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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 10-01-2010 and ending 09-30-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization
BLESSING HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
1005 BROADWAY

Room/suite

City or town, state or country, and ZIP + 4
QUINCY, IL 62301

F Name and address of principal officer

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www.blessinghealthsystem.org

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

L Year of formation 1875

M State of legal domicile IL

Part I	Summary																																																												
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities Blessing Hospital's mission is to provide high quality, accessible health care showing compassion and respect to those we serve</div></div>																																																												
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																																												
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>14</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>11</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2010 (Part V, line 2a)</td><td>2,594</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>878</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>1,233,363</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>-553,110</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	14	4	Number of independent voting members of the governing body (Part VI, line 1b)	11	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	2,594	6	Total number of volunteers (estimate if necessary)	878	7a	Total unrelated business revenue from Part VIII, column (C), line 12	1,233,363	7b	Net unrelated business taxable income from Form 990-T, line 34	-553,110																																										
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Part II

Signature Block

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

Sign Here

Signature of officer

2012-03-29
Date

MAUREEN KAHN President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name
STEPHEN C KOESTER CPA

Preparer's signature
STEPHEN C KOESTER CPA

Date

Check if self-employed ☐

PTIN

Firm's name ▶ Gray Hunter Stenn LLP

Firm's EIN ▶

Firm's address ▶ 500 Maine Street
Quincy, IL 62301

Phone no ▶ (217) 222-0304

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

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

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

Blessing Hospital's mission is to provide high quality, accessible health care showing compassion and respect to those we serve

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 217,421,404 including grants of \$ 1,292,592) (Revenue \$ 283,831,888)

SINCE IT WAS FOUNDED IN 1875, Blessing Hospital HAS PROVIDED quality healthcare services to ALL patients regardless of race, sex, national origin, age or ability to pay In serving all members of its community, Blessing Hospital CONTINUES THIS TRADITION BY PROVIDING free/subsidized care, care to persons covered by governmental programs at less than full charges, and community health/education/wellness programs For fiscal year 2011, the cost of charity care provided was \$7,594,928 Medicare and Medicaid shortfalls were \$41,474,139 and \$14,418,986, respectively Blessing Hospital serviced 13,872 inpatients and 65,532 emergency department patients Outpatient services included 334,694 laboratory exams and 93,860 radiology procedures Blessing Hospital provided ADDITIONAL benefits of \$8,162,258 to the community DURING FISCAL YEAR 2011 as follows Health Professionals Education SIU Residency Program \$1,780,785 Blessing-Rieman College of Nursing \$ 987,489 NURSING EDUCATIONAL PreceptorS \$ 801,285 SCHOOL OF RADIOLOGIC TECHNOLOGY \$ 246,943 SCHOOL OF MEDICAL LABORATORY TECHNICIANS \$ 84,641 SUB Total Health Professionals education \$3,901,143Community Health Improvement Services COMMUNITY OUTREACH CLINIC \$ 758,291 Health Screenings/Tests \$ 155,916 Support Groups \$ 77,720 SIU PATIENT CENTERED MEDICAL HOME \$ 42,834 Educational Programs \$ 36,307 Medical Supplies/Services for Patients \$ 21,287 CHARITY PHARMACY PRESCRIPTIONS \$ 8,062 Patient Transportation \$ 6,250 MEDICAL INTERPRETING SERVICES \$ 2,796 SUB Total community health improvement serviceS \$1,109,463Subsidized Health Services Home Healthcare SERVICES \$1,223,518 HOSPICE \$ 748,355 BLESSING FAST CARE \$ 201,264 SUB TOTAL SUBSIDIZED HEALTH SERVICES \$2,173,137In-Kind Contributions/Donations Donations/Sponsorships \$ 71,762 MEETING SPACE \$ 67,081 Access Health Adams County \$ 27,920 Arthritis Foundation \$ 11,220 Adams County Ambulance Service \$ 56,620 COMMUNITY OUTREACH CLINIC \$ 55,160 SUB Total in-kind contributions/donations \$ 289,763Community Building Activities SUPPORT TO ACCESS HEALTH ADAMS COUNTY \$ 688,752

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d

Other program services (Describe in Schedule O)

















(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 217,421,404

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	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>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		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>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	176		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	2,594		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			No
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			No
7 Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	0		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			No
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			No
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b			
c	Enter the amount of reserves on hand.	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b			No

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?	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	Yes	
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?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
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?		No
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?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. TIMOTHY MOORE BROADWAY AT 11TH PO BOX 7005 QUINCY, IL 62305 (217) 223-8400

Part VII

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

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

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

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

- List all of the organization’s **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization’s **current** key employees, if any See instructions for definition of "key employee "
- List the organization’s five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization’s **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization’s **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors , institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) TIMOTHY KOONTZ CHAIR/trustee	1 00	X		X				0	0	0
(2) TIMOTHY A MOORE SECRETARY/CAO	40 00			X				216,829	0	68,486
(3) THOMAS H MILLER MD ViceChair/Trust	1 00	X		X				0	0	0
(4) THOMAS A CLIATT DO PHYSICIAN	40 00					X		628,064	0	42,954
(5) STUART L PYATT DO PHYSICIAN	40 00					X		653,881	0	47,747
(6) STEPHEN W NESBIT CMO	40 00			X				391,702	0	17,126
(7) PATRICK M GERVELER Treasurer	1 00			X				0	359,591	43,537
(8) NANCY BLUHM Trustee	1 00	X						0	0	0
(9) MICHAEL J FOSTER Trustee	1 00	X						0	0	0
(10) MICHAEL HULSEN Trustee	1 00	X						0	0	0
(11) MICHAEL D KLINGNER Trustee	1 00	X						0	0	0
(12) MAUREEN A KAHN PRESIDENT/CEO	40 00	X		X				460,371	0	50,250
(13) LYNN P HOUSE Trustee	1 00	X						0	0	0
(14) JOHN BARBAGIOVANNI DO Trustee	5 00	X						27,517	0	0
(15) JILL MASON CNO	40 00				X			224,135	0	111,222
(16) JEAN A DISSELER MD Trustee	1 00	X						1,250	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) JAMES B KASE MD PHYSICIAN	40 00					X		572,501	0	21,222
(18) HARRY RUTH MD Trustee	1 00	X						0	0	0
(19) DAVID BOSTER Trustee	1 00	X						0	0	0
(20) CHRISTOPHER R SOLARO MD PHYSICIAN	40 00					X		539,647	0	20,126
(21) CHRISTOPHER J NIEMANN Trustee	1 00	X						0	0	0
(22) B BRADFORD BILLINGS Trustee	1 00	X						0	908,579	289,183
(23) ANTHONY S WOLLASTON MD PHYSICIAN	40 00					X		545,523	0	20,424
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								4,261,420	1,268,170	732,277

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▶70

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
	(A) Name and business address	(B) Description of services	(C) Compensation
	WEST CENTRAL PATHOLOGY SPECIALISTS SC 4000 CATAMARAN CT QUINCY, IL 62301	PATHOLOGY SERVICES	2,386,946
	QUINCY ANESTHESIA ASSOCIATES PC BROADWAY AT 11TH QUINCY, IL 62301	ANESTHESIA SERVICES	7,730,618
	MEDICAL REIMBURSEMENT OF AMERICA LLC 7105 MOORES LANE BRENTWOOD, TN 37027	COLLECTION SERVICES	1,063,079
	ECLIPSYS CORPORATION PO BOX 8538-0133 PHILADELPHIA, PA 191710133	SOFTWARE CONSULTING	1,900,692
	CHRISTNER INC PO BOX 790379 ST LOUIS, MO 63179	ENGINEERING	1,987,567
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 ▶49		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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		470,000					
	e Government grants (contributions) 1e		2,445,324					
	f All other contributions, gifts, grants, and similar amounts not included above 1f		1,527,552					
	g Noncash contributions included in lines 1a-1f \$							
	h Total. Add lines 1a-1f		4,442,876					
Program Service Revenue			Business Code					
	2a PATIENT REVENUE		621110	713,350,177	713,350,177			
	b LESS CONTRACT ALLOW		621110	-405,613,024	405,613,024			
	c LESS CHARITY CARE		621110	-26,878,630	26,878,630			
	d COLLEGE OF NURSING		611600	2,973,365		2,973,365		
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			283,831,888				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)			1,694,640		1,694,640		
	4 Income from investment of tax-exempt bond proceeds . .			0				
	5 Royalties			0				
	6a Gross Rents	(i) Real						
		1,190,702						
		b Less rental expenses						
		c Rental income or (loss)	1,190,702					
	d Net rental income or (loss)			1,190,702		1,190,702		
	7a Gross amount from sales of assets other than inventory	(i) Securities						
		84,394,661						
		b Less cost or other basis and sales expenses	80,956,130					
		c Gain or (loss)	3,438,531					
	d Net gain or (loss)			3,438,531	3,438,531			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a			0				
	b Less direct expenses b							
	c Net income or (loss) from fundraising events . .							
	9a Gross income from gaming activities See Part IV, line 19 . a			0				
	b Less direct expenses b							
	c Net income or (loss) from gaming activities . .							
	10a Gross sales of inventory, less returns and allowances a		2,070,791	1,233,363		1,233,363		
	b Less cost of goods sold b		837,428					
	c Net income or (loss) from sales of inventory . .							
	Miscellaneous Revenue		Business Code					
11a SALE OF FOOD		722210	1,387,774			1,387,774		
b OTHER		900099	2,148,771			2,148,771		
c MANAGEMENT & ACCNTG FEES		541610	2,076,920			2,076,920		
d All other revenue			1,326,545			1,326,545		
e Total. Add lines 11a-11d			6,940,010					
12 Total revenue. See Instructions			302,772,010	284,297,054	1,233,363	12,798,717		

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	979,253	979,253		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	313,339	313,339		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	6,120,968	5,019,194	1,101,774	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	94,257,420	77,019,654	17,237,766	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,460,167	6,914,460	1,545,707	
9	Other employee benefits	21,412,549	17,500,389	3,912,160	
10	Payroll taxes	6,432,500	5,257,256	1,175,244	
a	Fees for services (non-employees)				
	Management	6,555,983		6,555,983	
b	Legal	218,850		218,850	
c	Accounting	103,015	4,800	98,215	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	21,230,410	17,579,855	3,650,555	
12	Advertising and promotion	412,953	21,369	391,584	
13	Office expenses	0			
14	Information technology	0			
15	Royalties	0			
16	Occupancy	3,770,875	1,617,250	2,153,625	
17	Travel	767,683	460,935	306,748	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	200,096	163,538	36,558	
20	Interest	3,056,659	2,498,195	558,464	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	14,271,234	11,910,772	2,360,462	
23	Insurance	2,560,202	2,366,789	193,413	
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	39,398,795	38,321,017	1,077,778	
b	SOFTWARE	5,886,664	3,995,411	1,891,253	
c	FEES	4,800,649	1,528,760	3,271,889	
d	EQUIP RENTAL AND MAINTENAN	4,725,130	3,579,727	1,145,403	
e	BAD DEBT EXPENSE	19,513,348	19,513,348		
f	All other expenses	4,375,848	856,093	3,519,755	
25	Total functional expenses. Add lines 1 through 24f	269,824,590	217,421,404	52,403,186	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

						(A)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				45,438,695	1	49,924,693
	2	Savings and temporary cash investments					2	0
	3	Pledges and grants receivable, net					3	0
	4	Accounts receivable, net				59,291,867	4	65,377,263
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L					5	0
	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	0
	7	Notes and loans receivable, net					7	0
	8	Inventories for sale or use				5,248,864	8	5,660,877
	9	Prepaid expenses and deferred charges				3,685,414	9	3,598,118
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	280,985,014				
	b	Less: accumulated depreciation	10b	178,414,135	102,711,464	10c	102,570,879	
	11	Investments—publicly traded securities			73,493,052	11	71,308,196	
	12	Investments—other securities. See Part IV, line 11			5,235,666	12	14,788,632	
	13	Investments—program-related. See Part IV, line 11				13	0	
	14	Intangible assets				14	0	
	15	Other assets. See Part IV, line 11			18,152,514	15	15,657,156	
	16	Total assets. Add lines 1 through 15 (must equal line 34)			313,257,536	16	328,885,814	
Liabilities	17	Accounts payable and accrued expenses			26,059,556	17	27,814,534	
	18	Grants payable				18		
	19	Deferred revenue				19		
	20	Tax-exempt bond liabilities			74,735,868	20	70,555,000	
	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			11,616,951	23	11,134,183	
	24	Unsecured notes and loans payable to unrelated third parties				24		
	25	Other liabilities. Complete Part X of Schedule D			74,455,292	25	85,712,251	
	26	Total liabilities. Add lines 17 through 25			186,867,667	26	195,215,968	
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			123,767,999	27	130,805,632	
	28	Temporarily restricted net assets			2,418,068	28	2,660,412	
	29	Permanently restricted net assets			203,802	29	203,802	
	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			126,389,869	33	133,669,846	
	34	Total liabilities and net assets/fund balances			313,257,536	34	328,885,814	

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	302,772,010
2	Total expenses (must equal Part IX, column (A), line 25)	2	269,824,590
3	Revenue less expenses Subtract line 2 from line 1	3	32,947,420
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	126,389,869
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-25,667,443
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	133,669,846

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 type="checkbox"/> Consolidated basis <input checked="" 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?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BLESSING HOSPITAL

Employer identification number
37-0661183

Part I

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	

13

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

▶

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

Part IIIPart III

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

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

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

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

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

Part IV

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

Facts And Circumstances Test

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization BLESSING HOSPITAL	Employer identification number 37-0661183
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div>YesNo</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div>YesNo</div>	

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)</div><div><input type="checkbox"/> Preservation of an historically importantly land area</div><div><input type="checkbox"/> Protection of natural habitat</div><div><input type="checkbox"/> Preservation of a certified historic structure</div><div><input type="checkbox"/> Preservation of open space</div></div>
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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►_____
4	Number of states where property subject to conservation easement is located ►_____
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div>YesNo</div>
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)? <div>YesNo</div>
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 <div>► \$ _____</div>
	(ii) Assets included in Form 990, Part X <div>► \$ _____</div>
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 <div>► \$ _____</div>
b	Assets included in Form 990, Part X <div>► \$ _____</div>

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	568,392	555,077	489,658		
b Contributions					
c Investment earnings or losses	-5,502	14,824	80,883		
d Grants or scholarships					
e Other expenditures for facilities and programs	1,970	1,509	15,464		
f Administrative expenses					
g End of year balance	560,920	568,392	555,077		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 36 330 %

c

Term endowment ▶ 63 670 %

3a

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

(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

No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		12,458,355		12,458,355
b Buildings		135,155,106	53,925,347	81,229,759
c Leasehold improvements		5,697,771	4,336,351	1,361,420
d Equipment				
e Other		127,673,782	120,152,437	7,521,345
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				102,570,879

Schedule D (Form 990) 2010

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)	1302,772,010
2	Total expenses (Form 990, Part IX, column (A), line 25)	2269,824,590
3	Excess or (deficit) for the year Subtract line 2 from line 1	332,947,420
4	Net unrealized gains (losses) on investments	4-3,608,714
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-22,065,392
9	Total adjustments (net) Add lines 4 - 8	9-25,674,106
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	107,273,314

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1283,854,424
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d-17,757,462	
e	Add lines 2a through 2d	2e-17,757,462
3	Subtract line 2e from line 1	3301,611,886
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 7b4a	
b	Other (Describe in Part XIV)4b1,160,124	
c	Add lines 4a and 4b	4c1,160,124
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5302,772,010

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1251,506,011
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d1,194,769	
e	Add lines 2a through 2d	2e1,194,769
3	Subtract line 2e from line 1	3250,311,242
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 7b4a	
b	Other (Describe in Part XIV)4b19,513,348	
c	Add lines 4a and 4b	4c19,513,348
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5269,824,590

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 XIII, Line 4b	Part XIII, Line 4b Other revenue amounts included on 990 but not included in F/S	BAD DEBT REDUCTION OF REVENUE ON F/S \$19513348
Part XIII, Line 2d	Part XIII, Line 2d Other expenses and losses per audited F/S	LIABILITY CLAIMS RPTD ON SEPARATE 990 \$357341 COGS INCLUDED IN EXPENSES ON F/S \$837428
Part XII, Line 4b	Part XII, Line 4b Other revenue amounts included on 990 but not included in F/S	COGS INCLUDED IN EXPENSES ON F/S \$-837428 TEMPORARILY RESTRICTED CONTRIBUTIONS \$1997552
Part XI, Line 8	Part XI, Line 8 Other Changes in Net Assets or Fund Balances	FAS 158 INCREASE IN MINIMUM PENSION LIABILITY \$ - 9308247 TRANSFERS TO AFFILIATES \$ -12400482 TRANSFERS TO SITF \$ -350000
Part V, Line 4	Part V, Line 4 Intended uses of the endowment fund	ENDOWMENT FUNDS ARE TO BE USED FOR THE GENERAL SUPPORT AND OPERATIONS OF BLESSING HOSPITAL

Additional Data

Software ID: 10000105
Software Version: 2010v3.2
EIN: 37-0661183
Name: BLESSING HOSPITAL

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	STORZ ENDOSCOPY LEASE	20,963
	PREMIUM ON LONG TERM DEBT	748,618
	MOB CARDIO REHAB LEASE	150,970
	MOB BLOOD DRAW LEASE	143,988
	MATERIALS MGT LEASE	8,155
	MAMMOGRAPHY FURNITURE LEASE	36,355
	HILL-ROM LEASE	404,179
	ESTIMATED 3RD-PARTY PAYOR SETTLEMENTS	8,520,978
	DEFERRED COMPENSATION	3,763,049
	DA VINCI ROBOT LEASE	1,572,977
	CATH LAB IVUS LEASE	36,018
	BRCN LEASE	51,184
	ADVANCES AND DEFERRED REVENUE	1,865,092
	ACCRUED SALARIES & WAGES	15,810,660
	ACCRUED PENSION COSTS	51,194,434
	ACCRUED PAYROLL TAXES	691,504
	ACCRUED INTEREST	693,127

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
BLESSING HOSPITAL

Employer identification number
37-0661183

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250.000000000 %</u> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			7,594,928		7,594,928	3 030 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			37,654,431	23,235,445	14,418,986	5 760 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			45,249,359	23,235,445	22,013,914	8 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,109,463	20,387	1,089,076	0 440 %
f Health professions education (from Worksheet 5)			3,901,143		3,901,143	1 560 %
g Subsidized health services (from Worksheet 6)			8,866,953	6,693,816	2,173,137	0 870 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			289,763		289,763	0 120 %
j Total Other Benefits			14,167,322	6,714,203	7,453,119	2 990 %
k Total. Add lines 7d and 7j)			59,416,681	29,949,648	29,467,033	11 780 %

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		688,752		688,752	0 260 %
8	Workforce development					
9	Other					
10	Total		688,752		688,752	0 260 %

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	6,564,290	
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	306,552	
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	85,698,767	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	89,517,974	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-3,819,207	
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		No

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 JCH DIALYSIS CENTER LLC	DIALYSIS SERVICES	50 000 %		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 2

Schedule H (Form 990) 2010

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BLESSING HOSPITAL AT 14TH ST

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>250 0000</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 0000</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)	16	Yes	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a <input checked="" type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d <input type="checkbox"/> Other (describe in Part VI)		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BLESSING HOSPITAL AT 11TH ST

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>250 0000</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 0000</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	Yes
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input checked="" type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		No

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? **11**

Name and address	Type of Facility (Describe)
1 See Additional Data Table	

Part VI

Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
	Part VI - Additional Information	BLESSING HOSPITAL'S COMMUNITY BENEFIT REPORT IS PRESENTED TO THE COMMUNITY AS A SUPPLEMENT IN THE QUINCY HERALD-WHIG ONCE A YEAR IT IS ALSO PLACED IN LITERATURE RACKS AROUND THE HOSPITAL CAMPUS ILLINOIS IS THE ONLY STATE IN WHICH THE COMMUNITY BENEFIT REPORT IS PUBLISHED

Identifier	ReturnReference	Explanation
	Part V - Explanation of Number of Facility Type	BLESSING HOSPITAL OPERATES NO FACILITIES OTHER THAN THE LOCATIONS LISTED IN PART V

Identifier	ReturnReference	Explanation
	Part VI - States Where Community Benefit Report Filed	IL

Identifier	ReturnReference	Explanation
	Part VI - Affiliated Health Care System Roles and Promotion	<p>Blessing Corporate Services, Inc is the parent organization of a group of related organizations and provides overall direction to all entities within the structure During the year ended September 30, 2005, Blessing Corporate Services, Inc began operating a division comprised of practicing physicians The Group is related through Board control The following is a brief description of each member of the Group Organization - Blessing Hospital (Hospital), located in Quincy, Illinois, is a not-for-profit acute care hospital The Hospital provides inpatient, outpatient and emergency care services for residents of Western Illinois and Northeastern Missouri The Hospital was incorporated in Illinois in 1875 Organization - The Blessing Foundation, Inc serves Blessing Corporate Services and its affiliated entities by providing financial support for services and programs promoting the improvement and availability of healthcare services within the general community Organization - Blessing Affiliates, Inc operates the Community Outreach Clinic which provides healthcare services to uninsured patients ON THE LAST DAY OF ITS FISCAL YEAR, 9/30/2011, BLESSING AFFILIATES TRANSFERRED SUBSTANTIALLY ALL OF ITS ASSETS AND LIABILITIES TO ITS SOLE MEMBER, BLESSING CORPORATE SERVICES, INC Organization - Denman Services, Inc (a taxable corporation) engages primarily in the business of selling and renting medical equipment and operating a commercial laundry Denman Services, Inc is a wholly owned subsidiary of Blessing Corporate Services, Inc Organization - BlessingCare Corporation dba Illini Community Hospital and Subsidiary, located in Pittsfield, Illinois, is a not-for-profit acute care hospital The Hospital provides inpatient, outpatient and emergency care services for residents of Western Illinois The Hospital was incorporated on January 20, 2000 For financial reporting purposes, the Hospital's financial information is consolidated with West Central Illinois Therapy & Sports Medicine, LLC The Hospital has a 51% partnership interest in West Central Illinois Therapy & Sports Medicine, LLC, and the outside investor's 49% interest in the partnership is included as a minority interest Organization - Illini Health Services, LLC conducts a pharmacy business in Pittsfield, Illinois The Pharmacy is owned ninety-five percent (95%) by Denman Services, Inc and five percent (5%) by BlessingCare Corporation dba Illini Community Hospital</p>

Identifier	ReturnReference	Explanation
	Part VI - Explanation Of How Organization Furthers Its Exempt Purpose	<p>Blessing Hospital offers a wide range of specialty services important to promoting the health and well-being of Adams County and the surrounding area. Included in these are the Cancer Center, the Heart and Vascular Center, the Breast Center, psychiatric services, and Hospice and Home Care programs. Surplus funds generated from these operations, as well as the operations of all other Blessing Hospital Services, are used to fund capital expenditures and the expansion of health care service lines to the community we serve. Blessing Hospital operates an emergency room available to all regardless of the ability to pay. The financial assistance policy of Blessing Hospital enables patients to have access to area resources to assist them with payment of medical expenses. Blessing Hospital operates the Blessing-Rieman College of Nursing, which offers a Bachelor of Science in Nursing degree and a Master of Science in Nursing degree, along with other programs. The college has a 100 year history in the community and is currently accredited by the Higher Learning Commission. Blessing Hospital is the largest employer in the area with 2,594 employees. Of significant importance is the volunteers that serve the Hospital. In Fiscal Year 2011, Blessing Hospital had 878 active volunteers who served for a total of 87,758 hours. In addition to the volunteers actively working in the hospital, Blessing's Board of Trustees is comprised of volunteers that include business leaders, physicians, and other community leaders.</p>

Identifier	ReturnReference	Explanation
	Part VI - Community Building Activities	Blessing Hospital's support of access health adams county aids in making healthcare available to indigent members of the population which we serve

Identifier	ReturnReference	Explanation
	Part VI - Community Information	<p>For 135 years, Blessing Hospital has served the health care needs of the people of west central Illinois, northeast Missouri and southeast Iowa. Approximately 247,000 people live within a 50 mile radius of Blessing Hospital. The Hospital's primary market area covers six counties-four in west central Illinois (Adams, Brown, Hancock and Pike) and two in northeast Missouri (Marion and Lewis). The region's economy is heavily agricultural, with a mix of some 100 manufacturers in addition to commercial/retail businesses making up the rest of the local economy. Blessing Hospital is the largest employer in its region. Quincy, the city in which the main Blessing Hospital campus is located, is the hub of non-farm employment and retail trade in the market area. The latest unemployment rate for the primary market counties served by Blessing Hospital stood at 7.4 percent for west central Illinois and 7.9 percent for northeast Missouri. The median household income in Blessing's west central Illinois counties is \$38,070 (with 11.5% below the Poverty Level), compared to \$53,974 for Illinois. The median household income for the northeast Missouri counties in Blessing's primary market is \$34,172 (with 14.3% below the Poverty Level), compared to \$45,194 for the state of Missouri. The majority of Blessing's primary market area, either entire counties or low income populations within the counties, are designated federal Health Professional Shortage Areas for Primary Care.</p>

Identifier	ReturnReference	Explanation
	Part VI - Patient Education of Eligibility for Assistance	All Blessing Hospital self-pay inpatients are contacted by a Financial Account Specialist (FAS) within 24 hours of admission. The patient is screened for government programs or eligibility for participation in our Community Outreach Clinic or Access Health Adams County. Outpatients are contacted once the patient's condition has been stabilized and are screened in the same manner as inpatients. If a FAS is not available to meet with a patient at an appropriate time, the patient is given contact information and asked to call if assistance is needed.

Identifier	ReturnReference	Explanation
	Part VI - Needs Assessment	Blessing Hospital is working in partnership with the community public health department, the local United Way agency and other area agencies in conducting a needs assessment

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 2	Part V, Line 16e - Other Collection Actions by Facility or Third Party Engaged	WAGE DEDUCTION ORDER, COLLECTION AGENCY, COURT ORDERED PAYMENT AGREEMENT, ASSET LIEN

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 16e - Other Collection Actions by Facility or Third Party Engaged	WAGE DEDUCTION ORDER, COLLECTION AGENCY, COURT ORDERED PAYMENT AGREEMENT, ASSET LIEN

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 2	Part V, Line 15e - Other Collection Actions Against a Patient	WAGE DEDUCTION ORDER, COLLECTION AGENCY, COURT ORDERED PAYMENT AGREEMENT, ASSET LIEN

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 15e - Other Collection Actions Against a Patient	WAGE DEDUCTION ORDER, COLLECTION AGENCY, COURT ORDERED PAYMENT AGREEMENT, ASSET LIEN

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 2	Part V, Line 13g - Other Means Hospital Facility Publicized the Policy	THE BILLING INVOICE INCLUDES A STATEMENT INDICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE AND WHO TO CONTACT IN THE ORGANIZATION

Identifier	ReturnReference	Explanation
Number of Hospital Facility - 1	Part V, Line 13g - Other Means Hospital Facility Publicized the Policy	THE BILLING INVOICE INCLUDES A STATEMENT INDICATING THAT FINANCIAL ASSISTANCE IS AVAILABLE AND WHO TO CONTACT IN THE ORGANIZATION

Identifier	ReturnReference	Explanation
	Part III, Line 9b - Provisions On Collection Practices For Qualified Patients	Collection practices are not pursued if a completed financial assistance application has been returned

Identifier	ReturnReference	Explanation
	Part III, Line 8 - Explanation Of Shortfall As Community Benefit	The hospital uses a cost-to-charge ratio to calculate cost amounts. This ratio is computed using Blessing Hospital's as-filed Medicare cost report. These costs and charges are adjusted to account for items not reimbursed through the cost report such as provider-based physician services. IRS Revenue Ruling 69-545, which established the community benefit standard for nonprofit hospital's, states that if a hospital serves patients with government health benefits, including Medicare, then this is an indication that the hospital operates to promote the health of the community. This implies that treating medicare patients is a community benefit.

Identifier	ReturnReference	Explanation
	Part III, Line 4 - Bad Debt Expense	<p>The hospital uses a cost-to-charge ratio to calculate cost amounts. This ratio is computed using Blessing Hospital's as-filed Medicare cost report. These costs and charges are adjusted to account for items not reimbursed through the cost report. Bad debt expense is calculated on the net patient account balance after the balance has been reduced for any payments received or discounts/adjustments that are known. Patients qualifying for financial assistance are recognized as charity care accounts when sufficient information is received to determine their eligibility. Prior to this point, an allowance for doubtful accounts is calculated on uninsured accounts. This allowance is reversed if the account is determined to qualify for financial assistance. A number of patients are truly unable to pay for their medical expenditures but do not complete the process required to apply for financial assistance. These patients would qualify for charity care if they completed the paperwork, so the bad debt expense associated with treating them should be treated as community benefit.</p> <p>FINANCIAL STATEMENT NOTE: Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Hospital's self-pay write-offs increased from \$17,084,600 for the year ended September 30, 2010 to \$20,662,094 for the year ended September 30, 2011. This increase is the result of negative trends experienced in the collection of amounts due from patients. The Hospital has not changed its charity care or uninsured discount policies during the years ended September 30, 2011 and 2010. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors nor did it have significant bad debt write-offs from third-party payors.</p>

Identifier	ReturnReference	Explanation
	Part I, Line 7g - Costs Associated With Physicans Clinics	BLESSING HOSPITAL DOES NOT INCLUDE AS SUBSIDIZED HEALTH SERVICES ANY COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC

Identifier	ReturnReference	Explanation
	Part I, Line 7, Column F - Explanation of Bad Debt Expense	BAD DEBT EXPENSE OF \$19,513,348 IS SUBTRACTED FROM TOTAL EXPENSES OF \$269,824,590 REPORTED ON LINE 25, COLUMN A OF FORM 990, PART IX, FOR A NET TOTAL EXPENSE OF \$250,311,242

Identifier	ReturnReference	Explanation
	Part I, Line 7 - Explanation of Costing Methodology	WHEN POSSIBLE, CALCULATIONS OF DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE SERVICES PROVIDED ARE REPORTED IF NOT AVAILABLE, A COST-TO-CHARGE RATIO IS USED TO CALCULATE THE COST AMOUNTS THIS RATIO IS COMPUTED USING BLESSING HOSPITAL'S AS-FILED MEDICARE COST REPORT THESE COSTS AND CHARGES ARE ADJUSTED TO ACCOUNT FOR ITEMS NOT REIMBURSED THROUGH THE COST REPORT SUCH AS PROVIDER-BASED PHYSICIAN SERVICES

Identifier	ReturnReference	Explanation
	Part I, Line 6a - Related Organization Community Benefit Report	BLESSING HOSPITAL'S COMMUNITY BENEFIT REPORT IS PREPARED BY BLESSING HOSPITAL, NOT A RELATED ORGANIZATION

Additional Data

Software ID: 10000105
Software Version: 2010v3.2
EIN: 37-0661183
Name: BLESSING HOSPITAL

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? <u>11</u>	
Name and address	Type of Facility (Describe)
BLESSING HOME CARE - PALMYRA 6996 COUNTY ROAD 326 PALMYRA, MO 63461	HOME HEALTH AGENCY IN MISSOURI
JCH DIALYSIS LLC 917 SOUTH STATE STREET JERSEYVILLE, IL 62052	DIALYSIS CENTER
BLESSING HOSPICE - HANNIBAL 7 MELGROVE LANE SUITE 201 HANNIBAL, MO 63401	FULL HOSPICE PROGRAM IN MISSOURI
EAST ADAMS COUNTY RURAL HEALTH CLINIC 102 PRAIRIE MILLS ROAD GOLDEN, IL 62339	RURAL HEALTH CLINIC
BLESSING HOSPICE - GREENE COUNTY 330 5TH STREET CARROLTON, IL 62016	FULL HOSPICE PROGRAM IN ILLINOIS
BLESSING HOSPICE - PIKE COUNTY 967 WEST WASHINGTON PITTSFIELD, IL 62363	FULL HOSPICE PROGRAM IN ILLINOIS
BLESSING HOSPICE - HANCOCK COUNTY 71 SOUTH ADAMS CARTHAGE, IL 62321	FULL HOSPICE PROGRAM IN ILLINOIS
BLESSING HOSPICE & PALLIATIVE CARE BROADWAY AT 14TH STREET QUINCY, IL 62301	FULL HOSPICE PROGRAM IN ILLINOIS
DENMAN COUNTRY DRUGS 102 PRAIRIE MILLS ROAD GOLDEN, IL 62339	PHARMACY WITHIN RURAL HEALTH CLINIC
BLESSING HOME CARE BROADWAY AT 14TH STREET QUINCY, IL 62301	HOME HEALTH AGENCY IN ILLINOIS
BLESSING AMBULATORY SURGERY CENTER 1118 HAMPSHIRE STREET QUINCY, IL 62301	AMBULATORY SURGICAL TREATMENT CENTER

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) GRANTS TO STUDENTS AT BLESSING-RIEMAN COLLEGE OF NURSING	97	313,339		BOOK	

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
Additional Supplemental Information		PART I, LINE 2SIU SCHOOL OF MEDICINESIU PROVIDES THE HOSPITAL BOARD OF TRUSTEES WITH AN ANNUAL UPDATE REGARDING THEIR USE OF THE GRANT FUNDS PROVIDED TO THEIR PROGRAM BLESSING AFFILIATESONCE A GRANT IS AWARDED TO THE GRANTEE, THE FUNDS ARE DISBURSED BASED ON THE FUNDS BEING EXPENDED BY THE GRANTEE AFFILIATE ORGANIZATION DOCUMENTATION OF EXPENSES BY THE GRANTEE AFFILIATE IS MAINTAINED WITHIN THE BLESSING HEALTH SYSTEM TO CONFIRM THE EXPENDITURE AND NEED FOR THE GRANTS Blessing-Rieman College of NursingBlessing-Rieman College of Nursing requires a financial aid application upon admittance, has academic performance and financial need criteria, and has a selection committee that awards grants The College monitors and reviews the recipients individually on a semester basis for satisfactory academic progress and good standing

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
BLESSING HOSPITAL

Employer identification number
37-0661183

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) TIMOTHY A MOORE	(i) (ii)	161,716	44,386	10,727	52,172	16,314	285,315	
(2) THOMAS A CLIATT DO	(i) (ii)	313,399	289,021	25,644	26,484	16,470	671,018	
(3) STUART L PYATT DO	(i) (ii)	322,334	323,466	8,081	31,277	16,470	701,628	
(4) STEPHEN W NESBIT	(i) (ii)	305,979	72,394	13,329	657	16,469	408,828	
(5) PATRICK M GERVELER	(i) (ii)	243,257	80,532	35,802	30,654	12,883	403,128	
(6) MAUREEN A KAHN	(i) (ii)	320,397	116,581	23,393	37,841	12,409	510,621	
(7) JILL MASON	(i) (ii)	174,144	41,811	8,180	104,691	6,531	335,357	
(8) JAMES B KASE MD	(i) (ii)	544,374	16,500	11,627	4,752	16,470	593,723	
(9) CHRISTOPHER R SOLARO MD	(i) (ii)	400,778	136,603	2,266	3,656	16,470	559,773	
(10) B BRADFORD BILLINGS	(i) (ii)	421,279		487,300	276,774	12,409	1,197,762	
(11) ANTHONY S WOLLASTON MD	(i) (ii)	313,468	212,840	19,215	3,954	16,470	565,947	
(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
------------	------------------	-------------

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.										OMB No 1545-0047		
											2010		
	Department of the Treasury Internal Revenue Service											Open to Public Inspection	
Name of the organization BLESSING HOSPITAL										Employer identification number 37-0661183			

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF QUINCY ADAMS COUNTY ILLINOIS	37-6000378	748476BP2	10-30-2008	22,000,000	SCHEDULE O		X		X		
B	CITY OF QUINCY ADAMS COUNTY ILLINOIS	37-6000378	748476BN7	05-03-2007	48,850,181	SCHEDULE O		X		X		
C	CITY OF QUINCY ADAMS COUNTY ILLINOIS	37-6000378	748476AX6	03-04-2004	15,000,000	SCHEDULE O		X		X		

Part II

Proceeds

					A		B		C		D	
1	Amount of bonds retired											
2	Amount of bonds legally defeased											
3	Total proceeds of issue				22,009,681		48,853,595		15,090,422			
4	Gross proceeds in reserve funds											
5	Capitalized interest from proceeds											
6	Proceeds in refunding escrow											
7	Issuance costs from proceeds				315,954		570,296		220,658			
8	Credit enhancement from proceeds											
9	Working capital expenditures from proceeds											
10	Capital expenditures from proceeds				4,693,727				14,869,764			
11	Other spent proceeds											
12	Other unspent proceeds											
13	Year of substantial completion				2010		2009		2005			
					Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X			X		
15	Were the bonds issued as part of an advance refunding issue?					X	X			X		
16	Has the final allocation of proceeds been made?				X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				X		X		X			

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	2 900 %		2 900 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5	2 900 %		2 900 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV

Arbitrage

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

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
		PART II, LINE 7, BOND A - \$29,463 50 OF THE \$220,657 61 BOND ISSUANCE COSTS WERE LETTER OF CREDIT FEES

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization
BLESSING HOSPITAL

Employer identification number

37-0661183

Identifier	Return Reference	Explanation
	SCHEDULE K, PART I, (f) DESC OF PURPOSE	A - TO REIMBURSE FOR THE COSTS OF THE PROJECT AND TO PAY CERTAIN COSTS OF ISSUANCE OF THE SERIES 2004 BONDS THE PROJECT CONSISTS OF (i) THE CONSTRUCTION OF AN APPROXIMATELY 42,000 SQ FOOT, THREE-STORY ADDITION TO THE MAIN CAMPUS BUILDING LOCATED AT BROADWAY AND 11TH STREET WHICH WILL HOUSE THE EMERGENCY DEPARTMENT AND CARDIOVASCULAR UNIT, AND (ii) THE RENOVATION, CONSTRUCTION , REMODELING AND EQUIPPING OF APPROXIMATELY 28,600 SQ FEET OF SPACE WITHIN THE EXISTING MAIN CAMPUS BUILDING B - USED TO (i) CURRENTLY REFUND ALL OF THE OUTSTANDING CITY OF QUINCY, ADAMS COUNTY, ILLINOIS REVENUE BONDS, SERIES 1993 (BLESSING HOSPITAL)(THE "SERIES 1993 BONDS"), (ii) ADVANCE REFUND ALL OF THE OUTSTANDING ILLINOIS HEALTH FACILITIES AUTHORITY REVENUE BONDS, SERIES 1999A (BLESSING HOSPITAL)(THE "SERIES 1999A BONDS") AND (iii) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2007 BONDS AND THE REFUNDING OF THE SERIES 1993 BONDS AND THE SERIES 1999A BONDS C - USED TO (i) REFUND THE OUTSTANDING ILLINOIS HEALTH FACILITIES AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 1999B (BLESSING HOSPITAL)(THE "SERIES 1999B BONDS"),(ii) PAY OR REIMBURSE FOR THE ACQUISITION AND INSTALLATION OF CERTAIN EQUIPMENT AND THE REMODELING OF THE INPATIENT REHABILITATION UNIT AND HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS AND (iii) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2008 BONDS AND THE REFUNDING OF THE SERIES 1999B BONDS, INCLUDING CERTAIN COSTS OF THE INITIAL CREDIT FACILITY

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	These forms are located in the corporate administrative offices and are available upon request for public inspection

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	Treasurer of blessing hospital/treasurer and cfo of BCS - No compensation as Treasurer As CFO, comparability data through a third party (Sullivan-Cotter) is used to establish market range Information is submitted to the President of Blessing Corporate Services for review and to the blessing corporate services board of trustees for approval secretary and cao of blessing hospital - No compensation as Secretary As CAO, comparability data through a third party (Sullivan-Cotter) is used to establish market range Information is submitted to the President of Blessing Hospital for review and to the blessing hospital board of trustees for approval cno - Comparability data through a third party (Sullivan-cotter) is used to establish market range Information is submitted to the President of Blessing Hospital for review and to the blessing hospital board of trustees for approval Cardiovascular Surgeon Salary and production incentive payments are based on comparative data obtained through a third party source, and validated by review by a separate independent organization (Sullivan-Cotter) Emergency Medicine physician Salary and production incentive payment formula are based on current comparative data obtained from a third party source (Medical Group Management Association) and validated by review by a separate independent organization (Sullivan-Cotter) Production data is independently measured by a third-party company and audited by internal staff

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED ANNUALLY TO OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES TO BE READ, SIGNED, AND RETURNED TO THE ORGANIZATION THE SIGNED POLICIES ARE RETAINED IN THE CORPORATE ADMINISTRATIVE FILES IN ADDITION, EACH OFFICER, DIRECTOR, OR TRUSTEE IS REQUIRED TO DECLARE NO CONFLICT OF INTEREST IN REGARDS TO AGENDA ITEMS BEING PRESENTED AT THE START OF EACH MONTHLY BOARD MEETING

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	FOLLOWING MANAGEMENT AND LEGAL REVIEW, THE FORM 990 WAS PROVIDED TO THE BOARD OF TRUSTEES FOR REVIEW AND COMMENT PRIOR TO FILING

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7a	Form 990, Part VI, Line 7a How Members or Shareholders Elect Governing Body	BLESSING CORPORATE SERVICES SHALL POSSESS THE RIGHTS AND RESPONSIBILITIES TO (A) Appoint and/or remove all the trustees of the corporation

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 6	Form 990, Part VI, Line 6 Explanation of Classes of Members or Shareholder	BLESSING CORPORATE SERVICES, INC IS THE SOLE VOTING MEMBER OF BLESSING HOSPITAL

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 4	Form 990, Part VI, Line 4 Description of Significant Changes to Organizational Documents	BYLAWS AND ARTICLES OF INCORPORATION WERE AMENDED TO 1) CHANGE THE NUMBER AND QUALIFICATIONS OF TRUSTEES 2) CHANGE THE TENURE OF TRUSTEES 3) CHANGE THE NUMBER OF MEMBERS OF THE PERFORMANCE IMPROVEMENT LEADERSHIP COUNCIL AND 4) CHANGE THE NUMBER OF MEMBERS OF THE OPERATIONS AND FINANCE COMMITTEE

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 3	Form 990, Part VI, Line 3 Description of Delegated Duties to Management Company	1) BLESSING CORPORATE SERVICES PROVIDES GENERAL MANAGEMENT SERVICES 2) NATIONAL HEALING PROVIDES MANAGEMENT SERVICES FOR THE WOUND CARE DEPARTMENT WHICH INCLUDES HYPERBARIC SERVICES 3) QUINCY MEDICAL GROUP PROVIDES MANAGEMENT OF THE SURGERY CENTER OF QUINCY 4) ARAMARK PROVIDES MANAGEMENT OF FOOD SERVICES AND STERILE PROCESSING 5) BRIDGE HOME CARE PARTNERS PROVIDES MANAGEMENT OF BLESSING'S HOME CARE SERVICES

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BLESSING HOSPITAL

Employer identification number
37-0661183

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
See Additional Data Table							

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	
(1) JCH DIALYSIS CENTER LLC 1005 BROADWAY PO BOX 7005 QUINCY, IL623017005 73-1644728	DIALYSIS	IL	na					No		Yes		
(2) ILLINI HEALTH SERVICES LLC PO BOX 40 QUINCY, IL623060040 47-0901851	PHARMACY	IL	DENMAN					No			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) DENMAN SERVICES INC PO BOX 40 QUINCY, IL62306 37-1132117	MED EQUIP	IL	BCS INC				

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

No

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

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

Software ID: 10000105
Software Version: 2010v3.2
EIN: 37-0661183
Name: BLESSING HOSPITAL

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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
BLESSING EDUCATIONAL REVOLVING FUND PO BOX 7005 QUINCY, IL623057005 37-6051449	MAKE LOANS FOR EDUCATIONAL PURPOSES	IL	501(C)(3)	11C	NA		No
BLESSING VOLUNTEERS IN PARTNERSHIP BROADWAY AT 14TH PO BOX 7005 QUINCY, IL623057005 23-7160187	PROVIDE SUPPORT FOR BLESSING HOSPITAL	IL	501(C)(3)	11B	NA		No
BLESSINGCARE CORPORATION - MISSOURI 1005 BROADWAY QUINCY, IL62301 43-1371818	CURRENTLY INACTIVE	MO	501(C)(3)	3	BCS INC		No
BLESSING HOSPITAL SELF-INSURANCE PLAN BROADWAY AT 11TH PO BOX 7005 QUINCY, IL623057005 37-1045366	PROVIDE SUPPORT FOR MEDICAL LIABILITY CLAIMS	IL	501(C)(3)	11A	BCS INC		No
BLESSINGCARE CORP DBA ILLINI COMM HOSP 640 WEST WASHINGTON PITTSFIELD, IL62363 37-1396010	PROVIDE HEALTHCARE	IL	501(C)(3)	3	BCS INC		No
THE BLESSING FOUNDATION BROADWAY AT 11TH POBOX 7005 QUINCY, IL623057005 37-1128705	FUNDRAISING & GRANT-MAKING	IL	501(C)(3)	11B	BCS INC		No
BLESSING AFFILIATES INC BROADWAY AT 11TH PO BOX 7005 QUINCY, IL623057005 37-1128708	COMMUNITY OUTREACH CLINIC, EDUCATIONAL PROGRAMS	IL	501(C)(3)	9	BCS INC		No
BLESSING CORPORATE SERVICES BROADWAY AT 11TH PO BOX 7005 QUINCY, IL623057005 37-1128706	PROVIDE DIRECTION AND CONTROL TO ENTITIES	IL	501(C)(3)	9	BCS INC		No

BLESSING HOSPITAL
QUINCY, ILLINOIS
FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

INDEX

<u>Exhibit</u>		<u>Page</u>
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Term expires in January -

2012

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QUINCY, ILLINOIS
OAK BROOK, ILLINOISMARION, ILLINOIS
DEKALB, ILLINOIS**INDEPENDENT AUDITORS' REPORT****To the Board of Trustees
Blessing Hospital**

We have audited the accompanying balance sheets of Blessing Hospital (a nonprofit organization) as of September 30, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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



Certified Public Accountants

Dated at Quincy, Illinois
January 4, 2012

Exhibit "A"

**BLESSING HOSPITAL
BALANCE SHEETS
AS AT SEPTEMBER 30, 2011 AND 2010**

	As At September 30	
	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 50,055,325	\$ 45,575,990
Investments	75,684,455	69,493,188
Patient accounts receivable, net of allowance for doubtful accounts of \$16,469,980 in 2011 and \$15,638,286 in 2010	56,795,643	53,582,434
Assets whose use is limited - required for current liabilities	38,891	424,542
Inventories - at lower of cost or market	5,660,877	5,248,864
Prepaid expenses	3,598,118	3,685,414
Receivables - related organizations - net	1,543,688	1,922,138
Other current assets	4,952,893	1,793,353
Total Current Assets	\$ 198,329,890	\$ 181,725,923
Other Assets:		
Interest in net assets of The Blessing Foundation, Inc.	\$ -	\$ 2,738,602
Assets whose use is limited.		
By board of trustees for self-insurance and other	\$ 10,132,696	\$ 8,056,101
To pay retirement benefits	1,577,303	1,439,601
Other assets	2,903,105	3,046,412
Total assets whose use is limited or restricted	\$ 14,613,104	\$ 12,542,114
Less assets whose use is limited and are required for current liabilities	(38,891)	(424,542)
Total Noncurrent Assets Whose Use Is Limited Or Restricted	\$ 14,574,213	\$ 12,117,572
Property, Plant And Equipment - Net	\$ 102,570,879	\$ 102,711,464
Other Noncurrent Assets:		
Noncurrent investments	\$ 35,000	\$ 279,122
Receivables - related organizations	1,147,950	1,362,606
Other notes receivable	2,284,722	2,271,510
Intangible assets	10,073,792	10,188,032
Total Other Noncurrent Assets	\$ 13,541,464	\$ 14,101,270
Total Assets	\$ 329,016,446	\$ 313,394,831
Liabilities and Net Assets		
Current Liabilities:		
Current installments of long-term debt	\$ 4,926,316	\$ 4,795,741
Accounts payable	10,191,611	10,519,759
Estimated third-party payor settlements - Medicare, Medicaid, Blue Cross	8,520,978	7,727,961
Retainage and construction accounts payable	1,903,799	4,012,918
Deferred revenue	1,228,092	1,099,071
Other accruals	25,300,421	22,286,819
Total Current Liabilities	\$ 52,071,217	\$ 50,442,269
Other Liabilities:		
Long-term debt, net of current portion	\$ 79,936,274	\$ 84,925,309
Estimated professional liability claims	7,699,871	6,239,255
Accrued pension costs	51,194,434	41,284,403
Other long-term liabilities	4,314,172	3,976,431
Total Other Liabilities	\$ 143,144,751	\$ 136,425,398
Total Liabilities	\$ 195,215,968	\$ 186,867,667
Net Assets:		
Unrestricted	\$ 130,936,264	\$ 123,905,294
Temporarily restricted	2,660,412	2,418,068
Permanently restricted	203,802	203,802
Total Net Assets	\$ 133,800,478	\$ 126,527,164
Total Liabilities And Net Assets	\$ 329,016,446	\$ 313,394,831

Exhibit "E", Notes To Financial Statements, is an integral part of this statement.

Exhibit "B"

BLESSING HOSPITALSTATEMENTS OF OPERATIONSYEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>Year Ended September 30</u>	
	<u>2011</u>	<u>2010</u>
<u>Unrestricted Revenues, Gains And Other Support:</u>		
Net patient service revenue	\$ 282,675,962	\$ 267,345,132
Provision for bad debts	<u>(19,513,348)</u>	<u>(16,424,150)</u>
Net patient service revenue less provision for bad debts	\$ 263,162,614	\$ 250,920,982
Auxiliary services income	13,802,753	9,580,670
Investment income	5,141,321	2,409,197
Net assets released from restrictions used for operations	<u>1,747,736</u>	<u>1,080,221</u>
<u>Total Revenues, Gains And Other Support</u>	<u>\$ 283,854,424</u>	<u>\$ 263,991,070</u>
<u>Expenses:</u>		
Salaries, wages and contract labor	\$ 100,378,388	\$ 96,051,136
Other operating expenses	133,799,730	120,204,020
Depreciation and amortization	14,271,234	15,582,965
Interest expense	<u>3,056,659</u>	<u>3,141,698</u>
<u>Total Expenses</u>	<u>\$ 251,506,011</u>	<u>\$ 234,979,819</u>
Excess of revenues, gains and other support over expenses	\$ 32,348,413	\$ 29,011,251
Change in net unrealized gains and losses on other than trading securities	(3,608,714)	2,669,022
Transfers to parent	<u>(12,400,482)</u>	<u>(14,523,378)</u>
<u>Increase (Decrease) In Unrestricted Net Assets, Before Effect Of Pension Liability And Discontinued Operations</u>	<u>\$ 16,339,217</u>	<u>\$ 17,156,895</u>
<u>Decrease In Equity For Minimum Pension Liability</u>	<u>\$ (9,308,247)</u>	<u>\$ (10,210,462)</u>
<u>Gain (Loss) On Discontinued Operations (Note 22)</u>	<u>\$ -</u>	<u>\$ 7,837,218</u>
<u>Increase (Decrease) In Unrestricted Net Assets</u>	<u>\$ 7,030,970</u>	<u>\$ 14,783,651</u>

Exhibit "E", Notes To Financial Statements, is an integral part of this statement.

Exhibit "C"

BLESSING HOSPITAL

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>Year Ended September 30</u>	
	<u>2011</u>	<u>2010</u>
<u>Unrestricted Net Assets:</u>		
Excess of revenues over expenses	\$ 32,348,413	\$ 29,011,251
Change in net unrealized gains and losses on other than trading securities	(3,608,714)	2,669,022
Transfers to parent	(12,400,482)	(14,523,378)
<u>Increase (Decrease) In Unrestricted Net Assets, Before Effect Of Pension Liability And Discontinued Operations</u>	\$ 16,339,217	\$ 17,156,895
<u>Decrease In Equity For Minimum Pension Liability</u>	\$ (9,308,247)	\$ (10,210,462)
<u>Gain (Loss) On Discontinued Operations (Note 22)</u>	\$ -	\$ 7,837,218
<u>Increase (Decrease) In Unrestricted Net Assets</u>	\$ 7,030,970	\$ 14,783,651
<u>Temporarily Restricted Net Assets:</u>		
Contributions	\$ 1,997,552	\$ 1,866,686
Net realized and unrealized gains (losses) on investments	(7,472)	13,315
Net assets released from restrictions	(1,747,736)	(1,080,221)
<u>Increase (Decrease) In Temporarily Restricted Net Assets</u>	\$ 242,344	\$ 799,780
<u>Increase (Decrease) In Net Assets</u>	\$ 7,273,314	\$ 15,583,431
<u>Net Assets, Beginning Of Year</u>	126,527,164	110,943,733
<u>Net Assets, End Of Year</u>	\$ 133,800,478	\$ 126,527,164

Exhibit "E", Notes To Financial Statements, is an integral part of this statement.

BLESSING HOSPITAL
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	Year Ended September 30	
	2011	2010
Cash Flows From Operating Activities:		
Change in net assets	\$ 7,273,314	\$ 15,583,431
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	14,271,234	15,582,965
Amortization of deferred financing costs and bond premium	86,573	90,709
Provision for bad debts	(19,513,348)	(16,424,150)
(Gain) loss on disposal of property and equipment	229,268	167,367
(Gain) loss on sale of discontinued operation	-	(7,837,218)
Loss on forgiveness of related party note receivable	-	3,023,757
Net realized and unrealized (gains) losses on investments other than trading securities	1,765,795	(3,805,425)
Undistributed portion of change in interest in net assets of The Blessing Foundation, Inc.	2,738,602	-
Transfers to parent	12,400,482	14,523,378
(Increase) decrease in patient accounts receivable	16,300,139	14,523,952
(Increase) decrease in inventories	(412,013)	(931,010)
(Increase) decrease in prepaid expenses	87,296	(856,049)
(Increase) decrease in other current assets and receivables - related organizations	(2,886,003)	(279,362)
(Increase) decrease in other notes receivable	162,909	501,927
Increase (decrease) in accounts payable	(328,148)	213,388
Increase (decrease) in other current accruals	2,663,602	134,269
Increase (decrease) in estimated professional liability claims	1,810,616	146,393
Increase (decrease) in accrued pension cost	9,910,031	11,012,356
Increase (decrease) in estimated third-party payor settlements	793,017	5,527,307
Increase (decrease) in deferred revenue	38,021	80,064
Increase (decrease) in other long-term liabilities	428,741	(2,084,846)
Net Cash Provided (Used) By Operating Activities	\$ 47,820,128	\$ 48,893,203
Cash Flows From Investing Activities:		
Purchase of property and equipment	\$ (14,750,566)	\$ (17,037,731)
Proceeds from disposal of property and equipment	428,816	8,417,522
Sales of investments	78,245,661	60,966,238
Purchase of investments	(88,029,591)	(90,065,741)
Loan to related party	(798,889)	(5,570,256)
Repayment of related party loan	942,337	4,802,748
Purchase of intangibles and deferred financing costs	(10,500)	-
Net Cash Provided (Used) By Investing Activities	\$ (23,972,732)	\$ (38,487,220)
Cash Flows From Financing Activities:		
Transfers to parent	\$ (12,400,482)	\$ (14,523,378)
Increase (decrease) in retainage and construction accounts payable	(2,109,119)	2,816,080
Proceeds from issuance of long-term debt	-	101,800
Repayment of long-term debt	(4,858,460)	(4,276,467)
Net Cash Provided (Used) By Financing Activities	\$ (19,368,061)	\$ (15,881,965)
Net Increase (Decrease) In Cash And Cash Equivalents	\$ 4,479,335	\$ (5,475,982)
Cash And Cash Equivalents At Beginning Of Year	45,575,990	51,051,972
Cash And Cash Equivalents At End Of Year	\$ 50,055,325	\$ 45,575,990

Supplemental Disclosure Of Cash Flow Information:

Cash paid for interest for the years ended September 30, 2011 and 2010 was \$3,068,271 and \$3,168,023, respectively.

Interest capitalized for the years ended September 30, 2011 and 2010 was \$51,719 and \$34,095, respectively.

The Hospital entered into capital lease obligations in the amount of \$-0- and \$716,044 for equipment during the years ended September 30, 2011 and 2010, respectively.

During the year ended September 30, 2010, a building being leased by the Hospital was purchased by a related party and the lease was terminated. The related capital lease liability of \$321,347 and asset of \$381,555 were eliminated.

Exhibit "E", Notes To Financial Statements, is an integral part of this statement.

BLESSING HOSPITAL
NOTES TO FINANCIAL STATEMENTS

Note (1) Description Of Organization And Summary Of Significant Accounting Policies

Organization - Blessing Hospital (Hospital), located in Quincy, Illinois, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient and emergency care services for residents of Western Illinois and Northeastern Missouri. Admitting physicians are primarily practitioners in the local area. The Hospital was incorporated in Illinois in 1875 and is a member of a group of related organizations. See Note (11).

Use of estimates - The preparation of the Hospital's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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. These estimates are based on historical experience and information that is available to management about current events and action the Hospital may take in the future. Significant items subject to estimates and assumptions include the depreciable lives and the carrying value of long-lived assets; valuation allowances for receivables; liability for third-party payor settlements – Medicare, Medicaid, and Blue Cross; liability for employee healthcare claims and worker's compensation claims; liability for professional liability claims; other estimated third party liability; and obligations related to the Hospital's defined benefit plan. Actual results could differ from these estimates.

Cash and cash equivalents - Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by board designation or other arrangements under trust agreements or with third-party payors.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the balance sheet. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities. The Hospital routinely invests its surplus operating funds in certificates of deposit.

Assets limited as to use - Assets limited as to use primarily include assets held by trustees under indenture agreements, assets restricted to pay retirement benefits, assets restricted by donors, and designated assets set aside by the Board of Trustees for future capital improvements and self-insurance trust arrangements, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Hospital have been reclassified in the balance sheets at September 30, 2011 and 2010.

Note (1) Description Of Organization And Summary Of Significant Accounting Policies (Cont'd.)

Property and equipment - Property and equipment acquisitions are recorded at cost.

Depreciation is provided over the estimated useful life of each class of depreciable asset 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.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

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

Excess of revenues, gains and other support over expenses - The statements of operations include excess of revenues, gains and other support over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

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

Charity care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. See Note (2) for total of charity care.

Note (1) Description Of Organization And Summary Of Significant Accounting Policies (Cont'd.)

Donor-restricted gifts - Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts 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 purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as restricted contributions and a subsequent release of restrictions in the accompanying financial statements (See Note 12).

Estimated professional liability costs - The provision for estimated professional liability claims includes estimates of the ultimate costs for both actual reported claims and potential claims incurred but not reported.

Other long-term liabilities - The provision for other long-term liabilities includes the Hospital's estimate of potential liability for future adjustments of prior billings.

Income taxes - The Hospital is a not-for-profit corporation and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

Patient accounts receivable - The Hospital provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Hospital's estimate is based on historical collection experience and a review of the current status of patient accounts receivable. It is reasonably possible that the Hospital's estimate of the allowance for doubtful accounts will change. The Hospital considers accounts receivable to be past due one month after initial billing and charges off accounts when turned over to collection.

Deferred financing costs - Deferred financing costs are amortized over the period the obligation is outstanding using the interest method.

Intangible assets - Intangible assets are amortized over a range of 120 months to 180 months using the straight-line method.

Inventories - Inventories are valued at the lower of cost or market, following the first-in, first-out method.

Subsequent events - Subsequent events have been evaluated through January 4, 2012, which is the date the financial statements were available to be issued.

Note (2) Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - Inpatient acute care services and inpatient rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient psychiatric services are paid at prospectively determined per diem rates that are based on clinical, diagnostic, and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity. Substantially all outpatient services are paid at prospectively determined rates. Certain medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology with certain limitations. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a quality improvement organization under contract with the Hospital. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through September 30, 2006.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per discharge or prospectively determined daily rates based on the services rendered. Outpatient services are reimbursed based upon a payment schedule by type of service. The Hospital's Medicaid cost reports have been finalized by the Medicaid fiscal intermediary through September 30, 2006.

Revenue from the Medicare and Medicaid programs accounted for approximately 32 percent and 6 percent, respectively, of the Hospital's net patient revenue for the year ended September 30, 2011, and 35 percent and 6 percent, respectively, of the Hospital's net patient revenue for the year ended September 30, 2010. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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

Exhibit "E"
(Page 5 of 31)

Note (2) Net Patient Service Revenue (Cont'd.)

The following is a schedule of revenues and deductions in arriving at net patient revenue:

	Year Ended September 30		Change From
	2011	2010	Prior Year
Gross patient service revenue	\$ 715,167,616	\$ 647,639,623	\$ 67,527,993
Medicare allowances	(250,220,204)	(219,092,574)	(31,127,630)
Medicaid allowances	(78,015,529)	(70,713,491)	(7,302,038)
Charity care	(26,878,630)	(16,249,551)	(10,629,079)
Other allowances	(77,377,291)	(74,238,875)	(3,138,416)
Net patient service revenue	\$ <u>282,675,962</u>	\$ <u>267,345,132</u>	\$ <u>15,330,830</u>

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the year ended September 30, 2011 from these major payor sources, is as follows:

	Third-Party Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual allowances and discounts)	\$ <u>247,280,221</u>	\$ <u>35,395,741</u>	\$ <u>282,675,962</u>

Note (3) Patient Accounts Receivable

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Note (3) Patient Accounts Receivable (Cont'd.)

The Hospital's self-pay write-offs increased from \$17,084,600 for the year ended September 30, 2010 to \$20,662,094 for the year ended September 30, 2011. This increase is the result of negative trends experienced in the collection of amounts due from patients. The Hospital has not changed its charity care or uninsured discount policies during the years ended September 30, 2011 and 2010. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors nor did it have significant bad debt write-offs from third-party payors.

Note (4) Contingencies

The Hospital has adopted a plan of self-insurance for certain liability coverage. The Hospital is periodically involved in litigation and regulatory investigations arising in the course of business. Under this plan, the Hospital is self-insured with respect to a primary layer of coverage for medical professional and general liability claims. Losses from asserted claims and from unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. The Hospital has certain commercial insurance coverage for claims exceeding the self-insurance layer. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued malpractice losses have been discounted at 6.0 percent for the years ending September 30, 2011 and 2010 and in management's opinion provide an adequate reserve for loss contingencies.

The Hospital has established a trust fund for the payment of professional liability and general claim settlements. The professional actuarial consultants have assisted the Hospital with determining amounts to be deposited in the trust fund.

On October 3, 2000, Blessing Corporate Services, Inc. and the Hospital entered into a line of credit agreement as a requirement of maintaining a plan of self-insurance for worker's compensation effective October 1, 1994. Several amendments and extensions of various dates have occurred since the original issuance. The current agreement extends a line of credit of up to \$625,000 with an expiration date set for July 8, 2012.

The Hospital has a \$13,438,557 Irrevocable Transferable Direct Pay Letter of Credit to provide credit enhancement for the Series 2004 variable rate demand bonds, which were issued March 1, 2004. In addition, the Hospital has a \$21,335,858 Irrevocable Transferable Direct Pay Letter of Credit to provide credit enhancement for the Series 2008 variable rate demand bonds, which were issued October 1, 2008 (See Note 10).

Exhibit "E"
(Page 7 of 31)

Note (5) Investments

At September 30, 2011 and 2010, investments totaling \$38,891 and \$424,542, respectively, whose use is limited under the 2008, 2007, and 2004 bond indentures are classified as current assets since their use is limited to pay liabilities classified as current.

Investments at September 30, 2011 and 2010 are as follows:

	As Of September 30		
	2011	2010	Change From
	Fair Value	Fair Value	Prior Year
<u>Marketable Equity Securities</u>	\$ 31,273,586	\$ 32,670,915	\$ (1,397,329)
<u>Other Investments:</u>			
U.S. Government Obligations	\$ 11,253,488	\$ 18,911,413	\$ (7,657,925)
Federal Home Loan Mortgage Corporation	3,847,947	-	3,847,947
Federal National Mortgage Association Obligations	6,300,143	2,740,971	3,559,172
Federal Home Loan Bank Obligations	-	-	-
Corporate Mortgage/Asset Backed Securities	4,235,731	3,585,706	650,025
Foreign Bonds	418,216	2,141,896	(1,723,680)
Corporate Bonds	12,165,199	14,075,774	(1,910,575)
Money Market Accounts	82,115	627,292	(545,177)
Mutual Funds	3,401,171	138,479	3,262,692
Managed Future Hedge Fund	2,648,446	2,813,604	(165,158)
Certificates Of Deposits	12,787,713	2,575,649	10,212,064
Other Assets	1,918,804	2,032,725	(113,921)
<u>Total Other Investments</u>	\$ 59,058,973	\$ 49,643,509	\$ 9,415,464
<u>Grand Total</u>	\$ 90,332,559	\$ 82,314,424	\$ 8,018,135
Classified as current	\$ 75,684,455	\$ 69,493,188	\$ 6,191,267
Assets whose use is limited:			
By board of trustees for self-insurance and other	10,132,696	8,056,101	2,076,595
Under bond indenture agreement by trustee:			
Current	38,891	424,542	(385,651)
Non-Current	-	-	-
Assets held in escrow	-	-	-
Assets held to pay retirement benefits	1,577,303	1,439,601	137,702
By donor:			
Endowment assets	203,802	203,802	-
Specific purpose assets	2,660,412	2,418,068	242,344
Classified as noncurrent	35,000	279,122	(244,122)
<u>Total</u>	\$ 90,332,559	\$ 82,314,424	\$ 8,018,135

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Note (5) Investments (Cont'd.)

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ending September 30, 2011 and 2010:

	<u>Year Ending September 30</u>		<u>Change From</u>
	<u>2011</u>	<u>2010</u>	<u>Prior Year</u>
Investment Income:			
Interest and dividend income	\$ 1,702,790	\$ 1,628,177	\$ 74,613
Realized gains (losses) on sales of securities	3,430,484	965,476	2,465,008
Increase (decrease) in equity of subsidiary income	-	(17,089)	17,089
Gain (loss) on sale of fixed assets	8,047	(167,367)	175,414
Gain on sale of discontinued operation	-	7,837,218	(7,837,218)
	<u>\$ 5,141,321</u>	<u>\$ 10,246,415</u>	<u>\$ (5,105,094)</u>
Other Changes in Unrestricted Net Assets:			
Change in net unrealized gains (losses) on other than trading securities	<u>\$ (3,608,714)</u>	<u>\$ 2,669,022</u>	<u>\$ (6,277,736)</u>

Realized gains on sales of securities for the year ended September 30, 2011 includes a gain of approximately \$1.5 million distributed to the Hospital from the sale of the assets of JCH Dialysis Center, LLC.

Note (6) Inventories

Inventories consist of the following:

	<u>As Of September 30</u>		<u>Change From</u>
	<u>2011</u>	<u>2010</u>	<u>Prior Year</u>
Surgery and anesthesia	\$ 3,331,563	\$ 3,099,505	\$ 232,058
Pharmacy and intravenous	1,110,256	1,139,106	(28,850)
Storeroom	148,233	123,137	25,096
Laboratory	213,542	134,703	78,839
Supplies Processing Development	82,958	81,089	1,869
Cardiology	664,899	556,375	108,524
Radiology	109,426	114,949	(5,523)
<u>Total</u>	<u>\$ 5,660,877</u>	<u>\$ 5,248,864</u>	<u>\$ 412,013</u>

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Note (7) Property, Plant And Equipment

Property, plant and equipment consist of the following:

	As Of September 30		Change From
	2011	2010	Prior Year
Land	\$ 12,458,355	\$ 13,040,725	\$ (582,370)
Land improvements	5,697,771	5,691,005	6,766
Buildings and building equipment	135,155,106	131,631,479	3,523,627
Furniture, fixtures and equipment	122,766,018	110,049,005	12,717,013
Construction in progress	4,907,764	6,696,843	(1,789,079)
	\$ 280,985,014	\$ 267,109,057	\$ 13,875,957
Less accumulated depreciation	(178,414,135)	(164,397,593)	(14,016,542)
<u>Total</u>	<u>\$ 102,570,879</u>	<u>\$ 102,711,464</u>	<u>\$ (140,585)</u>

Property, plant and equipment in the amount of \$1,787,053 and \$2,645,446 are held under capital lease at September 30, 2011 and 2010, respectively. The related accumulated amortization for equipment under capital lease obligations was \$792,586 and \$1,205,173 at September 30, 2011 and 2010, respectively. Blessing Hospital has entered into purchase commitments until 2020 to acquire computer equipment for approximately \$25.5 million; as of September 30, 2011, \$22,103,724 of commitments have not been paid.

The Hospital capitalizes interest cost on borrowings incurred during the new construction or upgrade of qualifying assets. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. During the years ended September 30, 2011 and 2010, the Hospital capitalized \$51,719 and \$34,095 of interest, respectively, in connection with various capital expansion projects.

Note (8) Other Accruals

Other accruals consist of the following:

	As Of September 30		Change From
	2011	2010	Prior Year
Salaries, wages, and paid time off	\$ 15,810,660	\$ 14,982,078	\$ 828,582
Payroll taxes and other withholding	691,504	705,196	(13,692)
Deferred compensation - current	2,185,746	1,632,540	553,206
Accrued interest	693,127	739,593	(46,466)
Employee healthcare claims	2,901,194	1,876,194	1,025,000
Workers' compensation claims	2,268,190	1,951,218	316,972
Professional liability claims - current	750,000	400,000	350,000
<u>Total</u>	<u>\$ 25,300,421</u>	<u>\$ 22,286,819</u>	<u>\$ 3,013,602</u>

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Note (9) Pension Plan

The Hospital has a noncontributory defined benefit pension plan covering substantially all employees. The Hospital's funding policy is to contribute the amount necessary to meet the funding requirements as defined by the Internal Revenue Code. The Hospital uses a September 30 measurement date for its defined benefit plan. The following table sets forth the benefit obligation, fair value of plan assets, and the funded status of the Hospital's plan; amounts recognized in the Hospital's financial statements; and the principal weighted-average assumptions used:

	<u>Year Ended September 30</u>		<u>Change From</u>
	<u>2011</u>	<u>2010</u>	<u>Prior Year</u>
<u>Change In Benefit Obligation:</u>			
Benefit obligation at Beginning of Year	\$ 110,782,594	\$ 91,975,542	\$ 18,807,052
Service cost	3,946,394	3,415,734	530,660
Interest cost	6,079,667	5,679,316	400,351
Plan participants' contributions	-	-	-
Actuarial (gains)/losses	6,329,379	12,137,250	(5,807,871)
Benefits paid	(2,805,969)	(2,425,248)	(380,721)
<u>Benefit Obligation At End Of Year</u>	<u>\$ 124,332,065</u>	<u>\$ 110,782,594</u>	<u>\$ 13,549,471</u>
<u>Change In Plan Assets:</u>			
Fair value of plan assets at Beginning of Year	\$ 69,498,191	\$ 61,703,495	\$ 7,794,696
Actual return on plan assets	515,409	5,544,944	(5,029,535)
Employer contribution	5,930,000	4,675,000	1,255,000
Plan participants' contributions	-	-	-
Benefits paid	(2,805,969)	(2,425,248)	(380,721)
<u>Fair Value Of Plan Assets At End Of Year</u>	<u>\$ 73,137,631</u>	<u>\$ 69,498,191</u>	<u>\$ 3,639,440</u>
<u>Funded Status</u>	<u>\$ (51,194,434)</u>	<u>\$ (41,284,403)</u>	<u>\$ (9,910,031)</u>

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Note (9) Pension Plan (Cont'd.)

Amounts recognized in the Balance Sheet consist of:

	Year Ended September 30		Change From
	2011	2010	Prior Year
Noncurrent assets	\$ -	\$ -	\$ -
Current liabilities	-	-	-
Noncurrent liabilities	(51,194,434)	(41,284,403)	(9,910,031)
Net Amount Recognized in Balance Sheet	\$ (51,194,434)	\$ (41,284,403)	\$ (9,910,031)

Amounts recognized as changes in unrestricted net assets but not yet reclassified as components of net periodic benefit cost consist of:

	Year Ended September 30		Change From
	2011	2010	Prior Year
Net actuarial loss (gain)	\$ 49,119,197	\$ 39,802,886	\$ 9,316,311
Prior service cost (credit)	66,372	74,436	(8,064)
Net initial obligation (asset)	-	-	-
Total	\$ 49,185,569	\$ 39,877,322	\$ 9,308,247

Components of net periodic benefit cost are as follows:

	Year Ended September 30		Change From
	2011	2010	Prior Year
Net Periodic Benefit Cost:			
Service cost	\$ 3,946,394	\$ 3,415,734	\$ 530,660
Interest cost	6,079,667	5,679,316	400,351
Expected return on assets	(5,717,039)	(5,111,057)	(605,982)
Amortization of prior service cost	2,214,698	1,484,837	729,861
Recognized net (gain) or loss	8,064	8,064	-
Net periodic benefit cost	\$ 6,531,784	\$ 5,476,894	\$ 1,054,890

Other changes in net assets not yet included in net periodic benefit cost and reclassifications to net periodic benefit cost of amounts previously recognized as changes in unrestricted net assets but not included in net periodic benefit cost when they arose:

	Year Ended September 30		Change From
	2011	2010	Prior Year
Other changes in unrestricted net assets:			
Net (gain) loss	\$ 11,531,009	\$ 11,703,363	\$ (172,354)
Recognized (gain) loss	(2,214,698)	(1,484,837)	(729,861)
Prior service cost	-	-	-
Recognized prior service cost (credit)	(8,064)	(8,064)	-
Total of other changes in unrestricted net assets	\$ 9,308,247	\$ 10,210,462	\$ (902,215)
Total amounts recognized as changes in unrestricted net assets arising from a defined benefit plan	\$ 15,840,031	\$ 15,687,356	\$ 152,675

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Note (9) Pension Plan (Cont'd.)

During 2011 the plan's unrestricted net assets decreased by \$9.3 million as shown above. The variance between the actual and expected return on plan assets during 2011 decreased unrestricted net assets by \$5.2 million. Because the decrease in unrestricted net assets relating to pension exceeds the greater of 10% of the projected benefit obligation or 10% of the plan assets, the excess will be amortized over the average expected future working lifetime of active plan participants. As of October 1, 2010 the average expected future working lifetime of active plan participants was 12.97 years. Actual results for 2012 will depend on the 2011 actuarial valuation of the plan.

Amounts expected to be recognized in net periodic cost in the coming year are as follows:

	Year Ended September 30		Change From
	2011	2010	Prior Year
(Gain)/loss recognition	\$ 3,064,828	\$ 2,214,698	\$ 850,130
Prior service cost recognition	8,064	8,064	-

The accumulated benefit obligation for the pension plan was \$105,419,216 and \$90,276,130 at September 30, 2011 and 2010, respectively. The following table summarizes the Hospital sponsored pension plan that has an accumulated benefit obligation in excess of plan assets:

	Year Ended September 30	
	2011	2010
Projected benefit obligation	\$ 124,332,065	\$ 110,782,594
Accumulated benefit obligation	105,419,216	90,276,130
Fair value of plan assets	73,137,631	69,498,191

The following are weighted-average assumptions used to determine benefit obligations and net periodic benefit cost at September 30, 2011 and 2010:

	Year Ended September 30	
	2011	2010
Actuarial Assumptions Used To Determine Benefit Obligations:		
Discount rate	5.15 %	5.55 %
Rate of Compensation Increase	3.50 %	4.00 %
Mortality	RP-2000	RP-2000
Actuarial Assumptions Used To Determine Net Periodic Benefit Cost:		
Discount rate	5.55 %	6.25 %
Expected Return on Plan Assets	8.00 %	8.00 %
Rate of Compensation Increase	4.00 %	4.00 %

The change in unrecognized net gain/loss is one measure of the degree to which important assumptions have coincided with actual experience. During 2011 the unrecognized net loss increased by 8.4% of the 9/30/2010 projected benefit obligation. The Hospital changes important assumptions whenever changing conditions warrant. The discount rate is typically changed at least annually and the expected long-term return on plan assets will typically be revised every three to five years. Other material assumptions include the compensation increase rates, rates of employee termination, and rates of participant mortality.

Note (9) Pension Plan (Cont'd.)

The discount rate was determined by projecting the plan's expected future benefit payments as defined for the projected benefit obligation, discounting those expected payments using a theoretical zero-coupon spot yield curve derived from a universe of high-quality bonds as of the measurement date, and solving for a single equivalent discount rate that resulted in the same projected benefit obligation. A 1% increase/(decrease) in the discount rate would have (decreased)/increased the net periodic benefit cost for fiscal year 2011 by \$1.9 million and (decreased)/increased the year-end projected benefit obligation by \$18 million.

The Hospital's expected long-term return on plan assets assumption is based on a periodic review and modeling of the plan's asset allocation and liability structure over a long-term horizon. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data and economic/financial market theory. The expected long-term rate of return on plan assets was determined based on historical and expected future returns of the various asset classes, using the target allocations described below. Each 1% increase/(decrease) in the expected rate of return assumption would have (decreased)/increased the net periodic benefit cost for 2011 by \$700,000.

The Hospital's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges (shown above) by major asset categories.

The target allocations for plan assets are 70% equity securities and 30% debt securities. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions, and achieve asset returns 1.5% greater than the return of a balanced market index comprised 60% S&P 500, 40% Lehman Brothers Government.

The investment policy is periodically reviewed by the Hospital and a designated third-party fiduciary for investment matters. The policy is established and administered in a manner so as to comply at all times with applicable government regulations.

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Note (9) Pension Plan (Cont'd.)

The fair value of the Hospital's pension plan assets at September 30, 2011, by asset class are as follows:

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total
Cash	\$ 1,680,744	\$ -	\$ -	\$ 1,680,744
Equity securities:				
U.S. large-cap value	10,109,158	-	-	10,109,158
U.S. large-cap growth	10,536,899	-	-	10,536,899
U.S. small-cap value	3,437,781	-	-	3,437,781
Small-cap growth	5,629,898	-	-	5,629,898
All-cap stock	6,462,152	-	-	6,462,152
International	10,428,586	-	-	10,428,586
Fixed income securities:				
Corporate bonds	3,051,637	-	-	3,051,637
Government bonds	9,529,593	-	-	9,529,593
Foreign bonds	172,603	-	-	172,603
Asset-backed securities	4,917,582	-	-	4,917,582
Mutual fund	4,935,768	-	-	4,935,768
Mutual fund (a)	2,245,230	-	-	2,245,230
<u>Total</u>	\$ <u>73,137,631</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>73,137,631</u>

(a) This fund invests at least 80% of its net assets in investment grade fixed income debt securities, including corporate bonds, government bonds, foreign bonds, private placement bonds, and asset-backed securities. The fund may invest up to 10% of its total assets in below investment grade debt securities.

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Note (9) Pension Plan (Cont'd.)

The fair value of the Hospital's pension plan assets at September 30, 2010, by asset class are as follows:

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total
Cash	\$ 1,198,461	\$ -	\$ -	\$ 1,198,461
Equity securities:				
U.S. large-cap value	10,106,668	-	-	10,106,668
U.S. large-cap growth	9,999,782	-	-	9,999,782
U.S. small-cap value	3,233,045	-	-	3,233,045
Small-cap growth	5,542,841	-	-	5,542,841
All-cap stock	6,365,745	-	-	6,365,745
International	11,773,516	-	-	11,773,516
Fixed income securities:				
Corporate bonds	4,010,529	-	-	4,010,529
Government bonds	10,324,856	-	-	10,324,856
Foreign bonds	300,568	-	-	300,568
Asset-backed securities	1,447,775	-	-	1,447,775
Mutual fund (a)	5,194,405	-	-	5,194,405
<u>Total</u>	<u>\$ 69,498,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,498,191</u>

(a) This fund invests at least 80% of its net assets in investment grade fixed income debt securities, including corporate bonds, government bonds, foreign bonds, private placement bonds, and asset-backed securities. The fund may invest up to 10% of its total assets in below investment grade debt securities.

The Hospital expects to contribute \$7.7 million to the plan during the upcoming year. Funding requirements for subsequent time periods are uncertain and will significantly depend on whether the plan's actuary changes any assumptions used to calculate plan funding levels, the actual return on plan assets, changes in the employee groups covered by the plan, and any legislative or regulatory changes affecting plan funding requirements. For financial planning, cash flow management or cost reduction purposes the Hospital may increase, accelerate, decrease or delay contributions to the plan to the extent permitted by law. In the future, the Hospital expects funding requirements could increase if the global market continues to decline.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2012	\$ 3,094,087
2013	3,544,853
2014	3,985,084
2015	4,413,271
2016	4,860,123
Years 2017-2021	32,747,307

Note (9) Pension Plan (Cont'd.)

The defined benefit plan was amended effective March 31, 2007 to freeze benefit accruals for active participants hired on or after April 1, 2002. The amendment also freezes participation in the plan as of March 31, 2007; any employee who was not a plan participant on that date will not become a plan participant.

The Hospital also sponsors a defined contribution 403(b) plan. Substantially all employees are eligible to participate in the plan. The Hospital's contributions to this plan, which are based on a 25% match of employee's contributions up to 1% of an employee's compensation, amounted to \$661,901 and \$618,637 for the years ended September 30, 2011 and 2010, respectively. Due to the defined benefit plan amendment referred to in the previous paragraph, the Hospital will also contribute 3% of an employee's eligible compensation for each employee impacted by the amendment. The 3% contribution was \$1,345,746 and \$1,232,540 for the years ended September 30, 2011 and 2010, respectively.

The Hospital also sponsors a defined contribution 457(f) plan for selected employees. The cost of the 457(f) plan was \$440,000 and \$-0- for the years ended September 30, 2011 and 2010, respectively.

Note (10) Long-term Debt

During the year ended September 30, 2009, the Hospital issued through the City of Quincy, Illinois revenue bonds totaling \$22,000,000 entitled City of Quincy, Adams County, Illinois Variable Rate Demand Revenue Refunding Bonds, Series 2008 (Blessing Hospital). The interest income on these bonds is considered to be exempt from federal taxation for bond holders. Net proceeds from the bond issue were \$21,641,040. Proceeds were reduced by \$358,960 for underwriter's discount and reimbursable expenses, legal and accounting fees, trustees' fees, financial printing costs, and rating agency charges. These costs are included on the balance sheet with unamortized deferred financing costs and are being amortized over the life of the bonds following the interest method.

Note (10) Long-term Debt (Cont'd.)

Under the 2008 loan agreement, the Hospital agreed to provide credit and liquidity support for the Series 2008 Bonds by securing an irrevocable transferable direct pay letter of credit with JP Morgan Chase, NA, which is referred to as the Reimbursement Agreement. The letter of credit was issued in the amount of \$22,245,918, which is comprised of a principal component of \$22,000,000 plus an interest component of \$245,918. On September 30, 2010, the letter of credit was renewed for a five year period in the amount of \$21,335,858, which is comprised of a principal component of \$21,100,000 plus an interest component of \$235,858. Following is a schedule of bond maturities:

<u>Amount</u> <u>Series 2008</u>	<u>Due</u> <u>November 15</u>	<u>Interest</u> <u>Rate</u>
\$ 600,000	2011	*
600,000	2012	
600,000	2013	
600,000	2014	
600,000	2015	
600,000	2016	
700,000	2017	
800,000	2018	
1,200,000	2019	
1,200,000	2020	
1,200,000	2021	
1,400,000	2022	
1,400,000	2023	
1,500,000	2024	
1,500,000	2025	
1,500,000	2026	
1,600,000	2027	
1,600,000	2028	
<u>1,400,000</u>	2029	
<u>\$ 20,600,000</u>		

*Series 2008 bonds are variable rate bonds, thus, the interest rate is not presented.

The bonds are collateralized by a pledge of the Hospital's gross receipts. The fair market value of these bonds approximated \$20,600,000 and \$21,100,000 at September 30, 2011 and 2010, respectively. Fair values of the Hospital's revenue notes are based on current traded value. Interest is paid on the first business day of each month.

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Note (10) Long-term Debt (Cont'd.)

During the year ended September 30, 2007, the Hospital issued through the City of Quincy, Illinois revenue bonds totaling \$47,575,000 entitled City of Quincy, Adams County, Illinois Revenue Refunding Bonds, Series 2007 (Blessing Hospital). The interest income on these bonds is considered to be exempt from federal taxation for bond holders. Net proceeds from the bond issue were \$48,850,181, consisting of \$47,575,000 principal and \$1,275,181 net original issue premium. Proceeds were reduced by \$570,296 for underwriter's discount and reimbursable expenses, legal and accounting fees, trustees' fees, financial printing costs, and rating agency charges. These costs are included on the balance sheet with unamortized deferred financing costs and are being amortized over the life of the bonds following the interest method. The net original issue premium is being amortized as a reduction in interest expense over the life of the bonds. Following is a schedule of bond maturities:

	<u>Amount</u> <u>Series 2007</u>	<u>Due</u> <u>November 15</u>	<u>Interest</u> <u>Rate</u>
\$	2,605,000	2011	5.00%
	2,735,000	2012	5.00%
	2,870,000	2013	5.00%
	3,015,000	2014	5.00%
	3,165,000	2015	5.00%
	3,320,000	2016	5.00%
	3,490,000	2017	5.00%
	3,660,000	2018	5.00%
	855,000	2019	5.00%
	900,000	2020	5.00%
	940,000	2021	5.00%
	990,000	2022	*
	1,040,000	2023	*
	1,095,000	2024	*
	1,145,000	2025	*
	1,205,000	2026	*
	1,265,000	2027	*
	1,325,000	2028	*
	<u>1,385,000</u>	2029	*
\$	<u>37,005,000</u>		

* Various interest rates

The bonds are collateralized by a pledge of the Hospital's gross receipts. The fair market value of these bonds approximated \$37,412,386 and \$40,204,847 at September 30, 2011 and 2010, respectively. Fair values of the Hospital's revenue notes are based on current traded value. Interest is paid semi-annually on May 15 and November 15.

Note (10) Long-term Debt (Cont'd.)

During the year ended September 30, 2004, the Hospital issued through the City of Quincy, Illinois revenue bonds totaling \$15,000,000 entitled City of Quincy, Adams County, Illinois Adjustable Rate Demand Revenue Bonds, Series 2004 (Blessing Hospital Project). The interest income on these bonds is considered to be exempt from federal taxation for bond holders. Net proceeds from the bond issue were \$14,680,000. Proceeds were reduced by \$320,000 for underwriter's discount, cost of printing, fees for legal counsel, accountants and other costs. These costs are included on the balance sheet with unamortized deferred financing costs and are being amortized over the life of the bonds following the interest method.

Under the 2004 loan agreement, the Hospital agreed to provide credit and liquidity support for the Series 2004 Bonds by securing an irrevocable transferable direct pay letter of credit with JP Morgan Chase, NA, which is referred to as the Reimbursement Agreement. The current letter of credit was issued in the amount of \$13,767,190, which is comprised of a principal component of \$13,615,000 plus an interest component of \$152,190. On September 30, 2010, the letter of credit was renewed for a five year period in the amount of \$13,438,557, which is comprised of a principal component of \$13,290,000 plus an interest component of \$148,557.

The 2004 bonds' maturity date is November 15, 2033; however, the Reimbursement Agreement requires the following schedule of bond maturities:

	<u>Amount</u>	<u>Due November 15</u>	<u>Interest Rate</u>
\$	355,000	2011	*
	365,000	2012	
	385,000	2013	
	400,000	2014	
	415,000	2015	
	430,000	2016	
	450,000	2017	
	465,000	2018	
	485,000	2019	
	505,000	2020	
	525,000	2021	
	545,000	2022	
	565,000	2023	
	590,000	2024	
	610,000	2025	
	635,000	2026	
	660,000	2027	
	690,000	2028	
	715,000	2029	
	745,000	2030	
	775,000	2031	
	805,000	2032	
	<u>835,000</u>	2033	
\$	<u>12,950,000</u>		

*Series 2004 bonds are variable rate bonds, thus, the interest rate is not presented.

Note (10) Long-term Debt (Cont'd.)

The bonds are collateralized by a pledge of the Hospital's unrestricted receivables. The fair market value of these bonds approximated \$12,950,000 and \$13,290,000 as of September 30, 2011 and 2010, respectively. Fair values of the Hospital's notes are based on current traded value. Interest is paid on the first business day of each month as long as the bonds are in the adjustable rate mode.

Under the terms of the 2008, 2007, and 2004 bond indentures, the Hospital is required to maintain certain deposits with a trustee. Such deposits are included with assets whose use is limited in the financial statements. The indenture also places limits on the incurrence of additional borrowings and requires that the Hospital satisfy certain measures of financial performance as long as the bonds are outstanding.

On October 31, 2006, Blessing Hospital borrowed \$13,000,000 to purchase an ambulatory surgery center. The loan was to be repaid in 240 monthly payments of principal and interest with an initial interest rate of 7.53%. The loan is collateralized by a pledge of the Hospital's unrestricted receivables. On August 12, 2008, the balance of the note was refinanced, and the interest rate was adjusted to 5.60%. The note was refinanced again on February 18, 2011. The remaining balance is to be repaid in 186 monthly payments at an initial interest rate of 5.00%. On February 18, 2021 the interest rate will be adjusted to the swap rate at that date plus 1.75%. The allocation of the original purchase price was \$12,630,277 for goodwill, \$152,285 for fixed assets, and \$217,438 for inventory. The goodwill is included in the unamortized organization and deferred financing costs and was being amortized over fifteen years during fiscal year 2010. Beginning October 1, 2010, goodwill is no longer being amortized but rather periodically tested for impairment as required by FASB ASC 958-805. At September 30, 2011 and 2010, the Hospital owed \$11,134,183 and \$11,616,951, respectively, on this note.

On September 30, 2010, Blessing Hospital entered into a financing agreement to purchase a surgery robot for \$2,120,000. The agreement is to be repaid in 48 monthly payments of principal and interest with an interest rate of 2.70%. The agreement is secured by the equipment purchased which has a carrying value of \$1,817,143 at September 30, 2011. At September 30, 2011 and 2010, the Hospital owed \$1,572,977 and \$2,120,000, respectively, on this note.

Scheduled principal repayments on debt and payments on capital lease obligations for the next five years are as follows:

	Long-Term Debt	Capital Lease Obligations
2012	\$ 4,674,497	\$ 281,997
2013	4,855,554	199,996
2014	5,042,621	188,116
2015	4,636,654	57,436
2016	4,872,778	57,436
Later years	59,964,692	138,803
	<u>\$ 84,046,796</u>	<u>\$ 923,784</u>
Less amount representing interest under capital lease obligations		\$ 107,990
		<u>\$ 815,794</u>

Note (11) Related Party Transactions

During the year ended September 30, 1983, the Hospital underwent a restructuring of its organization. As a result of that restructuring, the Hospital is now a member of a group of related organizations. Other members of the group and a summary of their functions are listed below:

Blessing Corporate Services, Inc. - serves as the parent organization in the structure and provides overall direction and control to all entities within the structure. During the year ended September 30, 2005, Blessing Corporate Services, Inc. began operating a division of practicing physicians. During the year ended September 30, 2011, the Hospital transferred \$12,400,482 to Blessing Corporate Services, Inc. During the year ended September 30, 2010, the Hospital transferred \$14,523,378 to Blessing Corporate Services, Inc. of which \$3,023,757 of the transfer was related to forgiveness of a note receivable. During the years ended September 30, 2011 and 2010, Blessing Hospital paid a management fee to Blessing Corporate Services, Inc. in the amounts of \$6,555,983 and \$6,185,952, respectively. In addition, Blessing Corporate Services, Inc. leases administrative offices from the Hospital under a one year lease. Rent paid by Blessing Corporate Services, Inc. to the Hospital during the years ended September 30, 2011 and 2010 totaled \$48,300 and \$36,225, respectively.

Blessing Affiliates, Inc. - conducts health-related educational programs for the public and assumes responsibility for administration of professional education programs. Blessing Affiliates, Inc. also conducts a community outreach clinic. The entity was inactivated as of September 30, 2011 and its operations were assumed by Blessing Corporate Services, Inc.

The Blessing Foundation, Inc. - engages in fundraising to benefit the Hospital. During the year ended September 30, 2002, The Blessing Foundation, Inc. initiated a significant capital campaign solely for the funding of capital acquisitions by the Hospital. As of September 30, 2010, the Hospital recorded a \$2,738,602 interest in the net assets of the Foundation relating to this capital campaign which is reported as a non-current asset in the balance sheet for that year. During the year ended September 30, 2011, the \$2,738,602 was transferred from the Foundation to the Hospital.

Denman Services, Inc. (a taxable corporation) - formed for investment purposes and is wholly owned by Blessing Corporate Services, Inc.

Illini Health Services, LLC - formed for investment purposes and is ninety-five percent (95%) owned by Denman Services, Inc. and five percent (5%) owned by BlessingCare Corporation – Illinois.

BlessingCare Corporation - Missouri - established during the year ended September 30, 1985. This entity is currently inactive.

BlessingCare Corporation - Illinois - established during the year ended September 30, 2000. The entity operates a not-for-profit hospital in Pittsfield, Illinois.

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Note (11) Related Party Transactions (Cont'd.)

Following is a summary of activity for the related organizations:

Year Ending	Blessing Affiliates, Inc. September 30 2011	The Blessing Foundation, Inc. September 30 2011	BlessingCare Corporation dba Illini Community Hospital September 30 2011	Blessing Corporate Services, Inc. and Subsidiary September 30 2011
Assets	\$ <u>-</u>	\$ <u>36,800,141</u>	\$ <u>13,856,059</u>	\$ <u>11,201,969</u>
Liabilities	\$ <u>-</u>	\$ <u>8,579,701</u>	\$ <u>8,432,329</u>	\$ <u>4,038,238</u>
Equity	\$ <u>-</u>	\$ <u>28,220,440</u>	\$ <u>5,423,730</u>	\$ <u>7,163,731</u>
Increase (Decrease) In Net Assets For Year	\$ <u>(66,072)</u>	\$ <u>(2,795,708)</u>	\$ <u>1,267,992</u>	\$ <u>(766,907)</u>
Accounts receivable (payable) by Blessing Hospital from (to) related organizations at September 30, 2011	\$ <u>-</u>	\$ <u>381,423</u>	\$ <u>857,653</u>	\$ <u>278,206</u>

* As of January 31, 2002, Blessing Corporate Services, Inc. became the sole stockholder of Denman Services, Inc. and thus, records the investment in Denman Services, Inc. using the equity method of accounting. Accordingly, Blessing Corporate Services, Inc. and Subsidiary's financial information presented above includes the investment in Denman Services, Inc. and the resulting income from equity in earnings from the subsidiary.

** BlessingCare Corporation - Missouri is not presented above as there is no material financial activity.

Blessing Hospital has contracted with Denman Services, Inc. to provide biomedical services to the Hospital. The Hospital has paid Denman Services, Inc. \$1,176,243 and \$1,126,717 for these services for the years ended September 30, 2011 and 2010, respectively, under this contract. Denman Services, Inc. also provides linen services to Blessing Hospital. During the years ended September 30, 2011 and 2010, Blessing Hospital paid Denman Services, Inc. \$989,648 and \$937,042, respectively, for these services. In addition, Blessing Hospital in the course of its operations, purchases certain medical supplies from Denman Services, Inc. Amounts paid for these supplies totaled \$166,491 and \$160,483 for the years ended September 30, 2011 and 2010, respectively.

Denman Services, Inc. purchases various supplies, services, and health insurance from Blessing Hospital. Amounts paid for these services and supplies totaled \$1,218,900 and \$926,272 for the years ended September 30, 2011 and 2010, respectively. Denman also leases real estate from Blessing Hospital under various lease agreements. Rent paid by Denman to Blessing Hospital during the years ended September 30, 2011 and 2010 totaled \$85,099 and \$85,099, respectively.

Note (11) Related Party Transactions (Cont'd.)

During the years ended September 30, 2011 and 2010, Blessing Hospital received specific purpose grants as well as unrestricted grants from The Blessing Foundation, Inc. for the general support of the Hospital. The specific purpose grants totaled \$400,000 and \$456,027 for the years ended September 30, 2011 and 2010, respectively. The unrestricted grants totaled \$70,000 and \$20,000 for the years ended September 30, 2011 and 2010, respectively. During the years ended September 30, 2011 and 2010, respectively, \$362,274 and \$402,550 were released from restrictions and included in net assets released from restrictions and used for operations.

During the year ended September 30, 2010, Blessing Hospital began leasing medical office space from The Blessing Foundation, Inc. The lease agreement provides for monthly rental payments of \$24,888 with a 3% annual rent increase. The lease agreement expires on June 1, 2015. The Hospital also leases a clinic from The Blessing Foundation, Inc. The lease can be renewed until July 1, 2020 and calls for monthly payments of \$5,771. Rent expense paid to The Blessing Foundation during the years ended September 30, 2011 and 2010 totaled \$285,773 and \$142,977, respectively.

Note (12) Temporarily And Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>	<u>Change From Prior Year</u>
Resident Education	\$ 26,270	\$ 30,529	\$ (4,259)
Hospice	235,000	135,000	100,000
Blessing Riemann College of Nursing	462,547	359,993	102,554
Eno bequest	215,577	223,404	(7,827)
Hospital Program Needs and Community Health Improvement	<u>1,721,018</u>	<u>1,669,142</u>	<u>51,876</u>
Total	\$ <u>2,660,412</u>	\$ <u>2,418,068</u>	\$ <u>242,344</u>

Permanently restricted net assets at September 30, 2011 and 2010 are restricted to:

	<u>2011</u>	<u>2010</u>	<u>Change From Prior Year</u>
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	\$ <u>203,802</u>	\$ <u>203,802</u>	\$ <u>-</u>
Total	\$ <u>203,802</u>	\$ <u>203,802</u>	\$ <u>-</u>

Note (13) Concentrations Of Credit Risk

Blessing Hospital maintains cash balances in several financial institutions in Quincy, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At September 30, 2011 and 2010, Blessing Hospital had cash balances in excess of the basic FDIC limit of \$33,082,354 and \$37,191,618, respectively, which include outstanding checks. Through October 4, 2009, \$7,500,000 was collateralized by a repurchase agreement. This amount was increased to \$15,000,000 on October 5, 2009, to \$20,000,000 on December 21, 2010 and to \$30,000,000 on September 19, 2011. The Hospital does not believe that it is exposed to significant credit risk in connection with cash and cash equivalents.

The Hospital is located in Quincy, Illinois. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

The mix of receivables from patients and third-party payors was as follows at September 30:

	<u>2011</u>		<u>2010</u>		<u>Change From Prior Year</u>	
Medicare	27	%	30	%	(3)	%
Medicaid	26		18		8	
Blue Cross	7		8		(1)	
Other third-party payors	31		32		(1)	
Patient Responsibility	9		12		(3)	
	<u>100</u>	%	<u>100</u>	%	<u>-</u>	%

The Hospital routinely invests in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these investments is minimal.

Note (14) Non-Qualified Deferred Compensation Plan

The Hospital also sponsors a 457(b) retirement plan for the benefit of a group of designated employees. The assets of the plan are subject to the general creditors of the Hospital; thus, the assets are reported as noncurrent assets on the balance sheet with a corresponding noncurrent liability.

The Hospital also sponsors a 457(f) retirement plan for the benefit of a group of designated employees. The Hospital has recorded a liability of \$840,000 and \$400,000 for the year ended September 30, 2011 and 2010, respectively, for this plan.

Note (15) Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	Year Ended September 30		Change from
	2011	2010	Prior Year
Health care services	\$ 194,918,373	\$ 181,980,504	\$ 12,937,869
General and administrative	56,587,638	52,999,315	3,588,323
Total	\$ 251,506,011	\$ 234,979,819	\$ 16,526,192

Note (16) Fair Value Measurements

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value based on their short-term nature.

Accounts receivable: The carrying value of accounts receivable approximates fair value due to their short-term nature and historical collectibility.

Investments: Fair values, which are the amounts reported in the balance sheet, are measured on a recurring basis using quoted market prices in active markets for identical assets (Level 1), if available. If Level 1 inputs are not available, amounts are estimated using quoted market prices in active markets for similar securities (Level 2) or measured using an external appraisal (Level 3). The net asset value of an underlying investment fund was used to determine the fair value amount of Level 2 investments shown below.

Assets limited as to use: These assets consist primarily of cash and short-term investments and interest receivable. The carrying amount reported in the balance sheet is fair value.

Accounts payable and accrued expenses: The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates fair value due to the short-term nature of the obligations.

Estimated third-party payor settlements: The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates fair value.

Long-term debt: Fair values of the Hospital's bonds are based on current traded value. The fair value of the Hospital's remaining long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements. (See Note 10).

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Note (16) Fair Value Measurements (Cont'd.)

The carrying amounts and estimated fair values of the Hospital's financial instruments at September 30, 2011 and 2010 are as follows:

	September 30			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash and cash equivalents	\$ 50,055,325	\$ 50,055,325	\$ 45,575,990	\$ 45,575,990
Patient accounts receivable	56,795,643	56,795,643	53,582,434	53,582,434
Short-term investments	75,684,455	75,684,455	69,493,188	69,493,188
Assets limited as to use	14,613,104	14,613,104	12,542,114	12,542,114
Financial Liabilities:				
Accounts payable and accrued expenses	37,395,831	37,395,831	36,819,496	36,819,496
Estimated third-party payor settlements	8,520,978	8,520,978	7,727,961	7,727,961
Long-term debt	84,862,590	85,269,976	89,721,050	90,435,897

The following are the major categories of assets measured at fair value on a recurring basis during the years ended September 30, 2011 and 2010, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total
September 30, 2011				
Available-for-sale securities	\$ 87,396,612	\$ 2,648,446	\$ -	\$ 90,045,058
Investment in real property	-	-	287,501	287,501
Total	\$ 87,396,612	\$ 2,648,446	\$ 287,501	\$ 90,332,559
September 30, 2010				
Available-for-sale securities	\$ 79,213,319	\$ 2,813,604	\$ -	\$ 82,026,923
Investment in real property	-	-	287,501	287,501
Total	\$ 79,213,319	\$ 2,813,604	\$ 287,501	\$ 82,314,424

Note (17) Operating Leases

The Hospital has entered into several operating leases for equipment. The lease terms range from monthly leases to 120 months. Total rental expense for the period ended September 30, 2011 and 2010 was \$1,439,332 and \$1,796,812, respectively.

The following is a schedule of future minimum lease payments for the next five years:

2012	\$	1,807,521
2013		1,517,066
2014		1,262,085
2015		1,225,481
2016		<u>985,785</u>
<u>Total</u>	\$	<u>6,797,938</u>

Note (18) Rental Income

The Hospital leases various parcels of property to several businesses as well as individuals.

Non-cancelable operating lease terms generally range from 36 to 120 months. Rental income was \$992,791 and \$1,048,106 for the years ended September 30, 2011 and 2010, respectively. Future minimum rental payments to be received on non-cancelable operating leases are contractually due as follows as of September 30, 2011:

2012	\$	711,000
2013		691,839
2014		401,907
2015		-
2016		<u>-</u>
<u>Total</u>	\$	<u>1,804,746</u>

Note (19) Land Lease

On April 1, 2004, Blessing Hospital entered into a land lease with MOB Development LLC.

Blessing Hospital is leasing approximately 55,000 square feet of land to MOB Development LLC. MOB Development LLC constructed a medical office building on the land and is leasing the office space to Blessing Hospital, Blessing Corporate Services, Inc., other physicians, and other providers of health care related services.

Note (20) Intangible Assets

Intangible assets consisted of the following at September 30, 2011 and 2010:

	As Of September 30		Change From
	2011	2010	Prior Year
Goodwill	\$ 12,900,776	\$ 12,890,276	\$ 10,500
Deferred financing costs	1,199,187	1,199,187	-
	14,099,963	14,089,463	10,500
Less: accumulated amortization	(4,026,171)	(3,901,431)	(124,740)
<u>Total</u>	<u>\$ 10,073,792</u>	<u>\$ 10,188,032</u>	<u>\$ (114,240)</u>

Amortization of intangible assets amounted to \$124,740 and \$960,394 for the years ended September 30, 2011 and 2010, respectively.

Amortization of goodwill will not be recognized in years beginning after September 30, 2010. The following is a schedule of amortization of deferred financing costs for the next five years:

2012	\$ 82,053
2013	77,388
2014	72,604
2015	67,596
2016	62,402
<u>Total</u>	<u>\$ 362,043</u>

Advertising costs are expensed as incurred. Advertising expense totaled \$383,164 and \$354,419 for the years ended September 30, 2011 and 2010, respectively.

Note (21) Endowment

The Hospital's endowment consists of a pool of investments established to provide income for purposes related to the Hospital. The endowment includes donor-restricted endowment funds. In accordance with the FASB Accounting Standards Codification, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment balance is included in net assets limited as to use in the balance sheets.

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Note (21) Endowment (Cont'd)

For the year ended September 30, 2011, the Hospital had the following endowment related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 364,590	\$ 203,802	\$ 568,392
Investment Return:			
Investment Income	\$ 1,970	\$ -	\$ 1,970
Net Appreciation (Realized & Unrealized)	(7,472)	-	(7,472)
Total Investment Return	\$ (5,502)	\$ -	\$ (5,502)
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(1,970)	-	(1,970)
Endowment Net Assets, End of Year	\$ 357,118	\$ 203,802	\$ 560,920

For the year ended September 30, 2010, the Hospital had the following endowment related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 351,275	\$ 203,802	\$ 555,077
Investment Return:			
Investment Income	\$ 1,509	\$ -	\$ 1,509
Net Appreciation (Realized & Unrealized)	13,315	-	13,315
Total Investment Return	\$ 14,824	\$ -	\$ 14,824
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(1,509)	-	(1,509)
Endowment Net Assets, End of Year	\$ 364,590	\$ 203,802	\$ 568,392

Note (21) Endowment (Cont'd)Interpretation of Relevant Law

On June 30, 2009, the State of Illinois repealed UMIFA and enacted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA), which changes the standards for investing endowment funds and for determining amounts to be appropriated for expenditure. Management of the Hospital has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Hospital and the donor-restricted endowment fund
- (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 Hospital
- (7) The investment policy of the Hospital.

Return Objectives and Risk Parameters

The Hospital has adopted investment and spending policies for endowment assets that attempt to maintain a sufficient liquidity to ensure the funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that meet or exceed (net of fees) the market index, or blended market index, as identified in the policy. The Hospital expects its endowment funds, over time, to provide an average rate of return of approximately 8.5 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy

The primary objective of the endowment is to provide support of the operating needs of the Hospital. Consequently, the Hospital's spending policy provides for discretionary appropriations of investment return.

Note (22) Discontinued Operations

On October 1, 2009, the Hospital sold its renal dialysis business with locations in Quincy, Illinois; Pittsfield, Illinois; and Hannibal, Missouri. The Hospital decided to sell this division primarily because it has incurred operating losses in recent years. The assets sold consisted primarily of inventories and property and equipment. The buyer also assumed certain accounts payable and accrued liabilities. During the year ended September 30, 2010, the Hospital recognized a gain on the sale of the renal dialysis business of \$7,837,218.

Because the sale occurred on the first day of the 2010 fiscal year, the Hospital did not report any revenue or income from the discontinued operation for the year ended September 30, 2010. The Hospital purchases renal services from the new organization.

Note (23) Reclassifications

Certain prior years' amounts have been reclassified to conform to current year presentation.

Note (24) Subsequent Event

On October 1, 2011, the Hospital entered into a loan agreement with a vendor for \$643,400 related to the renovation of the cafeteria. The loan will be repaid over four years at an interest rate of 7.25%.