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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
2011
Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HOSPARUS INC Doing Business As _____ Number and street (or P O box if mail is not delivered to street address) Room/suite 3532 EPHRAIM MCDOWELL DRIVE _____ City or town, state or country, and ZIP + 4 LOUISVILLE, KY 40205	D Employer identification number 61-0921718 E Telephone number (502) 456-6200 G Gross receipts \$ 61,814,527
F Name and address of principal officer SHARON ORMAN 3532 EPHRAIM MCDOWELL DRIVE LOUISVILLE, KY 40205		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.HOSPARUS.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1978 M State of legal domicile KY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO ASSIST IN MEETING THE PHYSICAL, PSYCHOLOGICAL, SOCIAL, AND SPIRITUAL NEEDS OF TERMINALLY ILL PERSONS AND THEIR FAMILIES, REGARDLESS OF THEIR ABILITY TO PAY WE CARED FOR MORE THAN 5,500 PATIENTS AND THEIR FAMILIES AND PROVIDED NEARLY \$1 6 MILLION IN CHARITY CARE _____ _____ _____			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3 Number of voting members of the governing body (Part VI, line 1a)	3		21
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		21
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5		599
	6 Total number of volunteers (estimate if necessary)	6		700
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a		6,889
	b Net unrelated business taxable income from Form 990-T, line 34	7b		5,889
Revenue		Prior Year	Current Year	
	8 Contributions and grants (Part VIII, line 1h)	3,733,702	2,346,310	
	9 Program service revenue (Part VIII, line 2g)	48,397,299	52,086,625	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	729,307	361,329	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-183,662	428,345	
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	52,676,646	55,222,609	
Expenses				
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0	
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	27,038,468	30,911,104	
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0	
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,555,643			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	21,186,896	21,893,920	
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	48,225,364	52,805,024	
	19 Revenue less expenses Subtract line 18 from line 12	4,451,282	2,417,585	
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20 Total assets (Part X, line 16)	30,309,081	36,066,560	
	21 Total liabilities (Part X, line 26)	6,779,606	10,680,554	
	22 Net assets or fund balances Subtract line 21 from line 20	23,529,475	25,386,006	

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	2012-11-12 Date	
	SHARON ORMAN CFO Type or print name and title		
Paid Preparer's Use Only	Preparer's signature ▶ RACHEL SPURLOCK	Date	Check if self-employed <input type="checkbox"/> Preparer's taxpayer identification number (see instructions) P00520729
	Firm's name (or yours if self-employed), address, and ZIP + 4 CROWE HORWATH LLP 9600 Brownsboro Road Suite 400 Louisville, KY 402411122		EIN ▶ Phone no ▶ (502) 326-3996

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission
TO ASSIST IN MEETING THE PHYSICAL, PSYCHOLOGICAL, SOCIAL, AND SPIRITUAL NEEDS OF TERMINALLY ILL PERSONS AND THEIR FAMILIES, REGARDLESS OF THEIR ABILITY TO PAY WE CARED FOR MORE THAN 5,500 PATIENTS AND THEIR FAMILIES AND PROVIDED NEARLY \$1 6 MILLION IN CHARITY CARE (SEE SCH O FOR CONTINUATION)

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 44,596,632 including grants of \$) (Revenue \$ 51,986,817)
HOSPICE SERVICES FOR CLOSE TO 35 YEARS, HOSPARUS INC, A FULLY ACCREDITED NON-PROFIT HOSPICE ORGANIZATION, HAS PROVIDED CARE, COMFORT AND COUNSELING FOR PEOPLE FACING LIFE-LIMITING- ILLNESSES IN KENTUCKY AND SOUTHERN INDIANA HOSPARUS CARES FOR MORE THAN 5,500 PATIENTS AND THEIR FAMILIES EACH YEAR OUR SERVICES INCLUDE PAIN CONTROL, CONTROL OF SYMPTOMS SUCH AS NAUSEA, VOMITING, SHORTNESS OF BREATH AND RESTLESSNESS, MEDICATION MANAGEMENT, PERSONAL CARE SUCH AS BATHING, SKIN CARE AND LIGHT HOUSEKEEPING, COUNSELING AND SPIRITUAL CARE HOSPICE AND PALLIATIVE CARE RELIEVES SUFFERING WHEN A CURE FOR AN ILLNESS IS NOT EXPECTED IT INVOLVES TREATMENTS THAT ENHANCE A PATIENT'S COMFORT AND QUALITY OF LIFE IT ALSO ADDRESSES PATIENTS EMOTIONAL AND SPIRITUAL NEEDS ALL SERVICES ARE DELIVERED WHEREVER A PATIENT CALLS HOME A FAMILY RESIDENCE, A NURSING HOME, AN ASSISTED LIVING FACILITY, AN INPATIENT UNIT, OR A HOSPITAL HOSPARUS OPERATES AN INPATIENT CARE CENTER AT THE NORTON HEALTHCARE PAVILION (15 BEDS) IN LOUISVILLE, KY (SEE SCHEDULE O FOR CONTINUATION)

4b (Code) (Expenses \$ 540,345 including grants of \$) (Revenue \$ 15,769)
BEREAVEMENT/GRIEF COUNSELING SERVICES OUR HOSPARUS GRIEF COUNSELING CENTER, WITH OFFICES IN THE BARREN RIVER AREA, CENTRAL KENTUCKY, THE LOUISVILLE REGION, AND SOUTHERN INDIANA, OFFERS THE AREA'S MOST COMPREHENSIVE PROGRAMS AND SERVICES FOR THOSE STRUGGLING WITH LOSS PROGRAMS INCLUDE INDIVIDUAL AND FAMILY COUNSELING, PROGRAMS AND CLASSES FOR ADULTS, PROGRAMS & CLASSES FOR CHILDREN, ADOLESCENTS AND FAMILIES, FAMILY ORIENTED GROUPS, CRITICAL INCIDENT STRESS MANAGEMENT, EDUCATIONAL MATERIALS REGARDING GRIEF AND LOSS, CONTINUING EDUCATION PROGRAMS FOR PROFESSIONALS, AND ANNUAL MEMORIAL EVENTS THESE PROGRAMS HELP GRIEVING PEOPLE UNDERSTAND THEIR GRIEF EXPERIENCES AND PROVIDE THEM WITH PRACTICAL AND HELPFUL TOOLS FOR COPING WITH LOSS HOSPARUS FAMILIES MAY ACCESS THESE SERVICES AT NO CHARGE TO THEM FOR UP TO 13 MONTHS FOLLOWING A DEATH GRIEF COUNSELING CENTER STATISTICS ADULT INDIVIDUAL & FAMILY COUNSELING SESSIONS- 999, CHILD COUNSELING SESSIONS- 272, CLIENTS SERVED IN COUNSELING AND GROUP SESSIONS- 1,650, PARTICIPANTS WHO ATTENDED SPECIALIZED PROGRAMS- 547

4c (Code) (Expenses \$ 214,260 including grants of \$) (Revenue \$ 92,627)
KOURAGEOUS KIDS HOSPARUS STARTED THE NATION'S FIRST PEDIATRIC PROGRAM IN 1980 AND HAS CARED FOR MORE THAN 1,000 CHILDREN SINCE ITS INCEPTION ANNUALLY, HOSPARUS' KOURAGEOUS KIDS PROGRAM CARES FOR MORE THAN 70 TERMINALLY ILL CHILDREN AND THEIR FAMILIES, REGARDLESS OF THEIR FAMILY'S ABILITY TO PAY CHILDREN'S HOSPICE CARE IS A CONCEPT AND DELIVERY SYSTEM OF CARE THAT BRINGS TOGETHER PHYSICIANS, NURSES, SOCIAL WORKERS, CHAPLAINS, THERAPISTS, TEACHERS, AND VOLUNTEERS AS A TEAM THIS SYSTEM PROVIDES COMPREHENSIVE CARE FOR CHILDREN WITH LIFE-THREATENING CONDITIONS SO THEY AND THEIR FAMILIES MAY CONTINUE SPEND THE REST OF THEIR DAYS WITH THE BEST QUALITY OF LIFE POSSIBLE HOSPARUS RECORDED EXPENSES IN 2011 OF \$214,000 RELATED TO DIRECT KOURAGEOUS KIDS PROGRAM STAFF SALARIES AND DIRECT SUPPORT EXPENSES THE TOTAL ESTIMATED VALUE OF CHARITY CARE HOSPARUS PROVIDED FOR KOURAGEOUS KIDS WAS MORE THAN \$1 2MM THIS EXPENSE IS A COST ESTIMATE BASED ON THE ORGANIZATION WIDE COST TO CHARGE RATIO FOR CHARITY CARE HOSPARUS DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND THOSE AMOUNTS ARE EXCLUDED FROM NET PATIENT SERVICE REVENUE

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

4e Total program service expenses \$ 45,351,237

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		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> <input checked="" type="checkbox"/>	Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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>		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>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		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>		No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> <input checked="" type="checkbox"/>	Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.		
20b		

Part IV Checklist of Required Schedules (continued)

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

Table with columns for question number, question text, and Yes/No response. Rows include questions 1a through 14b regarding Form 1096, W-2G forms, employee reporting, foreign accounts, and charitable trusts.

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

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (21); 1b Enter the number of voting members included in line 1a, above, who are independent (21); 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? (Yes); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 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 Did the organization have members or stockholders? (No); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (No); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete 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 the Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did 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 (No); 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? (No); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed KY; 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 made these available. Check all that apply: Own website, Another's website, Upon request; 19 Describe in Schedule O whether (and if so, how), the organization made 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: SHARON ORMAN, 3532 EPHRAIM MCDOWELL DRIVE, LOUISVILLE, KY 40205, (502) 719-4112.

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

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							1,439,352	0	206,084	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶**13

	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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ADMINISTRATIVE INFO MANAGEMENT 10353 LINN STATION ROAD LOUISVILLE, KY 40223	HEALTH CARE SPENDING	317,306
DAHLEM ENTERPRISES INC 6200 DUTCHMANS LANE LOUISVILLE, KY 40205	PROPERTY MANAGEMENT SERVICES	225,322
PROSYS PO BOX 536761 ATLANTA, GA 30353	SOFTWARE SUPPORT	193,423
LAWTON MEDIA SERVICES INC 1315 EAST MAIN STREET NEW ALBANY, IN 47150	ADVERTISING SERVICES	176,905
YELLOW AMBULANCE PO BOX 2107 LOUISVILLE, KY 40201	PATIENT TRANSPORTATION	134,637

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

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a 190,482					
	b	Membership dues 1b					
	c	Fundraising events 1c 58,025					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 2,097,803					
	g	Noncash contributions included in lines 1a-1f \$ 325,085					
	h	Total. Add lines 1a-1f ▶ 2,346,310	2,346,310				
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE					
		Business Code 621610	52,086,625	52,086,625			
	b						
	c						
	d						
	e						
	f	All other program service revenue	0	0	0	0	
g	Total. Add lines 2a-2f ▶	52,086,625					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶	259,947			259,947	
	4	Income from investment of tax-exempt bond proceeds . . . ▶	0				
	5	Royalties ▶	0				
	6a		(i) Real				
			(ii) Personal				
		b	Gross rents 13,781				
		c	Less rental expenses 7,407				
	d	Rental income or (loss) 6,374 0	6,374		6,889	-515	
	7a		(i) Securities				
			(ii) Other				
		b	Gross amount from sales of assets other than inventory 6,506,101				
		c	Less cost or other basis and sales expenses 6,404,719				
	d	Gain or (loss) 101,382 0	101,382			101,382	
	8a	Gross income from fundraising events (not including \$ 58,025 of contributions reported on line 1c) See Part IV, line 18 a 588,230					
	b	Less direct expenses b 174,847					
c	Net income or (loss) from fundraising events . . . ▶	413,383			413,383		
9a		Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities . . . ▶	0				
10a		Gross sales of inventory, less returns and allowances a 2,763					
	b	Less cost of goods sold b 4,945					
	c	Net income or (loss) from sales of inventory . . . ▶	-2,182	-2,182			
	Miscellaneous Revenue	Business Code					
11a	MISCELLANEOUS	900099	10,770	10,770			
b							
c							
d	All other revenue		0	0	0	0	
e	Total. Add lines 11a-11d ▶		10,770				
12	Total revenue. See Instructions ▶		55,222,609	52,095,213	6,889	774,197	

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)

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

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 United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States 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	747,328	127,503	587,339	32,486
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	25,114,748	21,466,712	2,681,773	966,263
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	5,049,028	4,267,464	620,538	161,026
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	122,524		122,524	
c	Accounting	50,159		50,159	
d	Lobbying	16,125	16,125		
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	46,522		46,522	
g	Other	476,957	96,492	221,959	158,506
12	Advertising and promotion	465,108	348,831	116,277	
13	Office expenses	1,153,815	903,918	185,581	64,316
14	Information technology	0			
15	Royalties	0			
16	Occupancy	718,639	287,456	388,065	43,118
17	Travel	1,179,877	1,138,064	23,747	18,066
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	106,577	30,353	66,279	9,945
20	Interest	4,323		4,323	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	1,034,470	413,788	558,614	62,068
23	Insurance	162,671	65,067	87,843	9,761
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	NURSING HOME CARE	6,549,152	6,549,152		
b	DRUGS & MEDICATIONS	4,011,400	4,011,400		
c	HOSPITAL AND PATIENT SERVICES	2,793,986	2,793,986		
d	DURABLE MEDICAL EQUIPMENT	1,760,200	1,760,200		
e					
f	All other expenses	1,241,415	1,074,726	136,601	30,088
25	Total functional expenses. Add lines 1 through 24f	52,805,024	45,351,237	5,898,144	1,555,643
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	0			

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	674,654	1	2,082,501
	2 Savings and temporary cash investments	6,888,775	2	7,501,383
	3 Pledges and grants receivable, net	1,505,801	3	1,209,070
	4 Accounts receivable, net	6,985,155	4	5,918,240
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	9,232	8	6,787
	9 Prepaid expenses and deferred charges	349,242	9	308,301
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	16,576,258		
	b Less accumulated depreciation	6,061,414	10c	10,514,844
	11 Investments—publicly traded securities	8,041,000	11	8,525,434
	12 Investments—other securities See Part IV, line 11	0	12	0
	13 Investments—program-related See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	0	15	0
16 Total assets. Add lines 1 through 15 (must equal line 34)	30,309,081	16	36,066,560	
Liabilities	17 Accounts payable and accrued expenses	6,204,298	17	6,357,763
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	575,308	23	4,322,791
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	0	25	0
	26 Total liabilities. Add lines 17 through 25	6,779,606	26	10,680,554
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	20,999,201	27	21,759,674
	28 Temporarily restricted net assets	1,479,661	28	2,575,719
	29 Permanently restricted net assets	1,050,613	29	1,050,613
	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	23,529,475	33	25,386,006	
34 Total liabilities and net assets/fund balances	30,309,081	34	36,066,560	

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	55,222,609
2	Total expenses (must equal Part IX, column (A), line 25)	2	52,805,024
3	Revenue less expenses Subtract line 2 from line 1	3	2,417,585
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	23,529,475
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-561,054
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	25,386,006

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
HOSPARUS INC

Employer identification number

61-0921718

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 **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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,205,856	3,232,464	3,025,423	3,733,702	2,346,310	14,543,755
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	2,205,856	3,232,464	3,025,423	3,733,702	2,346,310	14,543,755
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)						575,995
6 Public Support. Subtract line 5 from line 4						13,967,760

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	2,205,856	3,232,464	3,025,423	3,733,702	2,346,310	14,543,755
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	233,017	150,914	67,041	165,573	262,779	879,324
9 Net income from unrelated business activities, whether or not the business is regularly carried on					6,889	6,889
10 Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets	0	0	0	13,306	10,770	24,076
11 Total support (Add lines 7 through 10)						15,454,044

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 2011 (line 6 column (f) divided by line 11 column (f)) **14** 90.380%**15** Public Support Percentage for 2010 Schedule A, Part II, line 14 **15** 94.280%**16a 33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization **18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

OTHER INCOME, SCHEDULE A, PART II, LINE 10, DESCRIPTION - , COLUMN A - , COLUMN B - , COLUMN C - , COLUMN D - 13306, COLUMN E - 10770, COLUMN F - 13306,,

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

Complete if the organization is described below.

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

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

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

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

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

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

Name of the organization HOSPARUS INC

Employer identification number

61-0921718

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

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
4a Was a correction made?
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check if the filing organization checked box A and "limited control" provisions apply

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		16,540
j Total lines 1c through 1i			16,540
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	HOSPARUS, INC PAYS DUES TO GREATER LOUISVILLE INC IN THE AMOUNT OF \$2,500, AMERICAN HEALTH INFORMATION MANAGEMENT ASSOCIATION IN THE AMOUNT OF \$175, KENTUCKY ASSISTED LIVING FACILITIES ASSOCIATION IN THE AMOUNT OF \$375, THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT IN THE AMOUNT OF \$180, AND THE NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION IN THE AMOUNT OF \$29,225 A PORTION OF THE DUES IN THE AMOUNT OF \$75, \$53, \$28, \$14 AND \$245, RESPECTIVELY, WAS SPENT ON LOBBYING ACTIVITY IN ADDITION, THE ORGANIZATION PAID \$16,125 TO CAPITOL SOLUTIONS, LLC FOR DIRECT LOBBYING EFFORTS

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization HOSPARUS INC

Employer identification number 61-0921718

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

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

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically importantly land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), 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?

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1
(ii) Assets included in Form 990, Part X

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

a Revenues included in Form 990, Part VIII, line 1
b Assets included in Form 990, Part X

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

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

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

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

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

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

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

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

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

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	8,066,277	6,518,334	5,265,492	4,794,580	
b Contributions		991,825	731,297	385,104	
c Investment earnings or losses	-14,828	688,102	541,954	107,454	
d Grants or scholarships					
e Other expenditures for facilities and programs	7,015,664	131,984	20,409	21,646	
f Administrative expenses					
g End of year balance	1,035,785	8,066,277	6,518,334	5,265,492	

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

- a** Board designated or quasi-endowment
- b** Permanent endowment 100.000 %
- c** Term endowment

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

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

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

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

Description of property	(a) Cost or other basis (Investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,396,898		2,396,898
b Buildings		5,531,260	733,823	4,797,437
c Leasehold improvements		1,036,431	443,138	593,293
d Equipment		7,232,121	4,884,453	2,347,668
e Other		379,548		379,548
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				10,514,844

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	55,222,609
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	52,805,024
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,417,585
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net) Add lines 4 - 8	9	0
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,417,585

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	0
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	0

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

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	0
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	0

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
ENDOWMENT FUND EXPENDITURES	SCHEDULE D, PART IV, LINE 1E	ENDOWMENT FUND EXPENDITURES INCLUDE AN ADJUSTMENT OF \$7,015,664 THIS AMOUNT IS AN ADJUSTMENT TO THE BEGINNING ENDOWMENT BALANCE FROM 2010 OF \$8,066,277 THE ADJUSTMENT WAS MADE BECAUSE IN PRIOR YEARS, BOARD DESIGNATED FUNDS WERE CLASSIFIED INCORRECTLY AS ENDOWED ASSETS
Intended uses of endowment funds	Schedule D, Part V, Line 4	THE EARNINGS FROM THE ENDOWMENTS ARE TO BE USED FOR OPERATIONS AND TREATMENT OF THE INDIGENT AND SICK IN LOUISVILLE, KENTUCKY
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	THE ORGANIZATION IS EXEMPT FROM INCOME TAXES ON INCOME FROM RELATED ACTIVITIES UNDER SECTION 501 (C)(3) OF THE U S INTERNAL REVENUE CODE AND CORRESPONDING STATE TAX LAW ACCORDINGLY, NO PROVISION HAS BEEN MADE FOR FEDERAL OR STATE INCOME TAXES U S GAAP REQUIRES THAT A TAX POSITION IS RECOGNIZED AS A BENEFIT ONLY IF IT IS "MORE LIKELY THAN NOT" THAT THE TAX POSITION WOULD BE SUSTAINED IN A TAX EXAMINATION, WITH A TAX EXAMINATION BEING PRESUMED TO OCCUR THE AMOUNT RECOGNIZED IS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED ON EXAMINATION FOR TAX POSITIONS NOT MEETING THE "MORE LIKELY TAN NOT" TEST, NO TAX BENEFIT IS RECORDED DUE TO ITS TAX-EXEMPT STATUS, THE ORGANIZATION IS NOT SUBJECT TO U S FEDERAL INCOME TAX OR STATE INCOME TAX THE ORGANIZATION'S FORM 990 HAS NOT BEEN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE OR THE STATE OF KENTUCKY FOR TH LAST THREE YEARS THE ORGANIZATION DOES NOT EXPECT THE TOTAL AMOUNT OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT 12 MONTHS THE ORGANIZATION RECOGNIZES INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE THE ORGANIZATION DID NOT HAVE ANY AMOUNTS ACCRUED FOR INTEREST AND PENALTIES AT DECEMBER 31, 2011 AND 2010 SINCE BUILDING IS A SINGLE-MEMBER LIMITED LIABILITY COMPANY ("LLC") ALL IS INCLUDED IN THE TAXABLE INCOME OF THE INDIVIDUAL MEMBER (ORGANIZATION), THUS, NO FEDERAL OR STATE INCOME TAXES ARE INCLUDED IN THESE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

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

Department of the Treasury Internal Revenue Service

Name of the organization HOSPARUS INC

Employer identification number

61-0921718

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

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

- a Mail solicitations
b Internet and e-mail solicitations
c Phone solicitations
d In-person solicitations
e Solicitation of non-government grants
f Solicitation of government grants
g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

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

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions? (Yes/No), (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization.

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

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>STYLE SHOW</u> (event type)	<u>GALA</u> (event type)	<u>12</u> (total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	210,449	184,251	251,245	645,945
	2 Less Charitable contributions	41,250	10,525	6,250	58,025
	3 Gross income (line 1 minus line 2)	169,199	173,726	244,995	587,920
Direct Expenses	4 Cash prizes				0
	5 Non-cash prizes				0
	6 Rent/facility costs				0
	7 Food and beverages				0
	8 Entertainment				0
	9 Other direct expenses	30,097	75,967	65,910	171,974
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(171,974)
11 Net income summary Combine lines 3 and 10 in column (d) ▶				415,946	

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No	
7 Direct expense summary Add lines 2 through 5 in column (d) ▶				()	
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

- 11** Does the organization operate gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a
b An outside facility	13b

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

Name ▶

Address ▶

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

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

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

- Director/officer Employee Independent contractor

- 17** Mandatory distributions
- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

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

Identifier	ReturnReference	Explanation
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Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
HOSPARUS INC

Employer identification number

61-0921718

Part I Questions Regarding Compensation

Yes No

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

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

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

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

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

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

a Receive a severance payment or change-of-control payment?

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

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

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

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

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

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) PHILLIP MARSHALL	(i) (ii)	212,242 0	56,899 0	388 0	34,532 0	20,804 0	324,865 0	0 0
(2) SHARON ANN ORMAN	(i) (ii)	131,419 0	14,312 0	552 0	6,109 0	15,065 0	167,457 0	0 0
(3) JOSEPH ROTELLA MD	(i) (ii)	210,016 0	19,864 0	584 0	9,478 0	15,065 0	255,007 0	0 0
(4) THOMAS WAYNE MCKAIN MD	(i) (ii)	165,061 0	9,492 0	1,032 0	7,191 0	20,804 0	203,580 0	0 0
(5) VICKIE CAROL LOWE JONES	(i) (ii)	158,969 0	8,000 0	360 0	0 0	20,804 0	188,133 0	0 0
(6) JAMES GAFFNEY	(i) (ii)	160,990 0	486 0	573 0	1,387 0	20,804 0	184,240 0	0 0
(7) TERRI GRAHAM	(i) (ii)	136,324 0	7,512 0	1,032 0	5,832 0	7,173 0	157,873 0	0 0
(8) DAVID COOK	(i) (ii)	131,163 0	11,844 0	238 0	5,971 0	15,065 0	164,281 0	0 0

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
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	\$23,157 WAS CONTRIBUTED TO THE SUPPLEMENTAL NON QUALIFIED RETIREMENT PLAN OF PHILLIP MARSHALL, PRESIDENT/CEO

SCHEDULE M (Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization HOSPARUS INC

Employer identification number

61-0921718

Part I Types of Property

Table with 4 columns: (a) Check if applicable, (b) Number of Contributions or items contributed, (c) Contribution amounts reported on Form 990, Part VIII, line 1g, (d) Method of determining contribution amounts. Rows include Art, Books, Clothing, Cars, Boats, Intellectual property, Securities, etc.

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29 0

Table with 3 columns: Question, Yes, No. Rows include 30a, 31, 32a, 33 regarding contribution reporting and policies.

Part II

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

Identifier	Return Reference	Explanation
Number of contributions or items contributed	Schedule M, part I, column (b), Line 5	
Number of contributions or items contributed	Schedule M, part I, column (b), Line 9	

Schedule M (Form 990) 2011

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

2011

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization HOSPAPUS INC	Employer identification number 61-0921718
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Identifier	Return Reference	Explanation
ORGANIZATIONS MISSION	FORM 990, PART III, LINE 1	(CONTINUED FROM PAGE 2, PART III, LINE 1) OUR HOSPAPUS GRIEF COUNSELING CENTER OFFERS THE AREA'S MOST COMPREHENSIVE PROGRAMS AND SERVICES FOR CHILDREN, ADOLESCENTS, ADULTS AND FAMILIES WHO ARE STRUGGLING WITH LOSS HOSPAPUS STARTED THE NATION'S FIRST PEDIATRIC PROGRAM IN 1980 AND HAS CARED FOR MORE THAN 1,000 CHILDREN SINCE ITS INCEPTION ANNUALLY, OUR VOLUNTEERS DONATE OVER 40,000 HOURS OF THEIR TIME
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	(CONTINUED FROM PAGE 2, PART III, LINE 4A) THE CENTER OFFERS PATIENTS SHORT-TERM CARE IN PRIVATE ROOMS TO TREAT CHRONIC PAIN AND OTHER SYMPTOMS ASSOCIATED WITH LIFE-LIMITING ILLNESSES NOT RESPONSIVE TO HOME-CARE SUCH AS RESPIRATORY DISTRESS, END-STAGE CARDIAC SYMPTOMS, AND NAUSEA AND VOMITING TO LEARN MORE ABOUT HOSPAPUS, VISIT WWW.HOSPAPUS.ORG
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	THE EXECUTIVE COMMITTEE SHALL BE CONVENED BY THE CHAIRPERSON WHEN A MATTER OF BUSINESS REQUIRES ACTION DURING THE INTERIM BETWEEN REGULAR MEETINGS OF THE BOARD OF DIRECTORS, OR IN THE EVENT THAT A REGULAR MEETING OF THE BOARD CANNOT TAKE ACTION DUE TO THE ABSENCE OF A QUORUM AT THE REGULAR MEETING THE EXECUTIVE COMMITTEE SHALL TAKE NO ACTION IN CONFLICT WITH THE EXPRESS POLICIES OF THE BOARD THE EXECUTIVE COMMITTEE SHALL EVALUATE THE PERFORMANCE OF THE PRESIDENT/CEO AT LEAST ANNUALLY AND SHALL REVIEW AND DISCUSS THE EVALUATION WITH THE PRESIDENT/CEO THE EXECUTIVE COMMITTEE SHALL PRESENT TO THE BOARD OF DIRECTORS RECOMMENDATIONS REGARDING COMPENSATION FOR THE PRESIDENT/CEO
Family/business relationships amongst interested persons	Form 990, Part VI, Section A, Line 2	JOHN MCCALL AND CHRISTIAN FURMAN - BUSINESS RELATIONSHIP, JOHN MCCALL AND DEBRA WALTON - BUSINESS RELATIONSHIP
Significant changes to organizational documents	Form 990, Part VI, Section A, Line 4	THE FOLLOWING ARTICLES IN THE AMENDED AND RESTATED BYLAWS OF HOSPAPUS INC ARE REVISED SECTION 3 2 - NUMBER OF DIRECTORS THE BOARD OF DIRECTORS SHALL BE COMPOSED OF AT LEAST 15 BUT LESS THAN 30 MEMBERS, AS DETERMINED FROM TIME TO TIME BY THE BOARD ALL DIRECTORS SHALL HAVE IDENTICAL RIGHTS AND RESPONSIBILITIES THE PRESIDENT/CEO SHALL NOT BE A MEMBER OF THE BOARD OF DIRECTORS SECTION 3 3 - TENURE EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH DIRECTOR SHALL BE ELECTED TO SERVE A TWO-YEAR TERM AND MAY BE RE-ELECTED FOR TWO (2) ADDITIONAL TWO-YEAR TERMS AFTER SIX (6) CONSECUTIVE YEARS AS A DIRECTOR, AN INDIVIDUAL SHALL NOT BE ELIGIBLE FOR RE-ELECTION UNTIL AFTER THE LAPSE OF ONE (1) YEAR, PROVIDED, HOWEVER, THAT IN THE DISCRETION OF THE BOARD, A MEMBER OF THE BOARD MAY BE ALLOWED TO SERVE AN ADDITIONAL TWO (2) YEARS IN ADDITION TO THEIR THREE (3) TWO-YEAR TERMS WITHOUT WAITING FOR THE LAPSE OF ONE (1) YEAR SECTION 3 4 - BOARD MEMBERS MEMBERS OF THE BOARD OF DIRECTORS SHALL ADHERE TO ALL POLICES AND PROCEDURES ESTABLISHED BY THE BOARD AND SHALL BE FAITHFUL IN THEIR SERVICE TO THE VISION AND MISSION OF THE CORPORATION SECTION 3 6 - NOMINATION AND ELECTION THE PLANNING & BOARD DEVELOPMENT COMMITTEE SHALL PRESENT A SLATE OF PROPOSED BOARD MEMBERS FOR ELECTION BY THE BOARD THE ADVANCEMENT & PUBLIC AFFAIRS SUBCOMMITTEES OF THE ADVANCEMENT & PUBLIC AFFAIRS COMMITTEE (ALSO KNOWN AS "COMMUNITY BOARDS") AT EACH OF HOSPAPUS SOUTHERN INDIANA AND HOSPAPUS CENTRAL KENTUCKY SHALL BE ENTITLED TO HAVE TWO (2) MEMBERS EACH ON THE BOARD OF DIRECTORS, AND THE COMMUNITY BOARD AT HOSPAPUS BARREN RIVER SHALL BE ENTITLED TO ONE (1) MEMBER ON THE BOARD OF DIRECTORS EACH COMMUNITY BOARD SHALL NOMINATE ITS RESPECTIVE NUMBER OF PROPOSED MEMBERS TO THE PLANNING & BOARD DEVELOPMENT COMMITTEE FOR INCLUSION IN THE SLATE OF BOARD MEMBERS TO BE PROPOSED TO THE BOARD FOR ELECTION ANY BOARD MEMBER REPRESENTING THE COMMUNITY BOARDS SHALL SERVE A TWO-YEAR TERM AND MAY BE RE-ELECTED FOR TWO (2) ADDITIONAL TWO-YEAR TERMS ANY NEWLY ELECTED BOARD MEMBERS SHALL TAKE OFFICE IMMEDIATELY FOLLOWING THE CLOSE OF THE MEETING AT WHICH THEY ARE ELECTED OR AT SUCH LATER DATE AS MAY BE DETERMINED BY THE BOARD SECTION 4 1 - POSITIONS THERE SHALL BE FIVE (5) ELECTED OFFICERS OF THE CORPORATION CHAIR, CHAIR ELECT, IMMEDIATE PAST CHAIR, SECRETARY AND TREASURER, AND ALL OF THESE OFFICERS SHALL BE VOTING MEMBERS OF THE BOARD OF DIRECTORS THE ROLES AND QUALIFICATIONS OF THESE OFFICERS SHALL BE DETERMINED BY THE BOARD IN ITS POLICIES SECTION 4 2 - NOMINATIONS AND ELECTION THE PLANNING & BOARD DEVELOPMENT COMMITTEE SHALL PRESENT A SLATE OF OFFICERS TO THE BOARD OF DIRECTORS THE NOMINATED OFFICERS SHALL BE DRAWN FROM AMONG THE MEMBERS OF THE BOARD OF DIRECTORS THE ELECTION OF OFFICERS SHALL BE HELD AT THE ANNUAL MEETING OF THE BOARD, IMMEDIATELY FOLLOWING THE ELECTION OF THE BOARD MEMBERS THE NEWLY ELECTED OFFICERS SHALL TAKE OFFICE IMMEDIATELY FOLLOWING THE CLOSE OF THE MEETING AT WHICH THEY ARE ELECTED SECTION 4 5 - SUCCESSION IN CASES OF TEMPORARY ABSENCE, THE SUCCESSION SHALL BE CHAIR, CHAIR ELECT, TREASURER, SECRETARY AND IMMEDIATE PAST CHAIR IN THE EVENT THAT THE ELECTED CHAIR IS UNABLE TO FULFILL HIS/HER TERM, THE CHAIR ELECT SHALL BECOME CHAIR UNTIL SUCH TIME AS THE BOARD MAY ELECT A NEW CHAIR THE CHAIR ELECT POSITION SHALL AUTOMATICALLY SUCCEED TO THE CHAIR AT THE EXPIRATION OF THE CHAIR'S TERM UNLESS THE CHAIR ELECT IS NOT CONFIRMED BY THE ELECTION OF THE BOARD SECTION 5 1 - REGULAR AND ANNUAL MEETING THE BOARD SHALL MEET AT LEAST FOUR (4) TIMES PER YEAR, ONE OF WHICH SHALL BE THE ANNUAL MEETING NOTICE OF ALL REGULAR MEETINGS OF THE BOARD AND AN AGENDA OF ALL ITEMS TO BE DISCUSSED AT SUCH MEETINGS, AND AGENDA SUPPORT MATERIAL SHALL BE GIVEN TO EACH DIRECTOR AT LEAST SEVEN (7) DAYS PRIOR TO THE DATE OF MEETING BUSINESS OF THE BOARD MAY BE CONDUCTED BY TELEPHONIC CONFERENCE CALL OR VIDEO CONFERENCE SECTION 5 3 - QUORUM A QUORUM FOR MEETINGS OF THE BOARD OF DIRECTORS SHALL CONSIST OF ONE-HALF OF THE THEN CURRENT BOARD MEMBERSHIP PLUS ONE (1) OF THE DIRECTORS, AND A MAJORITY VOTE OF THESE PRESENT SHALL DECIDE ALL QUESTIONS EXCEPT AS OTHERWISE PROVIDED HEREIN ARTICLE VI THE BOARD OF DIRECTORS SHALL HAVE THE DISCRETION TO APPOINT A PRESIDENT/CEO OF THE CORPORATION, WHO SHALL BE RESPONSIBLE FOR CARRYING OUT THE WORK OF THE CORPORATION IN ACCORDANCE WITH THE POLICIES ESTABLISHED FROM TIME TO TIME BY THE BOARD OF DIRECTORS THE PRESIDENT/CEO SHALL NOT BE A MEMBER OF THE BOARD SECTION 7 2 - STANDING COMMITTEES AND SUBCOMMITTEES THE STANDING COMMITTEES OF THE BOARD SHALL BE THE EXECUTIVE COMMITTEE, GIFT ACCEPTANCE COMMITTEE, PLANNING & BOARD DEVELOPMENT COMMITTEE, ADVANCEMENT & PUBLIC AFFAIRS COMMITTEE (THE "APAC"), FINANCE & AUDIT COMMITTEE, TECHNOLOGY COMMITTEE, GROWTH COMMITTEE, SERVICE COMMITTEE, QUALITY ASSURANCE & PATIENT CARE COMMITTEE, (THE "QAPCC"), HUMAN RESOURCES COMMITTEE, AND SUCH OTHER COMMITTEES AS THE BOARD MAY ESTABLISH BY RESOLUTION FROM TIME TO TIME THE APAC SHALL HAVE THREE (3) STANDING SUBCOMMITTEES OR COMMUNITY BOARDS (1) HOSPAPUS SOUTHERN INDIANA ADVANCEMENT AND PUBLIC AFFAIRS SUBCOMMITTEE, (2) HOSPAPUS CENTRAL KENTUCKY ADVANCEMENT AND PUBLIC AFFAIRS SUBCOMMITTEE, AND (3) HOSPAPUS BARREN RIVER ADVANCEMENT AND PUBLIC AFFAIRS SUBCOMMITTEE THE QAPCC SHALL HAVE TWO (2) STANDING SUBCOMMITTEES (1) ETHICS SUBCOMMITTEE, AND (2) MEDICAL ADVISORY SUBCOMMITTEE SECTION 7 3 - COMMITTEE AND SUBCOMMITTEE COMPOSITION AND DIRECTION EACH COMMITTEE AND SUBCOMMITTEE SHALL OPERATE IN ACCORDANCE WITH THE RESPECTIVE AUTHORITY AND POLICIES ESTABLISHED FOR IT BY THE BOARD THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE OFFICERS (SEE SECTION 4 1) AND THE PRESIDENT/CEO, WHO SHALL BE A NONVOTING MEMBER, AND SHALL BE CHAIRED BY THE BOARD CHAIR THE BOARD CHAIR, IN CONSULTATION WITH THE PRESIDENT/CEO, SHALL SELECT THE CHAIRPERSON OF EACH OF THE OTHER STANDING BOARD DESIGNATED COMMITTEES AND SUBCOMMITTEES THE COMMITTEE OR SUBCOMMITTEE CHAIRPERSON, AS APPLICABLE, AND THE BOARD CHAIR, IN CONSULTATION WITH THE PRESIDENT/CEO, SHALL PRESENT A SLATE OF PROPOSED MEMBERS TO THE RESPECTIVE COMMITTEE UNLESS REAPPOINTED, THE CHAIRPERSON OF EACH RESPECTIVE COMMITTEE OR SUBCOMMITTEE SHALL SERVE IN THAT CAPACITY FOR ONE (1) YEAR OR UNTIL THE COMMITTEE OR SUBCOMMITTEE HAS ACCOMPLISHED ITS PURPOSE AND DISSOLVED, WHICHEVER OCCURS FIRST NOTWITHSTANDING ANYTHING ELSE CONTAINED IN THIS SECTION 7 3, AFTER TWO (2) CONSECUTIVE ONE-YEAR TERMS, THE CHAIRPERSON OF THE EXECUTIVE COMMITTEE SHALL NOT BE ELIGIBLE FOR REAPPOINTMENT AS THE CHAIRPERSON OF THE EXECUTIVE COMMITTEE
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	THE FORM 990 IS REVIEWED BY THE ORGANIZATION'S CFO, DIRECTOR OF FINANCE AND CONTROLLER A COPY OF THE FORM 990 AND FORM 990 SUMMARY REPORT IS PROVIDED TO THE GOVERNING BODY PRIOR TO FILING
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ANNUALLY THE BOARD OF DIRECTORS AND OFFICERS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE THE BOARD AND OFFICERS ARE QUESTIONED AS TO ANY NEW CONCERNS OR POTENTIAL CONFLICTS OF INTEREST SUCH CONCERNS ARE DISCUSSED AT QUARTERLY BOARD MEETINGS QUESTIONNAIRES ARE REVIEWED AND ANALYZED PRIOR TO THE FILING OF THE TAX RETURN BOARD MEMBERS ARE ASKED TO RECUSE THEMSELVES FROM ANY DISCUSSION ON TOPICS WHERE THEY HAVE CONFLICTS OF INTEREST
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE EXECUTIVE COMMITTEE EVALUATES, REVIEWS AND SETS THE CEO COMPENSATION THE COMMITTEE UTILIZES SURVEYS AND COMPARABLES OF SIMILAR ORGANIZATIONS WHEN DETERMINING COMPENSATION THESE DELIBERATIONS ARE CONTEMPORANEOUSLY DOCUMENTED THIS PROCESS OCCURRED IN 2011
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICIES ARE NOT REQUIRED TO BE DISCLOSED PUBLICLY PER IRC SECTION 6104 THESE DOCUMENTS MAY BE DISCLOSED BASED UPON THE DISCRETION OF THE BOARD OF DIRECTORS
OTHER EMPLOYEE BENEFITS	FORM 990, PART IX, LINE 9	PART IX, LINE 9, OTHER EMPLOYEE BENEFITS, INCLUDES EMPLOYER 401K MATCH CONTRIBUTIONS AND PAYROLL TAXES DUE TO THE ACCOUNTING SYSTEM UTILITZED, IT IS NOT POSSIBLE TO BREAK THESE AMOUNTS OUT SEPARATELY
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -450257, LOSS FROM UNCOLLECTIBLE PLEDGES - -62500, RESTATEMENT OF FINANCIAL STATEMENTS - -48297,

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

**Open to Public
Inspection**

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

Department of the Treasury
Internal Revenue Service

Name of the organization
HOSPARUS INC

Employer identification number

61-0921718

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
(1) 6200 BUILDING LLC 6200 DUTCHMANS LANE LOUISVILLE, KY 40207 45-3852488	COMMERICAL REAL ESTATE RENTAL	KY	13,781	4,473,056	HOSPARUS INC

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) PALLIATIVE CARE SERVICES INC 3532 EPHRAIM MCDOWELL DRIVE LOUISVILLE, KY 40205 61-1360897	PALLIATIVE CARE	KY	501(C)(3)	9	HOSPARUS INC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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 related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

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

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

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

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

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

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) PALLIATIVE CARE SERVICES INC	P	120,000	COST
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

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

Identifier**Return Reference****Explanation****Schedule R (Form 990) 2011**

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 61-0921718
Name: HOSPARUS INC

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DEBRA WALTON SECRETARY	2 00	X		X				0	0	0
G KENNETH KAPP TREASURER	2 00	X		X				0	0	0
JOHN MCCALL CHAIRMAN	2 00	X		X				0	0	0
RICK REMMERS IMMEDIATE PAST CHAIR	2 00	X		X				0	0	0
ROGER HARBESON CHAIR ELECT	2 00	X		X				0	0	0
ANDY KIM PARTIAL YEAR DIRECTOR	2 00	X						0	0	0
ARNOLD MYERS DIRECTOR	2 00	X						0	0	0
BARB CUTTER PARTIAL YEAR DIRECTOR	2 00	X						0	0	0
CATHY ZION DIRECTOR	2 00	X						0	0	0
CHRISTIAN FURMAN MD DIRECTOR	2 00	X						0	0	0
D MICHAEL COYLE DIRECTOR	2 00	X						0	0	0
DOUG HOWELL DIRECTOR	2 00	X						0	0	0
DREW HENSLEY DIRECTOR	2 00	X						0	0	0
ELLEN SHAPIRA DIRECTOR	2 00	X						0	0	0
GARY STEWART DIRECTOR	2 00	X						0	0	0
GEORGE WEBB MD DIRECTOR	2 00	X						0	0	0
JANICE MARTIN PARTIAL YEAR DIRECTOR	2 00	X						0	0	0
JIM RATTERMAN DIRECTOR	2 00	X						0	0	0
KATHY MERSHON DIRECTOR	2 00	X						0	0	0
KATHY NEUNER DIRECTOR	2 00	X						0	0	0
LEO FANTE DIRECTOR	2 00	X						0	0	0
MARCUS EDWARDS DIRECTOR	2 00	X						0	0	0
RACHAEL HAMILTON DIRECTOR	2 00	X						0	0	0
WILLIAM DUFFY DIRECTOR	2 00	X						0	0	0
PHILLIP MARSHALL PRESIDENT/CEO	40 00			X				269,529	0	55,336

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SHARON ANN ORMAN VP/CFO	40 00			X				146,283	0	21,174
JOSEPH ROTELLA MD VP/CMO	40 00				X			230,464	0	24,543
DAVID COOK CHIEF OPERATING OFFICER	40 00					X		143,245	0	21,036
JAMES GAFFNEY MEDICAL DIRECTOR	40 00					X		162,049	0	22,191
TERRI GRAHAM VP CLINICAL	40 00					X		144,868	0	13,005
THOMAS WAYNE MCKAIN MD MEDICAL DIRECTOR	40 00					X		175,585	0	27,995
VICKIE CAROL LOWE JONES MEDICAL DIRECTOR	40 00					X		167,329	0	20,804