation purchased land from Dakota Acres Partnership. Of the \$1,800,000 purchase price, \$1,000,000 was financed with a 5% interest rate. Annual payments of \$129,505 are due beginning 12/15/09 and continue for ten years.

Trinity Health borrowed \$1,750,000 from First International Bank on June 28, 2010 to purchase equipment. The loan carries an interest rate of 4% with monthly payments of \$76,062, and matures on June 28, 2012.

Trinity Health borrowed \$280,551 from Minot Vocational Adjustment Workshop to purchase linens on January 14, 2010. The loan has no stated interest rate with monthly payments of \$7,787, and matures on December 31, 2012.

During 2011, Trinity Health borrowed \$341,000 from Bremer Bank to purchase real estate. The loan carries an interest rate of 4.5%, and requires monthly payments of \$2,168, with a final payment of \$284,332 being made on June 1, 2016.

Substantially all accounts receivable, inventory, land, buildings, and equipment are pledged as collateral under the various debt agreements.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - (CONTINUED)

Required principal payments under the various debt agreements are payable during the years ending June 30 as follows

Year Ending June 30	
2012	\$ 4,361,488
2013	3,598,981
2014	3,748,352
2015	3,953,730
2016	4,451,345
2017-2021	22,681,743
2022-2026	22,730,000
2027-2031	23,170,000
	<u>\$ 88,695,639</u>

NOTE 7 – BENEFIT PLANS

Effective January 1, 1988, Trinity adopted the TriniPlus Retirement Plan, a discretionary defined contribution plan that covers substantially all employees. Contributions and costs were determined as a percentage of each covered employee's estimated calendar-year salary and totaled \$5,635,945, \$5,433,775, and \$5,073,438 for the years ended June 30, 2011, 2010, and 2009, respectively. In April 2003, Trinity adopted Internal Revenue Code ("IRC") Section 401(k) provisions in the TriniPlus Retirement Plan, which also covers substantially all employees. Matching contributions are limited to 25% of the first 6% contributed by the employee and were \$1,873,900, \$1,614,159, and \$1,436,214 for the years ended June 30, 2011, 2010, and 2009, respectively.

Effective January 1, 1990, Trinity adopted the TriniSave Investment Plan, a defined contribution plan that covers substantially all employees. There were no contributions in the last three years. On February 23, 2003, the TriniSave Investment Plan was amended to curtail the addition of any further participants to the TriniSave Investment Plan and to cease employee contributions and employer matching contributions, effective March 31, 2003, due to the employer's adoption of IRC Section 401(k) provisions in the TriniPlus Retirement Plan, and to permit advance distributions to participants in the event of hardship. During the year ended June 30, 2011, Trinity terminated this plan and all assets have been distributed or transferred to other plans according to participant requests.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – FUNCTIONAL EXPENSES

Trinity provides general health care services to residents within its geographic location. Expenses related to providing these services at June 30 are as follows:

	2011	2010	2009
Health care services	\$ 303,752,098	\$ 266,281,220	\$ 244,628,492
General and administrative	45,966,256	44,379,687	44,023,166
	<u>\$ 349,718,354</u>	<u>\$ 310,660,907</u>	<u>\$ 288,651,658</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Leases – The following is a schedule by year for the next five years of future minimum lease payments under operating leases as of June 30, 2011 that have initial or remaining terms in excess of one year:

Year Ending June 30	Minimum Lease Payments
2012	\$ 2,593,022
2013	1,417,171
2014	1,361,545
2015	1,310,108
2016	1,075,649
2017-2021	3,139,080
	<u>\$ 10,896,575</u>

Total rent expense for the years ended June 30, 2011, 2010, and 2009 was approximately \$5,116,492, \$5,777,190, and \$5,834,970, respectively. Trinity has a letter of credit in the amount of \$255,000 outstanding that is required under terms of a building lease agreement.

Professional Liability Insurance and Legal Actions – Trinity insures its medical malpractice risks under a claims-made insurance policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be uninsured. Trinity has recorded a liability for the estimated costs of claims incurred but not reported.

Trinity has various legal actions pending that are being defended by Trinity and its insurance carriers. The amount of loss on such claims is estimated to be substantially covered by Trinity's professional liability insurance coverage. Trinity has provided an estimated accrual for malpractice claims to provide for deductible amounts of insurance coverage. Management believes the resolution of these various actions will not result in any material adverse effect on the consolidated financial statements of Trinity.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - (CONTINUED)

Employee Health Insurance – Trinity maintains a self-insured employee health benefit program. Individual and excess loss insurance of \$175,000 and \$15,219,212, respectively, at June 30, 2011 is purchased through an insurance company. Estimated unprocessed claims and claims incurred but not reported at June 30, 2011, 2010, and 2009 were \$1,415,385, \$1,285,455, and \$1,268,415, respectively, and have been recorded on the balance sheet in other accrued liabilities.

Medicare Recovery Audit Contractor (RAC) Program – Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of the Medicare Recovery Audit Contractor (RAC) program. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. During fiscal year 2007, the RAC's identified and corrected a significant amount of improper overpayments to providers. The Center for Medicare and Medicaid Services (CMS) has rolled out this program nationally. Trinity Health is currently under such an audit. As of June 30, 2011 a provision of \$6,943,476 has been made for any potential liability as a result of such audit and is included in the estimated third party liability on the balance sheet.

NOTE 10 – JOINT VENTURES/ACQUISITIONS

On July 20, 1998, Trinity purchased a 49% interest in the Saint Andrews Bottineau Clinic, LLC ("Saint Andrews") located in Bottineau, North Dakota. At June 30, 2011, 2010, and 2009, cumulative capital contributions of \$1,164,858, \$1,057,078 and \$888,616, respectively, had been paid to Saint Andrews. The investment, carried at cost plus Trinity's equity in undistributed earnings, was \$0, \$0, and \$0 at June 30, 2011, 2010, and 2009, respectively. For the years ended June 30, 2011, 2010, and 2009, Trinity recognized losses of \$107,780, \$168,462, and \$46,509, respectively, on its investment in Saint Andrews. In the event of an operating deficit, Trinity is obligated to pay a proportionate share of the adjusted deficit (as defined) to the joint venture.

Trinity is part of a joint venture with Mountrail Bethel Homes, Inc. The joint venture is the Mountrail County Medical Center (MCMC), an 11 bed acute care hospital and clinic in Stanley, North Dakota. Trinity has provided services to MCMC totaling \$85,103, \$77,726, and \$79,626 in each of the years ending June 30, 2011, 2010, and 2009, respectively.

NOTE 11 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2011, 2010, and 2009, Trinity paid approximately \$246,000, \$246,000, and \$243,000 in the three years then ended for rental of certain facilities. The rent was paid to Minot Town and Country Investors, LLC, which is owned by one of its board members.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – CONCENTRATIONS OF CREDIT RISK

Trinity grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and other third-party payors was as follows at June 30:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Medicare	30%	27%	26%
Medicaid	9	10	11
Blue Cross	15	12	13
Commercial Insurance	29	25	23
Self-pay	<u>17</u>	<u>26</u>	<u>27</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

NOTE 13 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of financial instruments had been determined by Trinity using available market information as of June 30, 2011, 2010, and 2009, and valuation methodologies considered appropriate. The estimates presented are not necessarily indicative of amounts Trinity could realize in a current market exchange.

The following methods and assumptions were used by Trinity in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents – The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value because of the short-term nature of these financial investments.

Accounts Receivable – The carrying amount reported in the balance sheet for accounts receivable approximates fair value.

Investments – These assets consist of various debt and equity securities and mutual funds. Fair value of these investments is measured by Level 1, quoted market prices, Level 2, significant other observable inputs, or Level 3, unobservable inputs (See Note 1).

Accounts Payable and Accrued Expenses – The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates fair value.

Estimated Third-Party Payor Settlements – The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates its fair value.

Long-Term Debt – The fair values of Trinity's long-term debt is estimated using discounted cash flow analyses, based on Trinity's current incremental borrowing rates for similar types of borrowing arrangements.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - (CONTINUED)

The carrying amounts and fair values of Trinity's financial statements as of June 30 are as follows:

	2011	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 22,923,697	\$ 22,923,697
Accounts receivable	81,074,533	81,074,533
Investments	41,350,077	41,350,077
Estimated third-party payor settlements	450,000	450,000
Accounts payable and accrued expenses	53,068,167	53,068,167
Long-term debt and other long-term liabilities	88,695,639	89,352,755

	2010	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 16,456,390	\$ 16,456,390
Accounts receivable	60,898,828	60,898,828
Investments	56,138,819	56,138,819
Estimated third-party payor settlements	1,500,000	1,500,000
Accounts payable and accrued expenses	33,343,264	33,343,264
Long-term debt and other long-term liabilities	92,659,870	90,042,292

	2009	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 11,434,171	\$ 11,434,171
Accounts receivable	54,965,705	54,965,705
Investments	53,260,638	53,260,638
Estimated third-party payor settlements	1,500,000	1,500,000
Accounts payable and accrued expenses	30,907,351	30,907,351
Long-term debt and other long-term liabilities	95,491,426	85,590,226

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - (CONTINUED)

Assets measured at fair value on a recurring basis as of June 30, 2011 and 2010 are summarized as follows:

	06/30/11 Market Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond fund investment accounts	\$ 13,652,878	\$ 13,652,878	\$ -	\$ -
Certificate of deposit / money markets	3,447,084	3,447,084	-	-
Corporate bonds	3,699,590	-	3,699,590	-
Equity securities	4,086,333	4,086,333	-	-
U.S treasury securities	681,773	-	681,773	-
Government agency securities	261,546	-	261,546	-
Mortgage backed securities	1,275,396	-	1,275,396	-
Mutual funds - growth	3,629,367	3,629,367	-	-
Mutual funds - growth and income	5,147,899	5,147,899	-	-
Mutual funds - income	1,175,112	1,175,112	-	-
Mutual funds - aggressive	1,009,578	1,009,578	-	-
Mutual funds - aggressive income	868,113	868,113	-	-
Land and other	2,415,408	-	-	2,415,408
	<u>\$ 41,350,077</u>	<u>\$ 33,016,364</u>	<u>\$ 5,918,305</u>	<u>\$ 2,415,408</u>

**Fair Value Measurements Using
Significant Unobservable Inputs
(Level 3)**

	Land	Partnership Investments	Rental Properties	Total
Beginning balance June 30, 2010	\$ 1,800,215	\$ 50,000	\$ 555,557	\$ 2,405,772
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Total gains or losses (realized/unrealized) Included in earnings (or changes in net assets)	-	-	-	-
Purchases, issuances, sales and settlements.				
Purchases	-	-	9,636	9,636
Issuances	-	-	-	-
Sales	-	-	-	-
Settlements	-	-	-	-
Ending balance: June 30, 2011	<u>\$ 1,800,215</u>	<u>\$ 50,000</u>	<u>\$ 565,193</u>	<u>\$ 2,415,408</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - (CONTINUED)

	06/30/10 Market Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond Fund Investment Accounts	\$13,177,470	\$ 13,177,470	\$ -	\$ -
Certificate of Deposit / Money Markets	10,223,254	10,223,254	-	-
Corporate Bonds	8,489,871	-	8,489,871	-
Equity Securities	6,767,986	6,767,986	-	-
US Treasury and Government Agency Obligations	3,132,143	-	3,132,143	-
Mutual Funds	11,942,323	11,942,323	-	-
Land and Other	2,405,772	-	-	2,405,772
	<u>\$56,138,819</u>	<u>\$ 42,111,033</u>	<u>\$ 11,622,014</u>	<u>\$ 2,405,772</u>

Fair Value Measurements Using
Significant Unobservable Inputs
(Level 3)

	Land	Partnership Investments	Rental Properties	Total
Beginning balance: June 30, 2009	\$ 1,800,215	\$ 50,000	\$ -	\$ 1,850,215
Total gains or losses (realized/unrealized)				
Included in earnings (or changes in net assets)	-	-	-	-
Purchases	-	-	555,557	555,557
Ending balance June 30, 2010	<u>\$ 1,800,215</u>	<u>\$ 50,000</u>	<u>\$ 555,557</u>	<u>\$ 2,405,772</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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NOTE 14 – ENDOWMENTS

The Organization's endowment consists of individual funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 14 - (CONTINUED)

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was adopted by the state of North Dakota on April 21, 2009. The Board of Directors of the Organization has interpreted the North Dakota state law 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 Organization 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 UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Endowment net asset composition by type of fund at June 30, 2011 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ -	\$ 95,051	\$ 95,051
Board-designated endowment funds	1,091,233	4,845,422	-	5,936,655
Total funds	<u>\$ 1,091,233</u>	<u>\$ 4,845,422</u>	<u>\$ 95,051</u>	<u>\$ 6,031,706</u>

The changes in endowment net assets as of June 30, 2011 follow:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, July 1, 2010	\$ 1,007,459	\$ 4,244,702	\$ 95,146	\$ 5,347,307
Contributions	89,916	769,587	-	859,503
Gifts in kind	900	10,244	-	11,144
Fees	(34,009)	(2,435)	-	(36,444)
Net appreciation (depreciation)	285,026	224,149	3,902	513,077
Transfers	20,259	(20,259)	-	-
Amounts appropriated for expenditure	(278,318)	(380,566)	(3,997)	(662,881)
Endowment net assets, June 30, 2011	<u>\$ 1,091,233</u>	<u>\$ 4,845,422</u>	<u>\$ 95,051</u>	<u>\$ 6,031,706</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 – SUBSEQUENT EVENTS – FLOOD OF 2011

On June 23, 2011, Minot and the surrounding area experienced the worst flooding in over 40 years. This flood, which lasted for over 30 days, had a significant impact on the Organization's operations. All of the residents of Trinity Nursing Home had to be relocated to other facilities around the state. Access to north Minot was cut off by the flooding river. A temporary clinic and emergency room was established at a local school to serve those citizens. The city could no longer supply drinking water, and as a result the National Guard set up a filtration system for the hospital so that it could remain open. Many employees lost their homes and had to miss work in order to take care of their families. Trinity continued to pay them throughout this ordeal. Patient services were greatly impacted. Through the date of this report, Trinity has received \$6,800,000 from its insurance carrier relating to business interruption insurance as well as property damage payments. \$2,559,875 of this has been reflected in the June 30, 2011 year end financial statements under the balance sheet caption "other receivables." The insurance company and Trinity continue to analyze the losses incurred as a result of this flooding and expect to receive additional insurance proceeds in the near term.

No other significant events occurred subsequent to the Company's year end. Management has evaluated subsequent events through October 21, 2011, the date which the financial statements were available for issue.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Governing Board
Trinity Health
Minot, North Dakota

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements for the years ended June 30, 2011, 2010, and 2009 taken as a whole. The accompanying consolidating information and supplemental schedules for the years ended June 30, 2011, 2010, and 2009 on pages 26 through 46 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Brady, Martz & Associates

BRADY, MARTZ, AND ASSOCIATES, P.C

October 21, 2011

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BRADY, MARTZ & ASSOCIATES, P.C.

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TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2011

ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT ASSETS					
Cash and cash equivalents	\$ 798,817	\$ 19,367,670	\$ 23,360	\$ 165,094	\$ 20,354,941
Investments	357,323	356,461	356,461	356,461	1,426,706
Accounts receivable:					
Patients and residents-net	3,398,122	62,831,400	2,183,128	2,452,030	70,864,680
Due from affiliates	300,572,793	341,741,886	12,316,997	11,766,701	666,398,377
Pledges	-	-	-	-	-
Other-net	5,546,734	3,491,549	-	-	9,038,283
Due from third-party payors	-	450,000	-	-	450,000
Inventories	476,764	6,171,503	21,010	32,915	6,702,192
Prepaid expenses	157,398	2,748,412	-	-	2,905,810
Funds held by trustee	6,033,507	-	-	-	6,033,507
	<hr/>				
Total current assets	\$ 317,341,458	\$ 437,158,881	\$ 14,900,956	\$ 14,773,201	\$ 784,174,496
	<hr/>				
INVESTMENTS WHOSE USE IS LIMITED.					
Funds held for expansion & replacement of buildings and equipment	\$ 791,494	\$ 1,913,739	\$ -	\$ -	\$ 2,705,233
Funds held by trustee					
Bond reserve fund	7,556,389	-	-	-	7,556,389
Interest receivable	201,930	15,677	776	776	219,159
	<hr/>				
Total investments whose use is limited	\$ 8,549,813	\$ 1,929,416	\$ 776	\$ 776	\$ 10,480,781
	<hr/>				
OTHER ASSETS.					
Investments	\$ 10,600,052	\$ 6,325,039	\$ -	\$ -	\$ 16,925,091
Deferred debt expense-net	1,053,913	(63,746)	(41,817)	-	948,350
Investments in, and advances to, joint ventures	-	-	-	-	-
Other assets	77,152	-	-	-	77,152
	<hr/>				
Total other assets	\$ 11,731,117	\$ 6,261,293	\$ (41,817)	\$ -	\$ 17,950,593
	<hr/>				
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION					
	\$ 8,259,211	\$ -	\$ -	\$ -	\$ 8,259,211
	<hr/>				
LAND, BUILDINGS, AND EQUIPMENT-NET					
	17,240,674	57,692,968	3,343,462	1,180,681	79,457,785
	<hr/>				
TOTAL ASSETS	\$ 363,122,273	\$ 503,042,558	\$ 18,203,377	\$ 15,954,658	\$ 900,322,866
	<hr/>				

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ 361,811	\$ 747,688	\$ 797,173	\$ 662,084	\$ -	\$ 22,923,697
356,461	-	-	-	-	1,783,167
-	496,002	115,389	884,308	(1,093,434)	71,266,945
(134,137)	(255)	-	2,777,989	(669,041,974)	-
35,465	-	-	-	-	35,465
326,263	227	-	447,753	(40,403)	9,772,123
-	-	-	-	-	450,000
-	587,984	11,856	1,196,265	-	8,498,297
-	-	13,062	-	-	2,918,872
-	-	-	-	-	6,033,507
<u>\$ 945,863</u>	<u>\$ 1,831,646</u>	<u>\$ 937,480</u>	<u>\$ 5,968,399</u>	<u>\$(670,175,811)</u>	<u>\$ 123,682,073</u>
\$ 459,208	\$ -	\$ -	\$ -	\$ -	\$ 3,164,441
-	-	-	-	-	7,556,389
39,756	-	-	-	-	258,915
\$ 498,964	\$ -	\$ -	\$ -	\$ -	\$ 10,979,745
\$ 5,887,482	\$ -	\$ -	\$ -	\$ -	\$ 22,812,573
-	-	-	-	-	948,350
-	-	-	-	-	-
-	25,000	-	8,219	-	110,371
<u>\$ 5,887,482</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 8,219</u>	<u>\$ -</u>	<u>\$ 23,871,294</u>
\$ -	\$ -	\$ -	\$ -	\$ (8,259,211)	\$ -
75,694	29,466	258,061	91,453	-	79,912,459
<u>\$ 7,408,003</u>	<u>\$ 1,886,112</u>	<u>\$ 1,195,541</u>	<u>\$ 6,068,071</u>	<u>\$(678,435,022)</u>	<u>\$ 238,445,571</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2011

LIABILITIES AND NET ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT LIABILITIES:					
Accounts payable	\$ 1,675,688	\$ 10,651,297	\$ -	\$ 105,335	\$ 12,432,320
Salaries, wages, payroll taxes, and withholdings	5,521,237	4,009,852	-	-	9,531,089
Accrued vacation and sick pay	689,921	5,302,702	80,032	3,283	6,075,938
Due to third-party payors	-	7,193,476	-	170,000	7,363,476
Accrued interest	-	2,045,839	149,245	-	2,195,084
Estimated professional malpractice liability	2,874,544	1,009,750	67,250	-	3,951,544
Other accrued liabilities	4,914,989	9,895,314	529,860	16,913	15,357,076
Current portion of long-term debt	4,169,283	93,517	-	-	4,262,800
Due to affiliates	395,202,418	226,838,508	25,447,004	20,296,793	667,784,723
Total current liabilities	\$ 415,048,080	\$ 267,040,255	\$ 26,273,391	\$ 20,592,324	\$ 728,954,050
LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES-					
Less current portion	\$ 83,204,070	\$ 50,753	\$ -	\$ -	\$ 83,254,823
Total liabilities	\$ 498,252,150	\$ 267,091,008	\$ 26,273,391	\$ 20,592,324	\$ 812,208,873
NET (DEFICIT) ASSETS					
Unrestricted	\$(140,070,350)	\$ 235,951,550	\$ (8,070,014)	\$ (4,637,666)	\$ 83,173,520
Temporarily restricted	4,845,422	-	-	-	4,845,422
Permanently restricted	95,051	-	-	-	95,051
Total net (deficit) assets	\$(135,129,877)	\$ 235,951,550	\$ (8,070,014)	\$ (4,637,666)	\$ 88,113,993
TOTAL LIABILITIES AND NET ASSETS	\$ 363,122,273	\$ 503,042,558	\$ 18,203,377	\$ 15,954,658	\$ 900,322,866

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ -	\$ 174,271	\$ 20,490	\$ 300,228	\$ (1,118,434)	\$ 11,808,875
-	-	43,846	-	-	9,574,935
-	-	88,499	-	-	6,164,437
-	-	-	-	-	7,363,476
-	-	-	-	-	2,195,084
-	-	-	-	-	3,951,544
246,098	141,522	-	232,067	(15,403)	15,961,360
87,654	-	-	11,034	-	4,361,488
(1,934,322)	243,142	-	2,948,431	(669,041,974)	-
<u>\$ (1,600,570)</u>	<u>\$ 558,935</u>	<u>\$ 152,835</u>	<u>\$ 3,491,760</u>	<u>\$(670,175,811)</u>	<u>\$ 61,381,199</u>
<u>\$ 749,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,966</u>	<u>\$ -</u>	<u>\$ 84,334,151</u>
<u>\$ (851,208)</u>	<u>\$ 558,935</u>	<u>\$ 152,835</u>	<u>\$ 3,821,726</u>	<u>\$(670,175,811)</u>	<u>\$ 145,715,350</u>
\$ 3,318,738	\$ 1,327,177	\$ 1,042,706	\$ 2,246,345	\$ (3,318,738)	\$ 87,789,748
4,845,422	-	-	-	(4,845,422)	4,845,422
95,051	-	-	-	(95,051)	95,051
<u>\$ 8,259,211</u>	<u>\$ 1,327,177</u>	<u>\$ 1,042,706</u>	<u>\$ 2,246,345</u>	<u>\$ (8,259,211)</u>	<u>\$ 92,730,221</u>
<u>\$ 7,408,003</u>	<u>\$ 1,886,112</u>	<u>\$ 1,195,541</u>	<u>\$ 6,068,071</u>	<u>\$(678,435,022)</u>	<u>\$ 238,445,571</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2010

ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT ASSETS					
Cash and cash equivalents	\$ 414,816	\$ 12,081,335	\$ 23,347	\$ 1,029,479	\$ 13,548,977
Investments	353,132	351,081	351,081	351,081	1,406,375
Accounts receivable:					
Patients and residents-net	13,727,383	39,167,529	1,907,285	1,879,294	56,681,491
Due from affiliates	250,502,112	292,213,230	11,195,967	10,285,257	564,196,566
Pledges	-	-	-	-	-
Other-net	1,735,549	1,800,276	-	-	3,535,825
Due from third-party payors	-	1,500,000	-	-	1,500,000
Inventories	366,250	5,587,236	51,854	30,614	6,035,954
Prepaid expenses	45,721	2,492,120	18,373	-	2,556,214
Funds held by trustee	5,621,081	-	-	-	5,621,081
	<hr/>				
Total current assets	\$ 272,766,044	\$ 355,192,807	\$ 13,547,907	\$ 13,575,725	\$ 655,082,483
INVESTMENTS WHOSE USE IS LIMITED					
Funds held for expansion & replacement of buildings and equipment	\$ 250,000	\$ 19,360,359	\$ -	\$ -	\$ 19,610,359
Funds held by trustee:					
Bond reserve fund	7,556,389	-	-	-	7,556,389
Interest receivable	233,053	63,572	3,514	3,514	303,653
	<hr/>				
Total investments whose use is limited	\$ 8,039,442	\$ 19,423,931	\$ 3,514	\$ 3,514	\$ 27,470,401
OTHER ASSETS:					
Investments	\$ 9,935,237	\$ 6,325,039	\$ -	\$ -	\$ 16,260,276
Deferred debt expense-net	1,103,938	(59,825)	(36,635)	-	1,007,478
Investments in, and advances to, joint ventures	-	-	-	-	-
Other assets	77,152	-	-	-	77,152
	<hr/>				
Total other assets	\$ 11,116,327	\$ 6,265,214	\$ (36,635)	\$ -	\$ 17,344,906
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION					
	\$ 6,491,175	\$ -	\$ -	\$ -	\$ 6,491,175
LAND, BUILDINGS, AND EQUIPMENT-NET					
	15,000,379	57,123,171	3,725,750	1,298,026	77,147,326
	<hr/>				
TOTAL ASSETS	\$ 313,413,367	\$ 438,005,123	\$ 17,240,536	\$ 14,877,265	\$ 783,536,291

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ 192,377	\$ 549,759	\$ 1,381,886	\$ 783,391	\$ -	\$ 16,456,390
351,081	-	-	-	-	1,757,456
-	469,992	208,128	847,553	(144,666)	58,062,498
(68,196)	-	(1,000,000)	2,914,605	(566,042,975)	-
2,756	-	-	-	-	2,756
333,208	209	-	-	(1,035,668)	2,833,574
-	-	-	-	-	1,500,000
-	390,502	11,466	964,000	-	7,401,922
-	-	-	-	-	2,556,214
-	-	-	-	-	5,621,081
<u>\$ 811,226</u>	<u>\$ 1,410,462</u>	<u>\$ 601,480</u>	<u>\$ 5,509,549</u>	<u>\$ (567,223,309)</u>	<u>\$ 96,191,891</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,610,359
-	-	-	-	-	7,556,389
45,495	-	-	-	-	349,148
<u>\$ 45,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,515,896</u>
\$ 5,333,258	\$ -	\$ -	\$ -	\$ -	\$ 21,593,534
-	-	-	-	-	1,007,478
-	-	-	-	-	-
-	25,000	-	8,220	-	110,372
<u>\$ 5,333,258</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 8,220</u>	<u>\$ -</u>	<u>\$ 22,711,384</u>
\$ -	\$ -	\$ -	\$ -	\$ (6,491,175)	\$ -
76,355	19,134	301,269	37,321	-	77,581,405
<u>\$ 6,266,334</u>	<u>\$ 1,454,596</u>	<u>\$ 902,749</u>	<u>\$ 5,555,090</u>	<u>\$ (573,714,484)</u>	<u>\$ 224,000,576</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2010

LIABILITIES AND NET ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT LIABILITIES					
Accounts payable	\$ 359,574	\$ 7,405,544	\$ 7,932	\$ 61,124	\$ 7,834,174
Salaries, wages, payroll taxes, and withholdings	5,663,209	3,630,313	-	-	9,293,522
Accrued vacation and sick pay	751,196	5,099,834	80,479	3,283	5,934,792
Due to third-party payors	-	250,000	-	-	250,000
Accrued interest	-	2,117,370	158,040	-	2,275,410
Estimated professional malpractice liability	-	1,009,750	67,250	-	1,077,000
Other accrued liabilities	4,608,867	2,700,352	111,017	19,909	7,440,145
Current portion of long-term debt	3,993,750	93,517	-	-	4,087,267
Due to affiliates	334,010,493	188,353,907	23,759,923	18,694,350	564,818,673
Total current liabilities	\$ 349,387,089	\$ 210,660,587	\$ 24,184,641	\$ 18,778,666	\$ 603,010,983
LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES-					
Less current portion	\$ 87,507,905	\$ 144,203	\$ -	\$ -	\$ 87,652,108
Total liabilities	\$ 436,894,994	\$ 210,804,790	\$ 24,184,641	\$ 18,778,666	\$ 690,663,091
NET (DEFICIT) ASSETS					
Unrestricted	\$(127,821,475)	\$ 227,200,333	\$ (6,944,105)	\$ (3,901,401)	\$ 88,533,352
Temporarily restricted	4,244,702	-	-	-	4,244,702
Permanently restricted	95,146	-	-	-	95,146
Total net (deficit) assets	\$(123,481,627)	\$ 227,200,333	\$ (6,944,105)	\$ (3,901,401)	\$ 92,873,200
TOTAL LIABILITIES AND NET ASSETS.	\$ 313,413,367	\$ 438,005,123	\$ 17,240,536	\$ 14,877,265	\$ 783,536,291

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ -	\$ 90,544	\$ 11,256	\$ 91,580	\$ (171,936)	\$ 7,855,618
-	-	30,215	-	-	9,323,737
-	-	83,385	-	-	6,018,177
-	-	-	-	-	250,000
-	-	-	-	-	2,275,410
-	-	-	-	-	1,077,000
72	33,393	-	155,110	(8,398)	7,620,322
83,480	-	-	-	-	4,170,747
(1,145,409)	229,684	-	3,140,027	(567,042,975)	-
<u>\$ (1,061,857)</u>	<u>\$ 353,621</u>	<u>\$ 124,856</u>	<u>\$ 3,386,717</u>	<u>\$ (567,223,309)</u>	<u>\$ 38,591,011</u>
<u>\$ 837,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,489,123</u>
<u>\$ (224,842)</u>	<u>\$ 353,621</u>	<u>\$ 124,856</u>	<u>\$ 3,386,717</u>	<u>\$ (567,223,309)</u>	<u>\$ 127,080,134</u>
\$ 2,151,328	\$ 1,100,975	\$ 777,893	\$ 2,168,373	\$ (2,151,327)	\$ 92,580,594
4,244,702	-	-	-	(4,244,702)	4,244,702
95,146	-	-	-	(95,146)	95,146
<u>\$ 6,491,176</u>	<u>\$ 1,100,975</u>	<u>\$ 777,893</u>	<u>\$ 2,168,373</u>	<u>\$ (6,491,175)</u>	<u>\$ 96,920,442</u>
<u>\$ 6,266,334</u>	<u>\$ 1,454,596</u>	<u>\$ 902,749</u>	<u>\$ 5,555,090</u>	<u>\$ (573,714,484)</u>	<u>\$ 224,000,576</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2009

ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT ASSETS					
Cash and cash equivalents	\$ 301,127	\$ 9,841,888	\$ 33,778	\$ 195,758	\$ 10,372,551
Investments	8,933,359	346,922	346,922	346,922	9,974,125
Accounts receivable					
Patients and residents-net	12,199,364	34,141,042	1,928,256	2,604,603	50,873,265
Due from affiliates	206,926,004	247,805,724	11,971,241	10,045,702	476,748,671
Pledges	-	-	-	-	-
Other-net	1,248,941	982,572	-	-	2,231,513
Due from third-party payors	-	1,500,000	-	-	1,500,000
Inventories	320,727	4,570,617	43,646	30,498	4,965,488
Prepaid expenses	27,824	2,092,215	19,457	-	2,139,496
Funds held by trustee	7,040,450	-	-	-	7,040,450
	<hr/>				
Total current assets	\$ 236,997,796	\$ 301,280,980	\$ 14,343,300	\$ 13,223,483	\$ 565,845,559
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INVESTMENTS WHOSE USE IS LIMITED.					
Funds held for expansion & replacement of buildings and equipment	\$ 250,000	\$ 9,925,654	\$ -	\$ -	\$ 10,175,654
Funds held by trustee					
Bond reserve fund	7,556,389	-	-	-	7,556,389
Interest receivable	242,149	59,890	1,491	1,491	305,021
	<hr/>				
Total investments whose use is limited	\$ 8,048,538	\$ 9,985,544	\$ 1,491	\$ 1,491	\$ 18,037,064
<hr/>					
OTHER ASSETS					
Investments	\$ 7,946,109	\$ 5,696,860	\$ -	\$ -	\$ 13,642,969
Deferred debt expense-net	1,153,963	(55,904)	(31,454)	-	1,066,605
Investments in, and advances to, joint ventures	-	-	-	-	-
Other assets	77,152	-	-	-	77,152
	<hr/>				
Total other assets	\$ 9,177,224	\$ 5,640,956	\$ (31,454)	\$ -	\$ 14,786,726
<hr/>					
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION	\$ 6,002,714	\$ -	\$ -	\$ -	\$ 6,002,714
<hr/>					
LAND, BUILDINGS, AND EQUIPMENT-NET	14,002,640	56,239,739	4,146,796	1,370,106	75,759,281
<hr/>					
TOTAL ASSETS	<u>\$ 274,228,912</u>	<u>\$ 373,147,219</u>	<u>\$ 18,460,133</u>	<u>\$ 14,595,080</u>	<u>\$ 680,431,344</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ 267,337	\$ 271,461	\$ 211,780	\$ 311,042	\$ -	\$ 11,434,171
346,922	-	-	-	-	10,321,047
-	536,597	283,757	717,591	(162,939)	52,248,271
920,830	-	-	3,078,617	(480,748,118)	-
38,765	-	-	-	-	38,765
321,562	257	-	167,681	(42,344)	2,678,669
-	-	-	-	-	1,500,000
-	377,397	9,922	733,342	-	6,086,149
-	-	9,222	-	-	2,148,718
-	-	-	-	-	7,040,450
<u>\$ 1,895,416</u>	<u>\$ 1,185,712</u>	<u>\$ 514,681</u>	<u>\$ 5,008,273</u>	<u>\$ (480,953,401)</u>	<u>\$ 93,496,240</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,175,654
-	-	-	-	-	7,556,389
40,857	-	-	-	-	345,878
<u>\$ 40,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,077,921</u>
\$ 4,524,129	\$ -	\$ -	\$ -	\$ -	\$ 18,167,098
-	-	-	-	-	1,066,605
-	-	-	-	-	-
-	25,000	-	8,220	-	110,372
<u>\$ 4,524,129</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 8,220</u>	<u>\$ -</u>	<u>\$ 19,344,075</u>
\$ -	\$ -	\$ -	\$ -	\$ (6,002,714)	\$ -
77,055	67,455	281,666	72,455	-	76,257,912
<u>\$ 6,537,457</u>	<u>\$ 1,278,167</u>	<u>\$ 796,347</u>	<u>\$ 5,088,948</u>	<u>\$ (486,956,115)</u>	<u>\$ 207,176,148</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION
JUNE 30, 2009

LIABILITIES AND NET ASSETS	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
CURRENT LIABILITIES					
Accounts payable	\$ 420,448	\$ 5,291,375	\$ 6,875	\$ 36,388	\$ 5,755,086
Salaries, wages, payroll taxes, and withholdings	5,184,881	3,050,065	-	-	8,234,946
Accrued vacation and sick pay	971,000	4,856,562	84,932	3,283	5,915,777
Due to third-party payors	-	250,000	-	-	250,000
Accrued interest	-	2,185,262	166,322	-	2,351,584
Estimated professional malpractice liability	-	1,009,750	67,250	-	1,077,000
Other accrued liabilities	4,628,773	3,483,127	118,515	23,491	8,253,906
Current portion of long-term debt	2,950,000	1,547,231	-	-	4,497,231
Due to affiliates	278,814,892	157,607,248	24,030,824	17,242,412	477,695,376
Total current liabilities	\$ 292,969,994	\$ 179,280,620	\$ 24,474,718	\$ 17,305,574	\$ 514,030,906
LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES-					
Less current portion	\$ 89,862,031	\$ -	\$ -	\$ -	\$ 89,862,031
Total liabilities	\$ 382,832,025	\$ 179,280,620	\$ 24,474,718	\$ 17,305,574	\$ 603,892,937
NET (DEFICIT) ASSETS					
Unrestricted	\$(112,675,649)	\$ 193,866,599	\$ (6,014,585)	\$ (2,710,494)	\$ 72,465,871
Temporarily restricted	3,702,946	-	-	-	3,702,946
Permanently restricted	369,590	-	-	-	369,590
Total net (deficit) assets	\$(108,603,113)	\$ 193,866,599	\$ (6,014,585)	\$ (2,710,494)	\$ 76,538,407
TOTAL LIABILITIES AND NET ASSETS	\$ 274,228,912	\$ 373,147,219	\$ 18,460,133	\$ 14,595,080	\$ 680,431,344

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – BALANCE SHEET INFORMATION (CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ 389	\$ 5,124	\$ 10,158	\$ 31,599	\$ (187,939)	\$ 5,614,417
-	-	27,788	-	-	8,262,734
-	-	71,506	-	-	5,987,283
-	-	-	-	-	250,000
-	-	-	-	-	2,351,584
-	-	-	-	-	1,077,000
939	137,833	-	65,999	(17,344)	8,441,333
79,505	65,215	-	65,215	-	4,707,166
(466,586)	225,670	-	3,293,658	(480,748,118)	-
<u>\$ (385,753)</u>	<u>\$ 433,842</u>	<u>\$ 109,452</u>	<u>\$ 3,456,471</u>	<u>\$ (480,953,401)</u>	<u>\$ 36,691,517</u>
<u>\$ 920,495</u>	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 90,784,260</u>
<u>\$ 534,742</u>	<u>\$ 434,709</u>	<u>\$ 109,452</u>	<u>\$ 3,457,338</u>	<u>\$ (480,953,401)</u>	<u>\$ 127,475,777</u>
\$ 1,930,179	\$ 843,458	\$ 686,895	\$ 1,631,610	\$ (1,930,178)	\$ 75,627,835
3,702,946	-	-	-	(3,702,946)	3,702,946
369,590	-	-	-	(369,590)	369,590
<u>\$ 6,002,715</u>	<u>\$ 843,458</u>	<u>\$ 686,895</u>	<u>\$ 1,631,610</u>	<u>\$ (6,002,714)</u>	<u>\$ 79,700,371</u>
<u>\$ 6,537,457</u>	<u>\$ 1,278,167</u>	<u>\$ 796,347</u>	<u>\$ 5,088,948</u>	<u>\$ (486,956,115)</u>	<u>\$ 207,176,148</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED JUNE 30, 2011

	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
REVENUES					
Net patient and resident service revenues	\$ 77,007,125	\$213,371,117	\$ 20,051,247	\$ 3,770,302	\$314,199,791
Other revenues	408,956	6,093,784	436,756	15,919	6,955,415
Net assets released from restriction, used for operations	322,610	-	-	-	322,610
Total revenues	\$ 77,738,691	\$219,464,901	\$ 20,488,003	\$ 3,786,221	\$321,477,816
EXPENSES					
Salaries, wages, payroll taxes, and employee benefits	\$ 65,844,876	\$ 94,347,010	\$ 15,299,254	\$ 3,245,759	\$178,736,899
Drugs and supplies	3,043,763	44,748,947	1,665,003	311,122	49,768,835
Purchased services and fees	13,244,576	23,548,539	769,804	187,744	37,750,663
Maintenance, equipment rental, and utilities	3,501,831	11,953,824	620,680	226,061	16,302,396
Depreciation	1,218,567	10,442,215	535,820	128,004	12,324,606
Interest and debt expense	57,245	3,938,836	307,566	-	4,303,647
Bad debt expense	2,199,100	29,245,428	138,782	36,124	31,619,434
Insurance	336,571	834,768	16,105	6,253	1,193,697
Other	239,598	53,752	-	974	294,324
Allocation distribution	4,962,280	(7,690,332)	2,260,899	381,577	(85,576)
Total expenses	\$ 94,648,407	\$211,422,987	\$ 21,613,913	\$ 4,523,618	\$332,208,925
OPERATING (LOSS) INCOME	\$ (16,909,716)	\$ 8,041,914	\$ (1,125,910)	\$ (737,397)	\$ (10,731,109)
NONOPERATING GAINS (LOSSES)					
Income (losses) on Investments whose use is limited-					
Funds held for expansion and replacement of buildings and equipment	\$ 1,948,135	\$ -	\$ -	\$ -	\$ 1,948,135
Joint ventures	(107,780)	-	-	-	(107,780)
Loss on extinguishment of debt	-	-	-	-	-
Change in beneficial interest in net assets of Foundation	1,768,035	-	-	-	1,768,035
Other nonoperating gains (losses)	426,309	12,961	-	1,135	440,405
Total net nonoperating gains (losses)	\$ 4,034,699	\$ 12,961	\$ -	\$ 1,135	\$ 4,048,795
(DEFICIENCY) EXCESS OF REVENUES AND GAINS OVER EXPENSES AND LOSSES	\$ (12,875,017)	\$ 8,054,875	\$ (1,125,910)	\$ (736,262)	\$ (6,682,314)
UNREALIZED NET GAINS (LOSSES) ON INVESTMENTS	541,494	696,341	-	-	1,237,835
NET ASSETS RELEASED FROM RESTRICTION, USED FOR THE PURCHASES OF PROPERTY AND EQUIPMENT	64,388	-	-	-	64,388
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (12,269,135)	\$ 8,751,216	\$ (1,125,910)	\$ (736,262)	\$ (5,380,091)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
(CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ -	\$ 5,652,877	\$ -	\$ 11,764,225	\$ -	\$ 331,616,893
1,582,137	28,113	1,767,148	12,760	(2,153,740)	8,191,833
-	-	-	-	-	322,610
\$ 1,582,137	\$ 5,680,990	\$ 1,767,148	\$ 11,776,985	\$ (2,153,740)	\$ 340,131,336
\$ 88,933	\$ 659,285	\$ 1,102,021	\$ 2,009,667	\$ -	\$ 182,596,805
556,024	4,335,400	96,739	8,822,822	(27,906)	63,551,914
207,781	271,329	62,800	518,122	(2,062,834)	36,747,861
609	21,367	108,879	159,349	(63,000)	16,529,600
914	12,397	85,433	25,479	-	12,448,829
46,025	700	-	16,000	-	4,366,372
18,150	-	15,881	(16,696)	-	31,636,769
-	-	30,582	1,780	-	1,226,059
-	154,312	-	165,509	-	614,145
85,576	-	-	-	-	-
\$ 1,004,012	\$ 5,454,790	\$ 1,502,335	\$ 11,702,032	\$ (2,153,740)	\$ 349,718,354
\$ 578,125	\$ 226,200	\$ 264,813	\$ 74,953	\$ -	\$ (9,587,018)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,948,135
-	-	-	-	-	(107,780)
-	-	-	-	-	-
-	-	-	-	(1,768,035)	-
730,702	-	-	3,020	-	1,174,127
\$ 730,702	\$ -	\$ -	\$ 3,020	\$ (1,768,035)	\$ 3,014,482
\$ 1,308,827	\$ 226,200	\$ 264,813	\$ 77,973	\$ (1,768,035)	\$ (6,572,536)
459,208	-	-	-	-	1,697,043
-	-	-	-	-	64,388
\$ 1,768,035	\$ 226,200	\$ 264,813	\$ 77,973	\$ (1,768,035)	\$ (4,811,105)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED JUNE 30, 2010

	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
REVENUES.					
Net patient and resident service revenues	\$ 69,230,118	\$ 209,299,209	\$ 20,177,415	\$ 3,419,924	\$ 302,126,666
Other revenues	335,465	3,283,950	481,905	12,680	4,114,000
Net assets released from restriction, used for operations	285,356	-	-	-	285,356
Total revenues	\$ 69,850,939	\$ 212,583,159	\$ 20,659,320	\$ 3,432,604	\$ 306,526,022
EXPENSES					
Salaries, wages, payroll taxes, and employee benefits	\$ 57,836,079	\$ 87,838,508	\$ 15,449,929	\$ 3,116,018	\$ 164,240,534
Drugs and supplies	2,589,916	42,406,119	1,866,495	314,339	47,176,869
Purchased services and fees	15,049,465	20,108,730	184,446	222,467	35,565,108
Maintenance, equipment rental, and utilities	3,208,531	10,172,048	608,060	181,953	14,170,592
Depreciation	1,126,198	9,181,400	559,889	131,661	10,999,148
Interest and debt expense	-	4,191,193	325,390	-	4,516,583
Bad debt expense	2,695,761	13,123,669	196,978	212,247	16,228,655
Insurance	679,635	458,034	89,338	44,723	1,271,730
Other	245,821	48,242	-	961	295,024
Allocation distribution	4,763,464	(7,530,356)	2,308,914	402,327	(55,651)
Total expenses	\$ 88,194,870	\$ 179,997,587	\$ 21,589,439	\$ 4,626,696	\$ 294,408,592
OPERATING (LOSS) INCOME	\$ (18,343,931)	\$ 32,585,572	\$ (930,119)	\$ (1,194,092)	\$ 12,117,430
NONOPERATING GAINS (LOSSES)					
Income (losses) on Investments whose use is limited-					
Funds held for expansion and replacement of buildings and equipment	\$ 694,188	\$ -	\$ -	\$ -	\$ 694,188
Joint ventures	(168,462)	-	-	-	(168,462)
Loss on extinguishment of debt	-	-	-	-	-
Change in beneficial interest in net assets of Foundation	488,461	-	-	-	488,461
Other nonoperating gains (losses)	830,954	119,981	600	3,185	954,720
Total net nonoperating gains (losses)	\$ 1,845,141	\$ 119,981	\$ 600	\$ 3,185	\$ 1,968,907
(DEFICIENCY) EXCESS OF REVENUES AND GAINS OVER EXPENSES AND LOSSES	\$ (16,498,790)	\$ 32,705,553	\$ (929,519)	\$ (1,190,907)	\$ 14,086,337
UNREALIZED NET GAINS (LOSSES) ON INVESTMENTS	1,138,879	628,180	-	-	1,767,059
NET ASSETS RELEASED FROM RESTRICTION, USED FOR THE PURCHASES OF PROPERTY AND EQUIPMENT	189,720	-	-	-	189,720
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (15,170,191)	\$ 33,333,733	\$ (929,519)	\$ (1,190,907)	\$ 16,043,116

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
(CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ -	\$ 2,371	\$ -	\$ 11,162,467	\$ -	\$ 313,291,504
218,295	5,785,703	1,450,637	13,858	(1,912,547)	9,669,946
-	-	-	-	-	285,356
\$ 218,295	\$ 5,788,074	\$ 1,450,637	\$ 11,176,325	\$ (1,912,547)	\$ 323,246,806
\$ 79,409	\$ 599,771	\$ 1,013,517	\$ 1,723,409	\$ -	\$ 167,656,640
310,293	4,462,209	69,810	7,832,437	(35,972)	59,815,646
120,118	282,509	55,991	551,152	(1,810,242)	34,764,636
785	28,158	95,715	158,454	(66,333)	14,387,371
915	46,209	84,132	52,846	-	11,183,250
50,000	3,188	-	18,590	-	4,588,361
17,932	-	10,557	(5,141)	-	16,252,003
-	-	29,917	680	-	1,302,327
-	108,513	-	307,136	-	710,673
55,651	-	-	-	-	-
\$ 635,103	\$ 5,530,557	\$ 1,359,639	\$ 10,639,563	\$ (1,912,547)	\$ 310,660,907
\$ (416,808)	\$ 257,517	\$ 90,998	\$ 536,762	\$ -	\$ 12,585,899
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694,188
-	-	-	-	-	(168,462)
-	-	-	-	-	-
-	-	-	-	(488,461)	-
504,823	-	-	-	-	1,459,543
\$ 504,823	\$ -	\$ -	\$ -	\$ (488,461)	\$ 1,985,269
\$ 88,015	\$ 257,517	\$ 90,998	\$ 536,762	\$ (488,461)	\$ 14,571,168
400,446	-	-	-	-	2,167,505
-	-	-	-	-	189,720
\$ 488,461	\$ 257,517	\$ 90,998	\$ 536,762	\$ (488,461)	\$ 16,928,393

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED JUNE 30, 2009

	TRINITY HEALTH	TRINITY HOSPITALS	TRINITY HOMES	TRINITY KENMARE HOSPITALS	SUBTOTAL
REVENUES.					
Net patient and resident service revenues	\$ 62,227,427	\$182,809,862	\$ 18,743,912	\$ 4,221,474	\$268,002,675
Other revenues	95,041	2,816,537	451,090	25,235	3,387,903
Net assets released from restriction, used for operations	266,669	-	-	-	266,669
Total revenues	\$ 62,589,137	\$185,626,399	\$ 19,195,002	\$ 4,246,709	\$271,657,247
EXPENSES					
Salaries, wages, payroll taxes, and employee benefits	\$ 52,683,603	\$ 81,484,566	\$ 14,328,809	\$ 3,026,459	\$151,523,437
Drugs and supplies	2,656,201	39,387,633	1,590,006	337,807	43,971,647
Purchased services and fees	13,182,264	19,394,244	164,456	212,953	32,953,917
Maintenance, equipment rental, and utilities	3,194,271	11,252,136	583,893	206,067	15,236,367
Depreciation	1,064,200	8,355,323	588,762	129,079	10,137,364
Interest and debt expense	6	4,141,272	342,149	207	4,483,634
Bad debt expense	2,727,166	9,191,261	103,652	278,001	12,300,080
Insurance	935,557	919,565	132,488	60,824	2,048,434
Other	291,463	59,305	-	1,006	351,774
Allocation distribution	4,804,134	(7,561,272)	2,267,692	445,262	(44,184)
Total expenses	\$ 81,538,865	\$166,624,033	\$ 20,101,907	\$ 4,697,665	\$272,962,470
OPERATING (LOSS) INCOME	\$ (18,949,728)	\$ 19,002,366	\$ (906,905)	\$ (450,956)	\$ (1,305,223)
NONOPERATING GAINS (LOSSES)					
Income (losses) on Investments whose use is limited-					
Funds held for expansion and replacement of buildings and equipment	\$ (594,153)	\$ -	\$ -	\$ -	\$ (594,153)
Joint ventures	(46,509)	-	-	-	(46,509)
Loss on extinguishment of debt	-	-	-	-	-
Change in beneficial interest in net assets of Foundation	(406,943)	-	-	-	(406,943)
Other nonoperating gains (losses)	(1,310,782)	(412,596)	2,117	19,864	(1,701,397)
Total net nonoperating gains (losses)	\$ (2,358,387)	\$ (412,596)	\$ 2,117	\$ 19,864	\$ (2,749,002)
(DEFICIENCY) EXCESS OF REVENUES AND GAINS OVER EXPENSES AND LOSSES	\$ (21,308,115)	\$ 18,589,770	\$ (904,788)	\$ (431,092)	\$ (4,054,225)
UNREALIZED NET GAINS (LOSSES) ON INVESTMENTS	(1,270,100)	585,871	-	-	(684,229)
NET ASSETS RELEASED FROM RESTRICTION, USED FOR THE PURCHASES OF PROPERTY AND EQUIPMENT	362,183	-	-	-	362,183
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (22,216,032)	\$ 19,175,641	\$ (904,788)	\$ (431,092)	\$ (4,376,271)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS INFORMATION
(CONTINUED)

TRINITY HEALTH FOUNDATION	B&B DRUG	COMMUNITY AMBULANCE SERVICE	MAOPS	ELIMINATION	CONSOLIDATED
\$ -	\$ 1,196	\$ -	\$ 10,629,695	\$ -	\$ 278,633,566
133,568	5,731,701	1,426,317	14,371	(1,967,816)	8,726,044
-	-	-	-	-	266,669
<u>\$ 133,568</u>	<u>\$ 5,732,897</u>	<u>\$ 1,426,317</u>	<u>\$ 10,644,066</u>	<u>\$ (1,967,816)</u>	<u>\$ 287,626,279</u>
\$ 68,611	\$ 566,234	\$ 955,744	\$ 1,695,696	\$ -	\$ 154,809,722
273,051	4,365,714	76,748	7,647,805	(14,263)	56,320,702
59,299	303,223	57,583	599,301	(1,887,220)	32,086,103
434	15,142	90,724	157,690	(66,333)	15,434,024
465	80,061	72,072	87,063	-	10,377,025
-	8,424	-	23,824	-	4,515,882
15,172	305	1,342	(11,196)	-	12,305,703
-	-	29,107	126	-	2,077,667
-	179,257	-	193,799	-	724,830
44,184	-	-	-	-	-
<u>\$ 461,216</u>	<u>\$ 5,518,360</u>	<u>\$ 1,283,320</u>	<u>\$ 10,394,108</u>	<u>\$ (1,967,816)</u>	<u>\$ 288,651,658</u>
<u>\$ (327,648)</u>	<u>\$ 214,537</u>	<u>\$ 142,997</u>	<u>\$ 249,958</u>	<u>\$ -</u>	<u>\$ (1,025,379)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (594,153)
-	-	-	-	-	(46,509)
-	-	-	-	-	-
-	-	-	-	406,943	-
(574,557)	-	-	-	-	(2,275,954)
<u>\$ (574,557)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,943</u>	<u>\$ (2,916,616)</u>
\$ (902,205)	\$ 214,537	\$ 142,997	\$ 249,958	\$ 406,943	\$ (3,941,995)
495,262	-	-	-	-	(188,967)
-	-	-	-	-	362,183
<u>\$ (406,943)</u>	<u>\$ 214,537</u>	<u>\$ 142,997</u>	<u>\$ 249,958</u>	<u>\$ 406,943</u>	<u>\$ (3,768,779)</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
NOTES TO CONSOLIDATING SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2011, 2010 AND 2009

NOTE 1 – BASIS OF PRESENTATION

The consolidating schedule of balance sheet information and consolidating schedule of statement of operations information are presented for additional analysis of the basic consolidated financial statements. All significant intercompany balances and transactions have been eliminated for consolidation purposes.

NOTE 2 – BENEFICIAL INTEREST

The Foundation's net assets are added to the Trinity Health's net assets in accordance with accounting principles generally accepted in the United States of America.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY HEALTH
SCHEDULE OF DAILY ROOM RATES AND PRIVATE ROOM RATE
DIFFERENTIALS OF TRINITY HOMES

Classification	January 1, 2010 Through June 30, 2010	January 1, 2011 Through June 30, 2011
Heavy Rehabilitation A	\$ 224.11	\$ 224.57
Heavy Rehabilitation B	246.91	248.06
Heavy Rehabilitation C	280.51	282.69
Heavy Rehabilitation D	310.51	313.61
Extensive Services 1	282.91	285.17
Extensive Services 2	302.11	304.95
Extensive Services 3	410.11	416.26
Special Care A	255.31	256.72
Special Care B	262.51	264.14
Special Care C	275.71	277.75
Clinically Complex A1	218.11	218.38
Clinically Complex A2	225.31	225.80
Clinically Complex B1	236.11	236.93
Clinically Complex B2	237.31	238.17
Clinically Complex C1	248.11	249.30
Clinically Complex C2	270.91	272.80
Impaired Cognition A1	176.11	175.10
Impaired Cognition A2	191.71	191.18
Impaired Cognition B1	201.31	201.07
Impaired Cognition B2	213.31	213.44
Behavior Only A1	171.31	170.15
Behavior Only A2	178.51	177.57
Behavior Only B1	197.71	197.36
Behavior Only B2	212.11	212.20
Reduced Physical Function A1	170.11	168.92
Reduced Physical Function A2	174.91	173.86
Reduced Physical Function B1	177.31	176.34
Reduced Physical Function B2	185.71	184.99
Reduced Physical Function C1	196.51	196.12
Reduced Physical Function C2	198.91	198.60
Reduced Physical Function D1	200.11	199.83
Reduced Physical Function D2	209.71	209.73
Reduced Physical Function E1	210.91	210.96
Reduced Physical Function E2	220.51	220.86
Not classified BC1	170.11	168.92
Private Room Rate	12.00	12.00

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Additional Data

Software ID:
Software Version:
EIN: 33-1007002
Name: TRINITY HEALTH & AFFILIATES

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BLAINE E DESLAURIERS TREASURER	2 00	X		X			0	0	0	
DAVID FULLER DIRECTOR	2 00	X					0	0	0	
PATRICK HOLIEN CHAIRMAN	2 00	X		X			0	0	0	
KAREN KREBSBACH SECRETARY	2 00	X		X			0	0	0	
PHILIP LOWE DIRECTOR	2 00	X					0	0	0	
TIMOTHY MIHALICK VICE CHAIRMAN	2 00	X		X			0	0	0	
CLARA SUE PRICE DIRECTOR	2 00	X					0	0	0	
MARTIN ROTHBERG MD DIRECTOR	2 00	X					0	938,535	53,938	
JOHN M KUTCH PRESIDENT/DIRECTOR	20 00	X		X			0	363,778	48,150	
KEVIN COLLINS MD DIRECTOR	40 00	X					0	655,219	52,442	
BORGI BEELER DIRECTOR	2 00	X					0	0	0	
JOHN COUGHLIN DIRECTOR	2 00	X					0	0	0	
STEVEN D LYSNE DIRECTOR	2 00	X					0	0	0	
DARYL SOMERVILLE DIRECTOR	2 00	X					0	0	0	
KEVIN SEEHAFFER CFO VICE PRESIDENT	20 00			X			0	249,412	41,884	
DAVID KOHLMAN VICE PRESIDENT	20 00				X		0	119,905	31,418	
RHONDA TANBERG ADMINISTRATOR	40 00				X		0	107,804	13,835	
RANDY SCHWAN VICE PRESIDENT	20 00				X		0	165,842	37,534	
PAUL SIMONSON VICE PRESIDENT	20 00				X		0	222,498	45,486	
THOMAS WARSOCKI VICE PRESIDENT	20 00				X		0	156,688	36,852	
SHAWNA SMOTHERS ADMINISTRATOR	40 00				X		0	101,490	13,794	
JOHN NELSON MD EMERGENCY MEDICINE	40 00					X	0	479,092	49,888	
JEFFREY SATHER MD EMERGENCY MEDICINE	40 00					X	0	525,267	50,557	
SCOTT KNUDSON MD EMERGENCY MEDICINE	40 00					X	0	436,997	49,278	
DANIAL R PADGETT MD HOSPITALISTS	40 00					X	0	427,487	39,940	

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ASITHA R DIAS MD EMERGENCY MEDICINE	40 00					X		0	362,794	48,202
TERRY G HOFF FORMER PRESIDENT/DIRECTOR	20 00						X	0	20,095	6,175
JAMES JENSEN FORMER HONOROARY DIRECTOR	2 00						X	0	0	0
JOHN SHEEHAN MD FORMER DIRECTOR	2 00						X	0	141,094	34,331
JEFFREY VERHEY FORMER HONOROARY DIRECTOR	2 00						X	0	532,310	50,660
CHESTER REITEN FORMER HONOROARY DIRECTOR	2 00						X	0	0	0
ERNEST SELLAND FORMER HONOROARY DIRECTOR	2 00						X	0	0	0
NANCY HOLMES FORMER SENIOR VICE PRESIDENT	20 00						X	0	214,674	35,397
NICOLA ROED FORMER VICE PRESIDENT	20 00						X	0	101,248	9,581
JULIE WALDERA FORMER VICE PRESIDENT	20 00						X	0	30,508	3,473
RICK WITMEIER FORMER ADMINISTRATOR	40 00						X	0	192,939	41,339

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses \$ 143,774,071 including grants of \$ 417,699) (Revenue \$ 105,669,605)
TRINITY HEALTH & AFFILIATES PROVIDES HOSPITAL SERVICES TO CENTRAL AND NORTHWEST NORTH DAKOTA AND
NORTHEASTERN MONTANA